COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

RESOLUTION NO. 104-2014
Adopted December 16, 2014

CONDITIONALLY APPROVING SCHEMATIC DESIGNS FOR THE ALICE GRIFFITH BLOCK 1 DEVELOPMENT, WHICH IS PART OF PHASE 3 OF THE ALICE GRIFFITH HOUSING DEVELOPMENT PURSUANT TO THE CANDLESTICK POINT AND HUNTERS POINT SHIPYARD PHASE 2 DISPOSITION AND DEVELOPMENT AGREEMENT AND APPROVING A VARIANCE FROM THE CANDLESTICK DESIGN FOR DEVELOPMENT GRADE SEPARATION REQUIREMENT FOR TWO UNITS ADJACENT TO BLOCK 1’S MAIN ENTRANCE; AND ADOPTING ENVIRONMENTAL REVIEW FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA

WHEREAS, Under Chapter 5, Statutes of 2011, Assembly Bill No. 1X26 (Chapter 5, Statutes of 2011-12, First Extraordinary Session), and Assembly Bill No. 1484 (Chapter 26, Statutes of 2011-12, Regular Session) (collectively, the “Dissolution Law”), the San Francisco Redevelopment Agency (“SFRA”) was dissolved and the non-housing assets and obligations of SFRA were transferred to the Successor Agency to the Redevelopment Agency of the City and County of San Francisco (“Successor Agency”), now known as the Office of Community Investment and Infrastructure or “OCII,” by operation of law; and,

WHEREAS, As required by the Dissolution Law, the oversight board for OCII was established (the “Oversight Board”) to oversee certain fiscal matters of OCII. The Oversight Board has been meeting since March 2012 to perform its duties under the Dissolution Law; and,

WHEREAS, On October 2, 2012, the Board of Supervisors in its capacity as the legislative body of the Successor Agency adopted Ordinance No. 215-12, acknowledging that OCII is a separate legal entity as a result of AB 1484, creating the Community Investment and Infrastructure Commission (the “Commission”) as the policy body of OCII, and delegating to the Commission the authority to act in place of the SFRA to among other matters, implement, modify, enforce and complete the SFRA’s enforceable obligations, approve all contracts and actions related to the assets transferred to or retained by the Commission, including, without limitation, the authority to exercise land use, development, and design approval, consistent with the applicable enforceable obligations, and take any action that the Dissolution Law requires or authorizes on behalf of the Successor Agency, and,

WHEREAS, The Board of Supervisors’ delegation to the Commission, includes the authority to grant approvals under specified land use controls for the Candlestick Point and Phase 2 of the Hunters Point Shipyard Project (the “Project”); and,

WHEREAS, In connection with the Project, the Board of Supervisors on August 3, 2010, approved amendments to the Hunters Point Shipyard Redevelopment Plan and the Bayview Hunters Point Redevelopment Plan by ordinances 210-10 and 211-10, respectively (the “Redevelopment Plans”), the SFRA approved the Candlestick Point Design for Development and the Hunters Point Shipyard Phase 2 Design for Development (the “Design for Development Documents”) by Resolution 62-2010 and the SFRA and CP Development Co., LP (“Master Developer”) entered into a
Disposition and Development Agreement (Candlestick Point and Hunters Point Shipyard Phase 2), dated June 3, 2010 (the “DDA”) by Resolution 69-2010. The DDA was amended on December 18, 2012, a First Amendment to the DDA, by OCII Resolution No. 3-2012; and,

WHEREAS, The DDA establishes the Master Developer’s rights to develop within the parameters of the Redevelopment Plans and Design for Development Documents and incorporates through exhibits and attachments various Project documents including the Design Review and Document Approval Procedure (“DRDAP”), Below Market-Rate (“BMR”) Housing Plan, Transportation Plan, Infrastructure Plan, Community Benefits Plan, Design for Development Documents, Open Space Plan and Sustainability Plan and other documents (together, “Project Documents”); and,

WHEREAS, The BMR Housing Plan stipulates that 31.36% or 3,345 units of 10,500 units be below-market rate units, including a one-for-one replacement of the existing Alice Griffith public housing units (“Alice Griffith Replacement Units”), OCII affordable units, inclusionary units and workforce units. Three primary groups of providers will develop the BMR units: (1) the OCII and qualified housing developers selected by OCII will develop the 1,140 OCII Affordable Units on the OCII Lots; (2) the developer of the Alice Griffith Replacement Units (“Alice Griffith Developer”) will develop 256 Alice Griffith Replacement Units and 248 OCII Affordable Units on the Alice Griffith lots; and (3) vertical developers, including Master Developer and its affiliates, will develop 809 Inclusionary Units and 892 Workforce Units in accordance with the BMR Housing Plan; and,

WHEREAS, McCormack Baron Salazar (“MBS”) has been selected by the Master Developer to form a limited liability company called Double Rock Ventures, LLC (the “Alice Griffith Developer”) to act as the developer for the Alice Griffith Replacement Units; and,

WHEREAS, All of the 256 Alice Griffith Replacement Units will be replaced and integrated into newly constructed buildings developed by the Alice Griffith Developer and will include 248 new affordable units. The first phases of new homes will be built on vacant land adjacent to the Project site meaning that existing residents will have the opportunity to move directly from their existing homes into new homes without leaving their community or risking displacement; and,

WHEREAS, The DDA is an enforceable obligation under the Dissolution Law and shown on line HPSY 30 of the Recognized Obligation Payment Schedule for June to December 2014, which was approved by the Oversight Board and the California Department of Finance (“DOF”). On December 14, 2012, DOF issued a final and conclusive determination under California Health and Safety Code § 34177.5 (i), that the Phase 1 DDA and the Phase 2 DDA are enforceable obligations that survived the dissolution of the Redevelopment Agency; and,

WHEREAS, The Alice Griffith Developer has submitted Alice Griffith Block 1 Schematic Designs (“Alice Griffith Designs”); and,

WHEREAS, In accordance with the DRDAP, OCII staff has determined that the Alice Griffith Designs submission is consistent with the DDA, the Bayview Hunters Point Redevelopment Plan (the “Plan”) and the Candlestick Design for Development Documents (“D for D”) and,
WHEREAS, The Plan and the D for D have provisions that allow a Commission approval of variances where it is found that physical constraints or other extraordinary circumstances create practical difficulties for development and create an undue hardship for the developer or constitute an unreasonable limitation beyond the intent of the Redevelopment Plan and D for D. “Variances” must meet the intent and purpose of the Redevelopment Plan and D for D and can’t be detrimental to the public welfare or materially injurious to neighboring property or improvements in the vicinity; and,

WHEREAS, The Candlestick D for D requires that ground floor units be two feet to four feet above street level (“Grade Separation Requirement”); however, the main building entry may be at street level. The two units adjacent to the main entry are designated UFAS (Uniform Federal Accessibility Standard) units which need to be accessible by wheelchair; and,

WHEREAS, These ground floor units have entries from both the exterior of the building as well as from the interior hallways. Maintaining the accessibility of these two UFAS units with a two to four foot grade change would require exterior ramps adjacent to the exterior entry stair, as well as complicated floor level changes with stairs and ramps inside the building to create an accessible path of travel to these two units. Additionally, an extra elevator stop for those two units would be required for accessibility purposes, resulting in additional development costs; and,

WHEREAS, Waiving the Grade Separation Requirement for the two units adjacent to the main entrance will eliminate the need for stairs and ramps to those units and allow for more direct pathway to those units for both the exterior and interior entry points, which will also keep the corner’s unique character at the pedestrian scale. At the same time it will eliminate the need for an up and down travel pattern at the interior of the building, therefore providing a better accessible route inside the building. Lastly, it will eliminate the need for an additional elevator stop, therefore avoiding increased development expenses; and,

WHEREAS, OCII staff has reviewed the requested variance and found that it is appropriate for the site and achieves the intent and purposes of the Plan and the D for D; and,

WHEREAS, OCII staff informed the Mayor’s Hunters Point Shipyards Citizens Advisory Committee (“CAC”) of the details of the Alice Griffith Designs during its meetings in November and December 2014. At the CAC’s December meeting, the CAC recommended approval of the Alice Griffith Designs; and,

WHEREAS, On June 3, 2010, the SFRA Commission by Resolution No. 58-2010 and the San Francisco Planning Commission by Motion No. 18096, certified the Final Environmental Impact Report (“FEIR”) for the Project as adequate, accurate, and objective and in compliance with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.) (“CEQA”) and the CEQA Guidelines (14 California Code of Regulations Sections 15000 et seq.); the Board of Supervisors affirmed the Planning Commission’s certification of the FEIR by Motion No. 10-110 on July 14, 2010; and,

WHEREAS, As part of its approval of the Project on June 3, 2010, in addition to certifying the FEIR, the SFRA Commission, by Resolution No. 59-2010 adopted findings pursuant to CEQA, regarding the alternatives, mitigation measures, and significant environmental effects analyzed in the FEIR, including a Mitigation Monitoring and Reporting Program and a Statement of Overriding Considerations for the Project, which findings are incorporated into this Resolution by this reference; and,
WHEREAS, Subsequent to the certification of the FEIR, the Planning Department, at the request of OCII and in response to changes proposed in the Project as part of the first major phase and sub-phase applications, issued an addendum to the FEIR (Addendum No. 1); and,

WHEREAS, Addendum No. 1 addresses changes to the phasing schedule for the Project and corresponding changes to the schedules for implementation of related transportation system improvements in the Transportation Plan, including the Transit Operating Plan, Infrastructure Plan and other public benefits; and minor proposed revisions in two adopted mitigations measures, TR-16 Widen Harney Way and UT-2 Auxiliary Water Supply System; and,

WHEREAS, Mitigation Measure TR-16 Widen Harney Way was amended to provide for implementation prior to issuance of the occupancy permit for the Candlestick Point Sub-Phase CP-02 instead of the first grading permit for Major Phase 1 of the Project, and to provide for a two-way cycle track on Harney Way rather than the previously proposed bicycle lane; and,

WHEREAS, Mitigation Measure UT-2 Auxiliary Water Supply System ("AWSS") was amended to no longer specify a loop system for the AWSS; and,

WHEREAS, Based on the analysis in Addendum No. 1, OCII concludes that the analyses conducted and the conclusions reached in the FEIR on June 3, 2010, remain valid and the proposed revisions to the Project and the two adopted mitigation measures will not cause new significant impacts not identified in the FEIR, and no new mitigation measures will be necessary to reduce significant impacts; further, other than as described in the Addendum No. 1 no Project changes have occurred, and no changes have occurred with respect to circumstances surrounding the proposed Project that will cause significant environmental impacts to which the Project will contribute considerably, and no new information has become available that shows that the Project will cause significant environmental impacts and, therefore, no supplemental environmental review is required under CEQA beyond the Addendum No. 1 to approve the first major phase and sub-phase applications; and,

WHEREAS, OCII staff has reviewed and considered the FEIR, the Addendum No. 1, and supporting documentation, in preparing necessary findings for the Commission’s consideration, and has made the FEIR, Addendum No. 1, and supporting documentation available for review by the Commission and the public and these files are part of the record before the Commission; and,

WHEREAS, Copies of the FEIR and Addendum No. 1 and supporting documentation are on file with the Commission Secretary and are incorporated in this Resolution by this reference; and,

WHEREAS, The approval of the Alice Griffith Designs is an undertaking pursuant to and in furtherance of the Project in conformance with CEQA Guidelines Section 15180; and,

WHEREAS, The FEIR and the CEQA Findings adopted by the SFRA Commission by Resolution No. 59-2010 on June 3, 2010, reflected the independent judgment and analysis of the SFRA Commission, were and, except for the minor amendments to mitigation measures TR-16 and UT-2, remain adequate, accurate and objective, and were prepared and adopted following the procedures required by CEQA, and the findings in such resolution are incorporated by this reference as applicable to the approval of the Alice Griffith Designs; and,
WHEREAS, OCII staff has reviewed the Alice Griffith Designs, and finds it acceptable and recommends approval of the Alice Griffith Designs and the associated variance described above; now, therefore, be it

RESOLVED, The Commission has considered the FEIR, the CEQA Findings that were previously adopted by the SFRA Commission, including the statement of overriding considerations and mitigation monitoring and reporting program and the Addendum No. 1, and the Commission adopts the CEQA Findings and Addendum No. 1 as its own, with the modifications to those findings as set forth in Commission Resolution No. 1-2014, which is hereby incorporated into this Resolution by this reference.

RESOLVED, The Commission finds and determines that the Alice Griffith Designs, as recommended for approval, are consistent with the Project as analyzed in the FEIR and requires no additional environmental review beyond the FEIR and Addendum No. 1 pursuant to CEQA Section 21166 and the CEQA Guidelines Sections 15180, 15162, 15163, and 15164; for the following reasons:

(1) Implementation of the Alice Griffith Designs does not require major revisions to the FEIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant impacts; and,

(2) No substantial changes have occurred with respect to the circumstances under which the project analyzed in the FEIR will be undertaken that would required major revisions to the FEIR due to the involvement of new significant environmental effects, or a substantial increase in the severity of effects identified in the FEIR; and,

(3) No new information of substantial importance to the project analysis in the FEIR has become available, which would indicate that (i) the Alice Griffith Designs will have significant effects not discussed in the FEIR; (ii) significant environmental effects will be substantially more severe; (iii) mitigation measures or alternatives found not feasible, which would reduce one or more significant effects, have become feasible; or (iv) mitigation measures or alternatives, which are considerably different from those in the FEIR, will substantially reduce one or more significant effects on the environment that would change the conclusions set forth in the FEIR; and, be it further

RESOLVED, That the Commission finds that the Alice Griffith Designs submission, including the associated variance, is complete pursuant to the DRDAP subject to satisfaction of the conditions below, is consistent with the DDA including the schedule of performance, the Plan, and the D for D; and, be it further

RESOLVED, That the Commission conditionally approves the Alice Griffith Designs submission and the associated variance, a copy of which is on file with the Secretary of the Commission, subject to the remaining design issues being resolved to the satisfaction of the Executive Director and any changes included in subsequent design stages, beginning with the Design Development phase as follows:

1. The building and landscaping materials, colors, finishes, lighting and architectural detailing shall be subject to further review during the Design Development phase. Updated material and color samples shall be provided as part of the review. A material and color mock-up of sufficient size to be built on the construction site
during an early phase of construction shall be prepared for review and approval to ensure consistency with this Schematic Design.

2. The location of the backflow preventers and other infrastructure equipment necessary for irrigation of the building landscaping shall be selected with the goal of minimizing its visual impact in the public realm and meeting building code requirements.

3. The final courtyard design is subject to further review and approval after the following have been addressed: Revise the design of the podium courtyard in order to better define the private areas from the common open space areas; Further analyze the possibility of using permeable pavers on the podium as treatment method for stormwater and reducing the use of cast in place planters; Study the possibility of providing private patios for courtyard units; and

4. MBS shall coordinate with the Master Developer and provide information on the interim design of the part of the mid-block break that is required for access and egress to the units facing the mid-block break. MBS will submit a plan describing access to those units in the interim condition.

RESOLVED, That the Commission authorizes the Executive Director to approve subsequent design documents related to this Alice Griffith Designs submission, beginning with the Design Development phase, that the Executive Director reasonably determines are in OCII's best interest or are necessary or convenient to implement the development of Phase 2 under the DDA, and the Major Phase as applicable, and further the goals of the Bayview Hunters Point Redevelopment Plan and the DDA, and, be it further

RESOLVED, That the Commission authorizes the Executive Director to take such other actions as may be necessary or appropriate, in consultation with the City Attorney's Office, to effectuate the purpose of the intent of this resolution.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of December 16, 2014.

[Signature]
Commission Secretary
MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Tiffany Bohee, Executive Director

SUBJECT: Conditionally approving Schematic Designs for the Alice Griffith Block 1 development, which is part of Phase 3 of the Alice Griffith Housing Development, pursuant to the Candlestick Point and Hunters Point Shipyard Phase 2 Disposition and Development Agreement and approving a Variance from the Candlestick Design for Development Grade Separation Requirement for two units adjacent to Block 1’s main entrance; and Adopting Environmental Review Findings pursuant to the California Environmental Quality Act; Bayview Hunters Point Redevelopment Project Area

Authorizing a First Amendment to a Permanent Loan Agreement with Double Rock Ventures LLC to modify source of funds, for the 93-unit Phase 1 of the HOPE SF Redevelopment of the Alice Griffith Public Housing site, consisting of replacement public housing units as well as other affordable housing units, 2600 Arelious Walker Drive; and Adopting Environmental Findings Pursuant to the California Environmental Quality Act; Bayview Hunters Point Redevelopment Project Area

Authorizing a First Amendment to a Permanent Loan Agreement with Double Rock Ventures LLC to modify source of funds, for the 91-unit Phase 2 of the HOPE SF Redevelopment of the Alice Griffith Public Housing site, consisting of replacement public housing units as well as other affordable housing units, 2700 Arelious Walker Drive; and Adopting Environmental Findings Pursuant to the California Environmental Quality Act; Bayview Hunters Point Redevelopment Project Area

EXECUTIVE SUMMARY

The Alice Griffith public housing development (the “Project” or “AG”) is a public housing asset owned by the San Francisco Housing Authority ("Housing Authority") located within the Candlestick portion of the Hunters Point Shipyard and Candlestick Point areas (together the “Shipyard Redevelopment Project”). CP Development Co, LP, is a partnership including the Lennar Corporation (“Lennar”) created for the purpose of redeveloping Hunters Point Shipyard Phase 2 and Candlestick Point. AG’s rebuild is an important community benefit that has been included in the Candlestick Point and Phase 2 of the Hunters Point Shipyard (“Phase 2”) Development and Disposition Agreement’s (“DDA”) Below-Market Rate (“BMR”) Housing Plan. The Project is also part of Phase 2’s first Major Phase. The overall plan for rebuilding the Project is to provide a total of 504 units that will include one-for-one replacement of all 256 existing AG units (“AG Replacement Units”) in an integrated development that will be complemented by an additional 248 new affordable units. The additional 248 affordable units
will be for families earning up to 50 percent area median income ("AMI") and are OCII Affordable Units as required under the BMR Housing Plan.

As a result of the project financing, AG is being developed in phases. Conditional Schematic Design approval for Phases 1 and 2 (Blocks 2 and 4) was granted in January 2014. The developer of the Project, is Double Rock Ventures, an affiliate of McCormack Baron Salazar ("AG Developer"). The AG Developer is now seeking Schematic Design approval of AG Phase 3, which is located on Block 1. The AG Schematic Design application follows the Phase 2 Design Review and Document Approval Process ("DRDAP") and is part of Phase 2’s first Major Phase and Sub-Phase, which were was approved in early 2014.

The AG Developer is also requesting a variance from the Candlestick Design for Development ("D for D") to provide increased access for two units adjacent to Block 1’s main entrance, which are designated Uniform Federal Accessibility Standard ("UFAS") units that need to be accessible by wheelchair. The D for D require that ground floor units be raised two to four feet above street level for privacy. Raising the two UFAS ground floor units by the required two to four feet would create the need for exterior stairs and ramps to access those units. However, if the units remained at grade level, a wheelchair user could conveniently access the unit directly from the street. Additionally, the grade level change would create complicated floor level changes (stairs and ramps) inside the building and would require an additional elevator stop for accessibility purposes, resulting in additional development costs.

In addition to AG’s Phase 3 schematic design approval, staff is recommending approval of an amendment to OCII’s loans to AG Developer for Phases 1 and 2 of AG. The DDA requires that Lennar provide a portion of the funds for the vertical development of AG, referred to as the Master Developer Subsidy ("MDS"). Those funds will be paid to OCII to be included with the OCII sources for the OCII loans to those phases. On May 16, 2014 the HOPE SF Loan Committee ("LC") approved those two permanent loans for the first two phases of the Alice Griffith Public Housing redevelopment ("Phase 1" and "Phase 2"). OCII Commission approved the loans for Phases 1 and 2 of AG with the AG Developer on July 15, 2014. The sources for the OCII loans are as follows:

<table>
<thead>
<tr>
<th>Phase</th>
<th>OCII Prior Year Bond Proceeds</th>
<th>Master Developer Subsidy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$3,421,679</td>
<td>$14,879,013</td>
</tr>
<tr>
<td>2</td>
<td>$3,699,043</td>
<td>$14,631,970</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$7,120,722</strong></td>
<td><strong>$29,510,983</strong></td>
</tr>
</tbody>
</table>

The approved loan agreements with AG Developer require that Lennar provide OCII with the full MDS at the close of construction financing for each phase of the development. Lennar has requested that OCII accept an irrevocable Letter of Credit from a bank for a portion of the MDS that is not anticipated to be needed until the end of construction. Additionally staff is proposing some administrative changes to the OCII loan to ensure consistency with the Master Development Agreement for AG, which was approved by the Commission on October 21, 2014, including incorporating the requirements of the Workforce Memorandum of Understanding and
Cashflow Memorandum of Understanding that were approved as part of the Master Development Agreement for AG.

Staff recommends adopting environmental review findings pursuant to the California Environmental Quality Act, conditionally approving Schematic Designs for AG Phase 3, Block 1, and granting a Variance from the Candlestick Design for Development Grade Separation Requirement for two units adjacent to Block 1’s main entrance.

Staff recommends authorizing a First Amendment to a Permanent Loan Agreement with Double Rock Ventures LLC to modify source of funds, for the 93-unit Phase 1 of the HOPE SF Redevelopment of the Alice Griffith Public Housing site; and Adopting Environmental Findings Pursuant to the California Environmental Quality Act; Bayview Hunters Point Redevelopment Project Area

Staff recommends authorizing a First Amendment to a Permanent Loan Agreement with Double Rock Ventures LLC to modify source of funds, for the 91-unit Phase 2 of the HOPE SF Redevelopment of the Alice Griffith Public Housing site; and Adopting Environmental Findings Pursuant to the California Environmental Quality Act; Bayview Hunters Point Redevelopment Project Area

DISCUSSION

Hunters Point Shipyard and Candlestick Point Overview and Summary

The Shipyard Redevelopment Project is comprised of approximately 780 acres along the long-neglected waterfront lands of southeastern San Francisco. The Shipyard Redevelopment Project will be developed in two phases and transform the land into productive areas for jobs, parks, and housing, including affordable housing.

The Shipyard Redevelopment Project will deliver over 12,000 new homes, approximately 32 percent of which will be below market rate and will include the rebuilding of the AG public housing development consistent with the City’s HOPE SF public housing revitalization program, up to 3 million square feet of research and development space, and more than 350 acres of new parks in the southeast portion of San Francisco. In total, the Shipyard Redevelopment Project will generate over $6 billion of new economic activity to the City, more than 12,000 permanent jobs, hundreds of new construction jobs each year, new community facilities, new transit infrastructure, and provide approximately $90 million in community benefits. The Shipyard Redevelopment Project’s full build out will occur over 20 to 30 years, but nearly 1,500 units of housing and 26 acres of parks will be completed over the next five years in the first phases on the Hilltop and Candlestick Point sites.

1 Unless otherwise defined, capitalized terms have the same meaning as the Phase 2 DDA BMR Plan.
Phase 2 Major Phases

The Phase 2 DDA reflects a “horizontal” land development model, wherein OCII assembles and conveys land to a competitively selected developer, in this case CP Development Co., LP, a partnership formed for the specific purpose of developing the Candlestick Point and Shipyard Phase 2 project and led by Lennar Corporation (“Lennar” or “the Developer”). Together with other land privately acquired by the Developer, Lennar must build horizontal infrastructure improvements, and provide various community amenities and other public benefits. In return, the Developer receives the right to sell land for vertical development. For vertical construction of new housing and commercial space, the Phase 2 DDA contemplates that the Developer may choose to build vertical projects itself, in partnership with affiliates, or convey finished lots to other developers for construction.

The Phase 2 DDA’s DRDAP outlines the process by which horizontal and vertical designs are reviewed and permitted and prescribes a process for the Developer to receive development approvals for each Major Phase through a “Major Phase Application” that require Commission approval and subsequent Sub-Phases which are approved by OCII’s Executive Director. Following a Sub-Phase Approval, vertical developers may seek approval of vertical improvements within that Sub-Phase. Major Phase 1-CP was approved by the Commission on January 7, 2014 and the CP-01 Sub-Phase was approved by the OCII Executive Director on March 7, 2014.

Phase 2 Affordable Housing Program

The DDA, through the BMR Housing Plan stipulates that 31.36 percent, or 3,345 units of 10,500 units, be below-market rate units. This requirement includes: a one-for-one replacement of the existing public housing units (“AG Replacement Units”), OCII Affordable Units (priced at up to 60% AMI), Inclusionary Units (priced between 80% and 120% AMI), and Workforce Units (priced between 121% and 160% AMI). Three primary groups of providers will develop the BMR units: (1) qualified housing developers selected by OCII will develop the 1,140 OCII Affordable Units on the OCII Lots; (2) AG Developer will develop 256 AG Replacement Units and 248 OCII Affordable Units on the AG lots; and (3) Vertical Developers, including Lennar and its affiliates, will develop 809 Inclusionary Units and 892 Workforce Units in accordance with the Phase 2 BMR Housing Plan.

AG Overview

AG currently consists of 256 units of multi-family public housing. The Project is located on Candlestick Point along Aurelius Walker Drive between Carroll Avenue and Gilman Avenue. The housing itself is in severe disrepair and must be replaced to preserve the health and safety of AG residents. Through the City’s HOPE SF program, the Project site will be reconfigured to provide existing residents with completely new, high-quality housing that is both environmentally sound and equipped with modern amenities. The Project will also include new affordable housing units available to other low-income households (up to 50 percent of AMI).
The first phases of new homes will be built on vacant land adjacent to the Project site, so that existing residents will have the opportunity to move directly from their existing homes into new homes without leaving their community or risking displacement.

Lennar selected, and OCII approved, the AG Developer to act as the developer for the AG Replacement Units. The AG Developer has extensive experience in affordable/mixed-income housing and public housing revitalization throughout the United States. The AG Developer is working on the Project in partnership with Urban Strategies, a non-profit organization that is coordinating community support services for AG residents to ensure that residents are engaged in both the physical and social aspects of the revitalization.

The table below provides further detail about the schedule and amounts of different types of units being constructed on the AG site:

<table>
<thead>
<tr>
<th>Phase</th>
<th>Block(s)</th>
<th>Construction Start (Est.)</th>
<th>Alice Griffith Replacement Units</th>
<th>OCII Affordable Units</th>
<th>Workforce Housing Units</th>
<th>Inclusionary Affordable Units</th>
<th>Market Rate Units</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>Jan 2015</td>
<td>58</td>
<td>35</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>120</td>
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<tr>
<td>2</td>
<td>4</td>
<td>Jan 2015</td>
<td>56</td>
<td>35</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>120</td>
</tr>
<tr>
<td>3</td>
<td>1</td>
<td>Oct 2015</td>
<td>76</td>
<td>46</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>120</td>
</tr>
<tr>
<td>4</td>
<td>5/8/9/14</td>
<td>Dec 2016</td>
<td>66</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>120</td>
</tr>
<tr>
<td>5</td>
<td>9</td>
<td>Dec 2016</td>
<td>0</td>
<td>132</td>
<td>0</td>
<td>0</td>
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<td>120</td>
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<tr>
<td>Future</td>
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<td>2016+</td>
<td>0</td>
<td>0</td>
<td>281</td>
<td>43</td>
<td>382</td>
<td>382</td>
</tr>
</tbody>
</table>

The AG site plan was developed with community input, and it allows for the initial AG Replacement Units to be built on existing vacant land. This phasing allows existing residents to move directly from their existing home to a unit in the Project, avoiding the potential for tenants to move temporarily into an on-site interim unit before moving to a permanent unit. The lot configuration strategically locates the AG Replacement Units on seven blocks, the majority of which front a new central park (See Attachment 1, Site Map at Page 3).

The current plan is to rebuild AG in five construction phases. Estimated vertical construction commencement dates for each of AG’s five construction phases are provided in the chart above. Phases 1 and 2 are being developed concurrently and consist of blocks 2 and 4. Together, Phases 1 and 2 include 114 AG Replacement Units and 70 OCII Affordable Units for a total of 184 units. Construction is scheduled to start in January 2015. Phase 3 of the Project consists of AG Block 1 and is the subject of this Schematic Design approval request. Phase 3 is scheduled to begin construction in October 2015. The last two phases of the AG development are scheduled to begin construction in December 2016 and be completed by May 2018 in concert with Lennar’s infrastructure schedule.

The Housing Authority owns the approximately 23 acres where the existing AG development is located. However, the first three building phases will be located on vacant portions of land currently owned by OCII. These lots will be transferred to the Housing Authority in January
2015. AG Developer, through a long-term lease with the Housing Authority, will manage the property. As each of the new buildings is completed, AG tenants will move into the new units, leaving vacated buildings that can then be demolished for additional new development.

The remaining market-rate and workforce lots will be developed by third party developers, including Lennar affiliates, as provided in the Phase 2 DDA. Lennar has begun infrastructure construction to support the AG development. The infrastructure is scheduled to be complete in 2016, which is in time for the opening of the first buildings.

Choice Neighborhoods Grant

In 2011, AG was one of five projects selected nationwide for $30.5 million grants from HUD through its Choice Neighborhoods Initiative ("CNI"). The CNI program supports locally driven strategies to address struggling neighborhoods with distressed public, or HUD-assisted, housing through a comprehensive approach to neighborhood transformation. The CNI funding comes with a variety of deadlines and deliverables, the most important of which is a statutory obligation that grant funds must be expended by September 20, 2016 and units utilizing these funds must obtain temporary certificates of occupancy by September 20, 2016. In order to maintain the CNI schedule, Schematic Designs for the first two blocks of AG were approved by the OCII Commission on January 7, 2014 and those projects are scheduled to start construction in January 2015. AG Developer submitted Schematic Designs for Block 1 in October 2014 for community review and subsequent Commission consideration.

AG Financing

The BMR Housing Plan requires that Lennar provide a subsidy to the AG vertical development equal to $90,000 per AG Replacement Unit and $70,000 per OCII Affordable Unit (described in the DDA as the “Alice Griffith Subsidy” and the “Agency Subsidy”, but together for purposes of this evaluation known as the “Base MDS”), another $62 million from OCII in tax increment gap financing, and projected tax credit equity of $97.6 million (based upon $.85 per credit for the two 9% deals and .90 for the four 4% deals). Should total development cost for any phase exceed the total development cost initially projected in the DDA, Lennar must cover the proportion of cost overruns attributable to the public housing units (“Additional MDS”) and the Agency must cover the cost overruns attributable to the low income housing tax credit (“LIHTC”) funded OCII Affordable Units (the ratio is approximately 50%-50% for the all five phases of the development).

Also, OCII is responsible for covering any gaps in projected tax credit equity and/or funds from the Federal Home Loan Bank’s Affordable Housing Program below what was projected at the time the DDA was executed. Unanticipated financing sources, such as HUD’s Choice Neighborhoods Grant, reduce OCII’s obligation. OCII’s obligation, therefore, set at $62,017,200 in the Housing Plan, will increase on a pro-rated basis as Project costs go up (as described above), but will be offset by any additional funding the Project secures. Since the Project has secured CNI funding, of which $21,350,000 is to be used for AG development, OCII’s base contribution, prior to any cost overruns is $40,667,200.

AG Developer does anticipate Additional MDS, in accordance with the DDA definition described above, for each phase of AG. The DDA requires Lennar to pay the Base MDS for each
phase of development at the close of construction financing for that phase. The DDA does not specify when the Additional MDS must be paid, though the timing of the payment must not jeopardize the feasibility of the project.

The OCII Commission approved the loans for Phases 1 and 2 of AG on July 15, 2014. The HOPE SF Loan Committee (“LC”) and Commission stipulated that the final financial plan (“Final Financial Plan”) be subject to approval by OCII Director and MOHCD Executive Director prior to the close of construction financing for each of those phases. The approved sources of the OCII loans for each phase will include an OCII subsidy and the Master Developer Subsidy (“MDS”) as shown below:

<table>
<thead>
<tr>
<th>Phase</th>
<th>OCII</th>
<th>Master Developer Subsidy (“MDS”)</th>
<th>Total Funds Approved/Requested</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Approved Predev)</td>
<td>$3,672,238</td>
<td>$0</td>
<td>$3,672,238</td>
</tr>
<tr>
<td>1 (Request Gap)</td>
<td>$3,421,679</td>
<td>$14,879,013</td>
<td>$18,300,692</td>
</tr>
<tr>
<td><strong>Subtotal Phase 1</strong></td>
<td><strong>$7,093,917</strong></td>
<td><strong>$14,879,013</strong></td>
<td><strong>$21,972,930</strong></td>
</tr>
<tr>
<td>2 (Approved Predev)</td>
<td>$3,562,238</td>
<td>$0</td>
<td>$3,562,238</td>
</tr>
<tr>
<td>2 (Request Gap)</td>
<td>$3,699,043</td>
<td>$14,631,970</td>
<td>$18,331,013</td>
</tr>
<tr>
<td><strong>Subtotal Phase 2</strong></td>
<td><strong>$7,261,281</strong></td>
<td><strong>$14,631,970</strong></td>
<td><strong>$21,893,251</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$14,355,198</strong></td>
<td><strong>$29,510,983</strong></td>
<td><strong>$43,866,181</strong></td>
</tr>
</tbody>
</table>

*Approved predevelopment funds roll into Phase 1 and 2 permanent loans.*

Since the permanent loans for Phases 1 and 2 were approved, AG Developer has selected a lender and investor for those Phases. Chase will be the construction lender with California Community Reinvestment Corporation providing permanent loans of about $3 million per phase and RBC providing tax credit equity. The tax credit pricing is $1.12 provided by RBC Capital Markets for Phases 1 and 2. AG Developer is still awaiting final construction cost information and anticipates having the “Guaranteed Maximum Price” in place by mid-December. Staff anticipates that the Final Financial Plan will be completed and ready for OCII and MOHCD review by the end of December.

**Loan Amendment Request**

Lennar has requested that, rather than provide the Base MDS and Additional MDS for Phases 1 and 2 at the close of construction financing for those phases, that they provide the Base MDS at that time, as required by the DDA, and provide irrevocable standby bank Letters of Credit (“LOC”) for the Additional MDS, currently estimated at just under $5 million per phase for a total of approximately $9.8 million. The Base MDS will be sufficient to provide the funds needed during construction. Lennar will provide the Additional MDS at construction completion in September 2016, or earlier as needed, and will provide the LOCs at the close of construction financing for Phase 1 and Phase 2. This request is consistent with the DDA requirements related to provision of the MDS for AG as described above. The following table shows the updated sources for the Phases 1 and 2 OCII loans that reflect actual equity pricing, but does not reflect final Guaranteed Maximum Price construction pricing:
The current flow of funds for Phases 1 and 2 has the CNI funds per phase spent first, followed by the OCII loans which include OCII funds and the full MDS as shown above. Current projections show approximately $6 million of the OCII loan being spent during construction per phase before the bond financing must be spent to ensure compliance with the 50% test, requiring that more than 50% of project costs are paid for with bond proceeds. The Base MDS portion of the OCII loan, along with the remaining OCII funds should be sufficient to cover costs during the construction period with the remainder of the OCII Loan, including the Additional MDS, being used to repay the construction loan at the end of construction. In the event that any portion of the MDS is needed sooner than the close of construction, Lennar will provide the necessary funds at that earlier date.

It is important to note that the “cost overrun” portion of Lennar and OCII’s portions of the OCII loans for Phases 1 and 2 could increase or decrease and as long as those changes are within the amounts approved by Commission in July, Lennar and OCII must provide those subsidies to the projects, subject to reasonable review and input by all parties. The loan amounts shown above reflect the benefit of the added equity to the projects, thereby reducing the OCII loan amounts below what was approved by the Loan Committee in May, but until the Guaranteed Maximum Price is in place, the loan amounts cannot be finalized. Given the increases in construction costs industry-wide and on other affordable projects that have recently received construction pricing, staff anticipates an increase in costs from the estimates in place, but staff anticipates the higher than estimated equity pricing will offset higher construction pricing, and that the approved loan amounts will be sufficient. The final loan amounts will be approved by the OCII Executive Director and the MOHCD Director as a part of their approval of the Final Financial Plan prior to the close of construction financing for Phases 1 and 2 by January 15, 2015.

OCII staff has worked with financial advisor CSG Advisors to develop an LOC term sheet, which was approved by the HOPE SF Loan Committee on December 5, 2014, that does not amend Lennar’s obligations per the DDA to provide to the funding for the Base MDS and Additional MDS for Phases 1 and 2, and that:
allows Phases 1 and 2 to maintain the current schedule of performance, in conformance with the HUD CNI funding deadlines; and

- minimizes additional financial risk and provides no additional cost to Phases 1 and 2; and
- minimizes additional risk and provides no additional cost to OCII.

Since OCII’s Loan Agreements for Phases 1 and 2 of AG were conditioned upon the payment of the full MDS amount at construction financing closing, the a First Amendment to each Loan must now be approved in order to include the provision of the LOC for the “cost overrun” portion of the Loan amount, subject to the LOC term sheet. Additionally staff is proposing some administrative changes to the OCII loan to ensure consistency with the MDA for AG including incorporating the requirements of the Workforce Memorandum of Understanding and Cashflow Memorandum of Understanding that were approved as part of the MDA. Staff recommends approval of the proposed Loan Amendments subject to the conditions described in the attached HOPE SF Loan Committee Evaluation Memorandum dated December 5, 2014, including the LOC Term Sheet. (See Attachment 6.)

AG Design Summary (see Attachment 2, Schematic Design Submittal)

Architectural Overview of AG Phase 3/Block 1

AG Block 1 is among the most prominent blocks of the entire AG site, located at the corner of Carroll Avenue and Aurelious Walker Drive. It is a gateway to the Candlestick Point redevelopment area from the northeast as one crosses the future Yosemite Slough Bridge. As AG’s northeast corner, it abuts the Yosemite slough watershed and basin, allowing for an unobstructed view from the Hunters Point Shipyard. Given its prominent location, the design needs to work for a variety of scales from the monumental scale (appropriate for viewing form the distance) to the pedestrian scale. At the same time, the design must accommodate a variety of unit and building configurations to support a mix of family types and household sizes.

Block 1’s density of 84.4 units/acre, containing a total of 122 units distributed between one-, two-, three-, and four-bedroom units further described in the below table; five-bedroom units will be built in subsequent phases:

<table>
<thead>
<tr>
<th>Unit Types</th>
<th>Avg. square feet.</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1BR Flat</td>
<td>675sf</td>
<td>13</td>
</tr>
<tr>
<td>2BR Flat</td>
<td>955 sf</td>
<td>71</td>
</tr>
<tr>
<td>3BR Flat</td>
<td>1246 sf; 1410 sf</td>
<td>35</td>
</tr>
<tr>
<td>Townhome</td>
<td>1500 sf</td>
<td></td>
</tr>
<tr>
<td>4BR Flat</td>
<td>1530 sf</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>122</td>
</tr>
</tbody>
</table>
Similarly to the previously approved AG Blocks 2 and 4, Block 1 is a single structure sitting atop a podium and wrapped around a podium-level central courtyard. The massing is articulated to create the appearance of two separate buildings: one larger building with double loaded corridors, rising five stories at its highest and wrapping three sides of the block with a lobby along Carroll Avenue; and one lower-rise three story with four story step building along the vehicular laneway. Both segments of the building have walk-up units, accessible from the podium. This allows for three- and four-bedroom units for large families direct access to the outside without passing through common areas, corridors or elevators. It also allows for accessible residential units along the outside frontage.

A private, secured parking garage with 63 car spaces and 60 bicycle spaces is located on the ground level with access from Donner Avenue. A podium-level central courtyard is accessible from the lobby with an egress stairway along Carroll Avenue. The courtyards are intended as community gathering space for residents, extending the community space from indoor to outdoor.

The units are designed for comfort and efficiency, with a separation of private and public uses, well-defined dining areas and spacious living rooms for family activity. Most ground floor units are elevated between two feet and four feet above the street for privacy. However, as discussed below, AG Developer is seeking a Variance from this elevated street-entrance requirement to provide for increased access for ADA accessible units. Unit sizes are consistently larger and more efficient than the existing public housing units that they replace.

**Accessibility and Sustainability**

The Project will conform to the OCII standard practice regarding accessibility: 10 percent accessible units and a maximum number of adaptable units. Further, 4 percent of the units will be for individuals with visual or hearing impairment. AG Developer and the Project architect have met with representatives from the Mayor’s Office of Disability regarding feedback on the master plan and initial designs for Phases 1 and 2. Assuming approval of the Variance request, the current Block 1 designs are consistent with ADA standards and guidelines and will be reviewed by the Mayor’s Office of Disability at the appropriate design stage.

The buildings will be highly energy and resource efficient in order to meet or exceed *LEED for Homes Mid-Rise Gold Certification*. The Project is designed to exceed Title 24 Energy requirements by 15 percent.

**Building Form and Materials**

Located at along Arelius Walker Drive between Carroll Avenue and Donner Avenue, Block 1 is differentiated into three elements in recognition the multiple scales required by its siting. The signature corner on the intersection of Carroll Avenue and Aurelius Walker Drive has a robust cornice and pared windows recalling an industrial warehouse aesthetic common to working waterfronts. Materials reinforce this analogy as the corner’s monumental bays will be partially clad in brick, providing a texture to the façade’s surface that is substantially different then the
adjacent blocks. The massing of the corner is designed to allow a small ground level plaza at this corner, providing a public space with views of Yosemite Slough in the foreground, and Hunters Point in the distance.

The second element of the façade occurs along Donner and Carroll Avenues, where the building massing steps down from five to four-stories, and a layering of scales adds to the façade’s intentional irregularity. The play with scale is also a component of the third element of Block 1’s composition: the town houses that line the vehicular laneway.

Building materials are high-quality and durable including brick vencer, stucco, fiber cement panels and sidings. These are all locally sourced materials and they work with the local climate and culture.

*Streetscape*

Block 1 is sited within the existing boundaries of Carroll Avenue, Arelius Walker Drive, Donner Avenue and a private ally - reinforcing the connections between the new and existing communities and the adjacent South Basin of the San Francisco Bay. The planting palette will consist of native and drought tolerant plants which will be serviced by a reclaimed water irrigation system. The planting areas are located between the city sidewalk and the building providing a transition from the public to the private entry spaces of the raised stoops that open onto the street.

*Courtyard*

The central Courtyard space is visually divided by a geometric paving pattern, which helps to contain the smaller spaces within. To the West, BBQs are sited next to concrete benches and enclosed by plantings and an overhead trellis, which will provide many opportunities for entertaining. The center of the Courtyard is occupied by children's play equipment surrounded by rubber surfacing and raised garden beds. To the East, BBQs are also enclosed by artistically formed planting arrangements and an overhead trellis, and sited next to fixed furniture, and concrete benches. The Courtyard was designed to allow for a maximum porosity through the space while collecting pockets for which to gather about many types of programs.

*Design Review and Approval Process*

The Phase 2 DRDAP outlines the necessary documents, schedule, and procedures for the review and approval of design submittals. Under the DRDAP, a series of increasingly detailed design documents are required in the design process. They are, 1) Schematic Designs, 2) Design Development, and 3) Construction Documents. The DRDAP requires the first design submittal to be presented to the Commission for review and approval.

Approval of vertical improvements follows a Major Phase and Sub-Phase approval under the DRDAP. The AG development is part of Major Phase 1-CP that was approved by the Commission on January 7, 2014 and the CP-01 Sub-phase which was approved by the OCII Executive Director on March 7, 2014.

For the AG Schematic Design application, OCII staff has also agreed to eliminate or postpone certain elements that would otherwise be required as provided in the DRDAP, for a Schematic Design submittal in order to maximize scheduling efficiencies, but which are inconsequential to
the thoroughness or quality of the design review. Consistent with previous AG Schematic Design applications, OCII staff has determined that for the Block 1 application: (a) no model is required, but the design team instead will focus on perspective renderings and street views, and (b) no axonometric drawings are required because the high quality of perspective renderings eliminates the need for this type of three-dimensional technical drawings.

**Variance**

The Candlestick Point D for D provides land use controls and design guidelines necessary to implement the Project, which includes the construction of infrastructure, parks, and housing. The D for D acts as the zoning for the site, including controls for height, bulk, setbacks and lot sizes, but also establishes more detailed standards and guidelines to ensure that the ongoing physical planning and design of the development results in a highly desirable urban environment.

The Bayview Hunters Point Redevelopment Plan and the Candlestick D for D have provisions that allow a Commission approval of Variances where it is found that physical constraints or other extraordinary circumstances create practical difficulties for development and create an undue hardship for the developer, or constitute an unreasonable limitation beyond the intent of the Redevelopment Plan and D for D. Variances must meet the intent and purpose of the Redevelopment Plan and D for D and cannot be detrimental to the public welfare or materially injurious to neighboring property or improvements in the vicinity.

Because of Block 1's unique location along the Yosemite Slough watershed and basin, this block is a keystone block for the AG development. As such, it is important to accentuate the building's most prominent corner at the intersection of Carroll Avenue and Aurelius Walker. The building main entrance and lobby has been located at this corner and has been designed in a way to allow a small ground level plaza, providing a public space with views of Yosemite Slough in the foreground and Hunters Point in the distance.

The Candlestick D for D requires that ground floor units be two feet to four feet above street ("Grade Separation Requirement"); however, the main building entry may be at street level. The two units adjacent to the main entry are designated UFAS (Uniform Federal Accessibility Standard) units which need to be accessible by wheelchair. These ground floor units have entries from both the exterior of the building as well as from the interior hallways. Maintaining the accessibility of these two UFAS units with a two to four foot grade change would require exterior ramps adjacent to the exterior entry stair, as well as complicated floor level changes with stairs and ramps inside the building to create an accessible path of travel to these two units. Additionally, an extra elevator stop for those two units would be required for accessibility purposes, resulting in additional development costs.

Waiving the Grade Separation Requirement for the two units adjacent to the main entrance will eliminate the need for stairs and ramps to those units and allow for more direct pathway to those units for both the exterior and interior entry points, which will also keep the corner's unique character at the pedestrian scale. At the same time it will eliminate the need for an up-and-down travel pattern at the interior of the building, therefore providing a better accessible route inside the building. Lastly, it will eliminate the need for an additional elevator stop, therefore avoiding increased development expenses.
OCII staff has reviewed the requested Variance and found that it is appropriate for the site and achieves the intent and purposes of the Bayview Hunters Point Redevelopment Plan and Candlestick Point D for D.

**Schematic Design Conditions of Approval**

As is typical, there are a few remaining design issues to be resolved in subsequent design stages, including the Design Development phase. As described in the fourth condition listed below, additional information regarding the mid-block break is required. However, Lennar, not AG Developer, is responsible for the design and construction of that mid-block break, which is not anticipated to occur until Lennar, as the Master Developer, moves forward with the market-rate development on the adjacent block at a to be determined future date. Therefore staff is seeking to ensure that AG Developer and the Lennar coordinate on any designs for an interim mid-block break so that the appropriate access/egress is provided to any Block 1 units facing that side.

OCII staff recommends approval of the AG Block 1 Schematic Design subject to the remaining design issues being resolved to the satisfaction of the Executive Director and any changes included in subsequent design stages, beginning with the Design Development phase as follows:

1. The building and landscaping materials, colors, finishes, lighting and architectural detailing shall be subject to further review during the Design Development phase. Updated material and color samples shall be provided as part of the review. A material and color mock-up of sufficient size to be built on the construction site during an early phase of construction shall be prepared for review and approval to ensure consistency with this Schematic Design; and

2. The location of the backflow preventers and other infrastructure equipment necessary for irrigation of the building landscaping shall be selected with the goal of minimizing its visual impact in the public realm and meeting building code requirements; and

3. The final courtyard design is subject to further review and approval after the following have been addressed: Revise the design of the podium courtyard in order to better define the private areas from the common open space areas; Further analyze the possibility of using permeable pavers on the podium as treatment method for stormwater and reducing the use of cast in place planters; Study the possibility of providing private patios for courtyard units; and

4. AG Developer shall coordinate with the Master Developer and provide information on the interim design of the part of the mid-block break that is required for access and egress to the units facing the mid-block break. AG Developer will submit a plan for OCII staff review describing access to those units in the interim condition.

**Small Businesses and Local Workforce**

The Phase 2 DDA requires AG Developer to follow an equal opportunity program, which consists of: 1) the Bayview Hunters Point Employment and Contracting Policy ("BVHP ECP"), 2) the Small Business Enterprise Policy ("SBE"), 3) the Nondiscrimination in Contracts and
Equal Benefits Policy, 4) the Minimum Compensation Policy, 5) the Health Care Accountability Policy, 6) the Prevailing Wage Policy, and 7) the Card Check Neutrality Policy.

Under the BVHP ECP, developers must make good faith efforts to award 50 percent of the contracting opportunities to SBE consultants and contractors with first consideration for businesses with addresses in the BVHP Area (defined as zip codes 94124, 94134, and 94107). The BVHP ECP also requires developers to make good faith efforts to achieve 50 percent local workforce participation, with First Consideration to BVHP Area residents, in construction workforce hiring, permanent/temporary workforce hiring, and trainee program.

In addition, the HUD-funded project is subject to Section 3 of the HUD Act of 1968, which requires that “recipients of certain HUD financial assistance, to the greatest extent feasible, provide job training, employment, and contracting opportunities for low- or very-low income residents in connection with projects and activities in their neighborhoods.” Following federal guidelines 20 percent of contracts must go to qualified Minority and Women Business Enterprises that provide opportunities for qualified neighborhood residents and grant recipients are further encouraged to have Section 3 residents make up at least 30 percent of their permanent, full-time staff.

To date, for their work on Phases 1 through 3 of the vertical development, the AG Developer has achieved 71.7 percent SBE participation for professional consultant services. 67.8 percent of consultants are San Francisco-based SBEs, 54.7 percent are from minority-owned firms and over 14.1 percent are from women-owned firms.

Attached are AG Developer’s projections for construction hiring for Block 1 and the SBE professional services summary (see Workforce Jobs Projection and Professional Services Consultant Summary, Attachments 4 and 5).

Design Team Selection

Torti Gallas and Partners served as the architect for the master plan as well as the architect of record for the first three phases of AG (Blocks 2, 4 and 1). They were selected through a competitive, public procurement process in accordance with OCII requirements. Shortlisted firms were interviewed by a panel that included members of the development team, Lennar and OCII before a final selection was made. For the Block 1 development Torti Gallas and Partners has partnered with AE3, a local minority-owned SBE.

Community Outreach

The proposed AG Development underwent an extensive community process that included a week-long design charrette and additional public meetings with AG tenants and at the Hunters Point Shipyard Citizens Advisory Committee (“CAC”). The current Block 1 Schematic Design was presented to the AG tenants on October 30 and November 3, 2014. Subsequently it was presented to the CAC’s Planning and Development Sub-committee’s on November 13 and the CAC’s Housing Subcommittee on November 20. At its December 8, 2014 full membership meeting, the CAC recommended approval of the AG Block 1 Schematic Design.
CALIFORNIA ENVIRONMENTAL QUALITY ACT

On June 3, 2010, the San Francisco Redevelopment Commission certified the Final Environmental Impact Report ("FEIR") for the Project as adequate, accurate, and objective and in compliance with CEQA Guidelines. As part of its actions on June 3, 2010, the Commission adopted findings pursuant to CEQA, including a Mitigation Monitoring and Reporting Program and a Statement of Overriding Considerations for the Project, which findings are incorporated into the Resolution being considered alongside this memo.

OCII staff has determined that the AG Schematic Design, as submitted, are consistent with the Project as analyzed in the Phase 2 EIR, and recommends that the Commission require no additional environmental review beyond the FEIR and Addendum No. 1 pursuant to State CEQA Guidelines Sections 15180, 15162, 15163, and 15164.

(Originated by Amabel Akwa-Asare, Assistant Project Manager, Hunters Point Shipyard and Elizabeth Colomelotto, Development Specialist)

Tiffany Boohee
Executive Director

Attachment 1: AG site plan
Attachment 2: Schematic Design Application
Attachment 3: “Before and After” Variance Exhibit
Attachment 4: Consultant List
Attachment 5: Workforce projections
Attachment 6: HOPE SF Loan Committee Evaluation Memorandum dated December 5, 2014, including the attached LOC Term Sheet.
Attachment 7: Alice Griffith Phase 1 Loan Amendment
Attachment 8: Alice Griffith Phase 2 Loan Amendment
Existing Parcel Ownership

San Francisco Housing Authority

OCII

SF Rec/Park
Existing Parcel Ownership over Future Site Plan

San Francisco Housing Authority

OCII

SF Rec/Park
Future Parcel Ownership over Future Site Plan

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ARCHITECTURE

Project Background

Located in southeast San Francisco in the Candlestick Point area, the Alice Griffith Neighborhood is home to 256 public housing units on approximately 22.5 acres of land. Constructed in 1962, the current housing stock is in dire need of rehabilitation. Located near the decommissioned shipyard, the site of the now demolished Candlestick Park, and many acres of a coastline landfill, Alice Griffith is quite isolated from the rest of the city, lacking access to social services, jobs, and other amenities typically found in San Francisco neighborhoods.

The Candlestick Point Design for Development (D4D) plan (2010) acts as a zoning code for the redevelopment of the Alice Griffith neighborhood. New streets and open spaces are laid out for the site, as well as the location and density of new housing. As part of the Choice Neighborhood Implementation Grant, Lennar is tasked with helping to revitalize Alice Griffith as part of the larger implementation strategy for the Candlestick Point Plan. Lennar partnered with McCormack Baron Salazar and Torti Gallas and Partners to develop seven blocks of affordable housing within the Alice Griffith Neighborhood. Based on stakeholder feedback and the design standards and guidelines in the D4D plan, the Design Team developed a revised site plan that strategically phases the development of affordable housing on seven blocks. The site plan illustrates the clustering of the new affordable housing along Arelious Walker Drive. Block 3 will be constructed during the third phase of redevelopment with inviting frontages along Arelious Walker Drive itself and along Carroll Avenue, oriented to South Basin and Yosemitie Slough Watershed.

Design Approach

Block 1 is among the most prominent blocks of the entire Alice Griffith site. It is a gateway to the Candlestick Point redevelopment area, from the northeast (Hunters Point) as one crosses the Yosemite Slough Bridge. The open space formed by the adjacent waterfront and basin just to its northeast creates a foreground allowing site to be viewed from as far as away as the Hiltop and Hillside sites of Hunters Point. The design challenge here is to integrate higher density affordable housing into a proposed mixed-income, mixed-use community and given its prominent location, provide a variety of scales from the monumental (appropriate to its ability to be viewed from a distance) to the pedestrian, in keeping with the pedestrian friendly character established by the D4D. At the same time, the design must accommodate a variety of unit and building configurations that reflect the varying needs of large and small families, as well as the differences of densities resulting from the hierarchy of adjacent streets. While double loaded corridor buildings deployed with universal design features occupy part of each block, the block arrangement includes some sort of hybrid courtyard building, allowing for walk-up units within or at the edge of the block at the vehicular lane way. Those walkups allow for three- or four-bedroom, multi-story units to sit above flats, assuring that large families have direct access to the outside without passing through common areas, corridors or elevators. Privately secured parking garage is located inside the block wrapped by residential uses. Landscaped and programed courtyard at podium level creates community gathering space for residents, and extending the community space from indoor to outdoor. The grand stairs with landscape terraces connect the courtyard to future parkland along Yosemite Slough.

While Block 1 is governed by the same urban design requirements as Blocks 2 and 4 (the preceding phases in the eight block phased plan) and thus shares the same family of elements, it is different from its earlier siblings in that it is designed in recognition of the multiple scales required by its siting. Emblematic of these multiple scales is its pronounced corner at Carroll and Donner, with its robust cornice and paired windows emphasizing the traditional tectonics of architecture, recalling an industrial warehouse aesthetic common to working waterfronts. Reinforcing this monumentality, the columns of windows along Carroll Avenue opposite the Yosemite Slough Park are paired and framed within larger two-column bays separated by one-column windows at the primary facade planes. The A-b-A rhythm created by this composition of windows is ‘beefier’, i.e. more robust than the Victorian-era inspired narrow, single-column bays that are typical of the facades of Blocks 2 and 4. Materials further reinforce this difference, as these more monumental bays will be partially clad in brick, recalling both the area’s industrial past, and providing a texture to the facade’s surface that is substantially different then the adjacent blocks. Finally, the massing of the corner is designed to allow a small ground level plaza at this corner, providing a public space with views of Yosemite Slough in the foreground, and Hunter’s Point in the distance.

Like Blocks 2 and 4, Block 1 is responsive to its immediate context, but unlike its predecessors, it does with differing scales of articulation. Reinforcing its monumentality, along Arelious Walker the five-story facade is articulated with two bay windows equally tall. It also features additional bays, which vary in height and in massing. Again, like Blocks 2 and Donner, and Carroll Ave., the building massing steps down from five to four-stories to respond appropriately to the street hierarchy. Unlike them, however, Block 1 features the more robust, paired window bays along Donner as the major rhythmic element (as opposed to single window bays in Blocks 2 and 4) further articulated by attached single-column bays. This layering of scales adds to the facade’s ‘syncope.’ The resulting A(c)-b-A(c) rhythm creates a more complex rhythmic sequence (with both larger and more intimate scales of massing) than earlier blocks.

Compliance with the Design for Development (D for D) Refer to Page 09

Facade Articulation:

Vertical Articulation: The three segments of the building’s base, middle, and top are articulated differently. The base is articulated by different colors, materials, and larger sizes of windows, doors, and stair to activate at the pedestrian level. The mid-section differentiates from the base and top sections through use of different materials, colors, and projections from the second floor. The top section is articulated by variation of the parapet heights, cornices, and by changing materials and colors and stepbacks.

Horizontal Articulation: Per D4D, “(the first 20 ft. height of the building faces shall have a rhythm of modules that serves to break down the scale of the building face. The maximum dimension of any module shall vary from 3’-2” to 28’-8”.

Materials and Colors: Building materials are high-quality and durable including brick veneer; stucco; fiber cement panels and siding. These are all locally sourced materials and they work with the local climate and culture. Glass types will meet the State Energy Standard. For the window system, we have used aluminum storefront at the ground floor, aluminum windows for the brick building at the corner of Arelious Walker Dr. and Carroll Ave., and vinyl windows with metallic finishes above the ground level.

Setback: along Carroll Ave. and Arelious Walker Dr., a 10’ setback is provided; along Donner Ave., 9’ is provided; and at the vehicular lane way, 0 setback is provided. The setback area will be landscaped, and the massing of the corner of Arelious Walker Dr. and Carroll Ave. is designed to allow a small ground level plaza at this corner, providing a public space with views of Yosemite Slough in the foreground and Hunter’s Point in the distance.

Recycling: Trash room with trash chutes is provided at each level, separate recyclables, compostables, and landfill trash for the residents.
LANDSCAPE

Streetscape

Block 1 is sited within the existing boundaries of Carroll Avenue and Arelious Walker Drive, and will serve to extend Donner Avenue, reinforcing the connections between the new and existing communities and the adjacent South Basin of the San Francisco Bay. The planting palette will be sensitive to the native drought tolerant aesthetic while providing a buffer between the water collected on site and the stormwater system while being serviced by a reclaimed water irrigation system. The planting areas are located between the City Sidewalk and the building providing a transition from the public to the private entry spaces of the raised stoops that open onto the street.

Courtyard

The Podium Courtyard is accessible from the Ground Floor, Second Floor and by many of the units that open out to this shared space. From the building edge, planting beds allow light to access the unit windows while providing privacy from the Courtyards social activities. These planters function to treat rainfall from the roof and slow its delivery to the storm drain. All planting areas, while providing an asset to beautify the Courtyard, will be selected from a climate appropriate native palette and like the Streetscape, serviced by a reclaimed water irrigation system. The central Courtyard space is visually divided by a geometric paving pattern, which helps to contain the smaller spaces within. To the West, BRGs are enclosed by planting and an overhead trellis and sited next to concrete benches, which will provide many opportunities for entertaining. The center of the Courtyard is occupied by a children’s climbing net structure surrounded by rubber surfaces and raised garden beds. To the East, BRGs are also enclosed by artistically formed planting arrangements and an overhead trellis, and sited next to fixed furniture, and concrete benches. The Courtyard was designed to allow for a maximum porosity through the space while collecting pockets for which to gather about many types of programs.

CIVIL

Alice Griffith Block 1 is part of the first sub-phase of the Candlestick Point Redevelopment project. The project site is located on Arelious Walker between existing Gilman Avenue and Carroll Avenue, specifically between the proposed Donner Avenue and existing Carroll Avenue. Most of the existing site is vacant with broken AC pavement, pervious surface such as mulch and minimal vegetation, and fencing.

The proposed building is a multi-family residential building. The proposed project and area of disturbance is about 62,961 sf. Per SFPUC requirements, all project sites with an area greater than 5,000 sf must incorporate post construction stormwater controls that meet the performance measures set forth in SFPUC guidelines, including minimizing the sources of pollutants and treating a specified flow or volume of stormwater. This project is located in the separate sewer areas of San Francisco. Per SFPUC, the site must achieve treatment volume for the site as a whole and for each individual drainage area. Therefore, the project design team will work towards cleaning the first 0.75” of the first rain by using passive and natural treatment measures versus mechanical treatment measures. Since the majority of the project site is covered by the building, the teams main objective will be to direct as much of the roof and hardscape areas as possible into a stormwater management facilities. After the stormwater is treated through a stormwater management facilities, it will be picked up and exit to the storm drain. All planting areas, while providing an asset to beautify the Courtyards of the units that open out to this shared space. From the building edge, planting beds allow light to access the unit windows while providing privacy from the Courtyards social activities. These planters function to treat rainfall from the roof and slow its delivery to the storm drain. All planting areas, while providing an asset to beautify the Courtyard, will be selected from a climate appropriate native palette and like the Streetscape, serviced by a reclaimed water irrigation system. The central Courtyard space is visually divided by a geometric paving pattern, which helps to contain the smaller spaces within. To the West, BRGs are enclosed by planting and an overhead trellis and sited next to concrete benches, which will provide many opportunities for entertaining. The center of the Courtyard is occupied by a children’s climbing net structure surrounded by rubber surfaces and raised garden beds. To the East, BRGs are also enclosed by artistically formed planting arrangements and an overhead trellis, and sited next to fixed furniture, and concrete benches. The Courtyard was designed to allow for a maximum porosity through the space while collecting pockets for which to gather about many types of programs.

SUSTAINABLE DESIGN

LEED for Homes is part of the US Green Building Council's array of LEED-branded products that rate the sustainability of a variety of building types. LEED, which stands for Leadership in Energy & Environmental Design, is a widely recognized national environmental design program. The LEED for Homes Mid-rise rating system was specifically created to meet the needs of the multi-family residential market place. Alice Griffith Blocks 1 will utilize the LEED for Homes Mid-rise rating system. The Project intends to pursue a minimum of a Gold LEED rating. As part of this system, there is an emphasis on health, energy savings and durability all backed up by a third party inspection and performance testing. This project is also registered in LEED for Neighborhood Development which will automatically give this project 10 points in the LEED for Homes Mid-rise system.

San Francisco AB-093 Implementation of Green Building Regulations requires projects to conform to the Green Building code requirements that are established in Chapter 13C of the San Francisco Building Code. Attachment A Table 1 summarizes the overall green building standards (LEED, GreenPoint Rated). Attachment B itemizes specific required measures with Table 1 outlining requirements for projects meeting a LEED standard. Per OCI requirements, 25% flyash or slag will be included in the concrete. This requirement also meets LEED Material & Resource credit 2.2.

San Francisco Building Code 13C and AB-093 also define energy efficiency standards to be met. It currently requires that a building exceed the 2008 California Building Energy Efficiency Standards by 15%. LEED for Homes is in line with this requirement.

LEED Standards:
• Project target: LEED for Homes Mid-Rise Gold Certification
• Project is designed to exceed 2008 Energy Code requirements by 15%.
• LEED for Homes Rating System Multifamily Mid-Rise California Oct. 2010

Green Building and Energy Efficiency Standards:
• 2010 California Green Building Standards Code (CALGreen)
• 2010 San Francisco Building Code
• 2008 California Building Energy Efficiency Standards (Title-24)

Before finalizing design, the project team will present our concept to SFPUC in a pre-application meeting. Upon approval of all our stormwater management facilities and treated areas, the team will proceed to file the SCP applications.
Project Design Statement

STRUCTURE

Alice Griffith – Block 1
Structural System Narrative

PROJECT: Alice Griffith-Block 1
DATE: October 15, 2014
REFERENCE DRAWINGS: September 29, 2014 by Torti-Gallas & Partners, Inc.
GEOTECHNICAL REPORT: Not Available, (Assumed comparable values to adjacent Block 2)

PROJECT SPECIFIC DATA OR ASSUMPTIONS:
Location: San Francisco, CA

Project Description: 3- and 4-stories of Type V Residential Wood Frame construction over a Type I, post-tensioned concrete podium over 1 level of parking. Townhome units on one side of the podium will be three stories above the podium framed in wood and one story below the podium framed in metal stud.

Building Code: 2013 San Francisco Building Code

Live Load Design:
- Roof, flat: 20 psf, reducible
- Roof, sloping: 16 psf, reducible
- Residential floors: 40 psf, reducible
- Residential Balconies: 60 psf, reducible
- Residential corridors: 100 psf, reducible
- Podium Courtyards: 100 psf, reducible

Water Table Depth: TBD.

Pile Capacities: 14" square precast, prestressed piles 100-175 kips (Dead + Live Loads)

SYSTEM DESCRIPTION:

<table>
<thead>
<tr>
<th>ELEMENT</th>
<th>MATERIAL ESTIMATE</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foundations</td>
<td>10&quot; concrete structural slab on grade over prepared subgrade. Estimate 8 psf/linr in slab. Columns will be supported by piers at each corner. Concrete walls will be supported on grade beams. Ply caps and grade beams will be supported on 14&quot; square precast, prestressed piles (estimated 280 units, 80 feet long). Tie beams (16&quot;x24&quot; including slab depth) will be required at 20% of the pier caps.</td>
<td></td>
</tr>
<tr>
<td>Columns</td>
<td>16&quot;x24&quot;. Estimate 65 psf, including caps. Fe=9,000 psi at 56 days with 30% Slag and 30% Flyash.</td>
<td></td>
</tr>
<tr>
<td>Shear walls in garage</td>
<td>12&quot; thick concrete walls. Estimate 12 psf/linr.</td>
<td></td>
</tr>
<tr>
<td>Podium Slab</td>
<td>13&quot; minimum post-tensioned concrete slab with 3'-8&quot; x 6&quot; drop panels at apartment units and 5'-6&quot; x 10&quot; drop panels at courtyard. Estimate 13 psf PT and 4.0 psf/linr. Fe=9,000 psi at 4 days, 5,500 psi at 56 days with 20% Flyash.</td>
<td></td>
</tr>
<tr>
<td>Residential Framing Floors in Type V construction.</td>
<td>Apartments above podium: 5/8&quot; gypcrete over 1/2&quot; T&amp;G plywood sheathing, glued and screwed to 9/16&quot; T1-11 at 24&quot; on center. Townhomes above podium: 5/8&quot; T&amp;G plywood sheathing, glued and screwed to 9/16&quot; T1-11 at 24&quot; on center. Max joist span 24 feet (+/-.). May need to space joists at 16&quot; on center at areas of larger spans.</td>
<td></td>
</tr>
<tr>
<td>Residential Framing Roof</td>
<td>Build-up roofing over 5/8&quot; plywood sheathing on prefabricated wood trusses. Max span 35 feet (+/-.).</td>
<td></td>
</tr>
<tr>
<td>Residential Framing Bearing Walls in Type V construction.</td>
<td>Lower floors: Exterior walls shall be 3½x at 16&quot; on center. Party walls shall be double 2x4 at 16&quot; on center. Corridor walls shall be 2x6 at 16&quot; on center. Provide furred walls where plumbing walls occur in front of shear walls and bearing walls. Upper 2 Floors: Exterior walls shall be 2x6 at 16&quot; on center. Party walls shall be double 2x4 at 16&quot; on center. Corridor walls shall be 2x6 at 16&quot; on center. Provide furred walls where plumbing walls occur in front of shear walls.</td>
<td></td>
</tr>
<tr>
<td>Residential Framing Bearing Walls in Type I construction below podium.</td>
<td>Provide 3½ studies at all panel edges on plywood shear walls, including sole plates. All sole plates and top plates shall be Klin Dried (13% max moisture content).</td>
<td></td>
</tr>
<tr>
<td>Residential Framing Shear Walls</td>
<td>5/8&quot; thick plywood sheathing (or OSB) on all corridor walls and all party walls. Lower 1 or 2 floors will require sheathing on both sides of walls in corridors and party walls. Sheath all exterior walls with plywood. Tie-down system will be selected from either Simpson ATS, EarthBound, or Zone 4.</td>
<td></td>
</tr>
<tr>
<td>Community Space on 2nd Floor</td>
<td>Glued laminated beams or PSL beams under bearing walls above with timber posts or HSS steel posts on the interior as well as each end of each beam.</td>
<td></td>
</tr>
<tr>
<td>Residential Framing Shear Walls below podium</td>
<td>Flat below podium. Interior nonbearing metal stud walls by architect. Exterior metal stud wall framing by KPF. Exterior wall shall be 609S162-43 at 24&quot; o.c.</td>
<td></td>
</tr>
</tbody>
</table>
MEP

The apartment units will be provided with forced air electric wall heaters for space heating. Domestic hot water system is a recirculating system. High-efficiency, gas-fired hot water heaters will be provided and supplemented with a solar thermal hot water system. This provides an economical balance between first costs of the space heating system and long-term operating costs for domestic hot water system. The amenity spaces throughout the building will be provided with a dedicated central multi-split heat recovery system to heat, cool, and ventilate the spaces, and is an energy-saving system. Local controls shall be provided to control, monitor, and schedule common equipment start-stop and to control the building common interior and exterior lighting. Building energy management or automation will not be provided for this project. Through the use of high-efficiency water heaters, solar equipment, envelope insulation, and lighting, the hot water heaters will be provided and supplemented with a solar thermal hot water start-stop and to control the building common interior and exterior lighting. Building system and long-term operating costs for domestic hot water system. The amenity and comply with California Green Code requirements.

I. Mechanical Systems

A. General Description

B. Applicable Codes and Standards

1. California Building Code
2. California Mechanical Code and City of San Francisco Amendments
3. Title 24 Compliance
4. California Code of Regulations
5. San Francisco Fire Codes
6. SMACNA
7. ASHRAE Standards

C. Heating and Ventilation System for Residential Units.

1. Base Design:
   a. Residential Units:
      1) Alternate 1 - Heating provided by forced hot water wall heaters for each living space, with remote wall thermostat.
      2) Alternate 2 -
         i. Space Heating: A central hot water heating plant shall be located in the boiler room and shall consist of two redundant high-efficiency gas boilers, two redundant circulating pumps. (The boiler system shall be provided with 7-24 hours time clock, outside air for automatic start-stop control, and a manual override for direct control heating terminal.
         ii. Residential Units: Each bedroom and living room shall be provided with heat rising fixture and hose bibs. The reclaim water will serve water closet only. Reduced pressure type backflow preventer will be provided on water make up line for mechanical equipment room. The domestic cold water distribution and reclaim water (return water closest only) system will start at the 4-inch discharge side of the boiler room to connect to the existing sanitary sewer on-site. The reclaim water will be taken from a water flow test. A duplex system booster pump will be installed inside the water meter room for the domestic cold water and reclaim water system. A LEED Gold standard will be designed to LEED Gold standard.
   b. Bathrooms: Ceiling mounted exhaust fans shall be provided for all bathroom exhaust fans shall be located in each room with duct riser down shafts, with an supply outlet to serve all floors. Ceiling mounted exhaust fans shall be located at each of these outlets. These exhaust fans shall be provided with 24 hours a day. Secondary discharge up through roof shall be provided.
   c. Ventilation: Air to air heat changers (heat recovery system) shall be provided when recovering energy from air exhaust is required.

II. Plumbing Systems

A. General Description

B. Applicable Codes and Standards

1. California Building Code
2. California Plumbing Code with City of San Francisco Amendments
3. Title 24 Compliance
4. California Code of Regulations
5. San Francisco Fire Codes
6. SMACNA

C. Domestic Water

The building domestic cold water system will consist of a 4-inch main water main connected to the existing sanitary sewer system. All domestic water pipes, valves, and fixtures will be lead free material. The new water system will consist of a reduced pressure type backflow preventer assembly on the incoming main will be installed and water distribution piping system shall be Type L copper above grade and Type K below. Water connections for domestic and reclaim water use shall maintain the building demand and required isolation valves shall be installed at the points of connection to site utility lines. There will be a fire water main, an irrigation water, and a domestic water main. New water main with required pressure gage will be installed inside the new water meter room. The inline pressure to the building will be taken from a water flow test. A duplex system booster pump shall be installed on a skid. Installed inside the water meter room for the domestic cold water and reclaim water system. The domestic cold water distribution and reclaim water (return water closest only) system will start at the 4-inch discharge side of the boiler room to connect to the existing sanitary sewer on-site. The reclaim water will be taken from a water flow test. A duplex system booster pump will be installed inside the water meter room for the domestic cold water and reclaim water system.

D. Sanitary Waste and Vent System

The sanitary sewer system will consist of sanitary waste and vent connections to plumbing fixtures and a gravity drainage piping system for all plumbing fixtures. The building will have one (1) 4-inch drain line running horizontally and connecting to the nearest existing main on-site sewer system.

The building shall have sanitary waste piping that carries waste from all plumbing fixtures, requirement drains, floor drains and floor drain system shall serve sanitary system. All fixtures shall be trapped and vented to the atmosphere. The required floor drain piping shall be equipped with trap prisms and water heater rooms, pump rooms, public restrooms, and parking areas. Waste and vent systems above grade will consist of service weight bell-hose cast iron soil pipe with stainless steel mechanical joints and non-metallic gaskets or DWV (Drainage Waste Vent) copper. Waste piping below ground will consist of service weight cast iron soil pipe and cast iron soil pipe with corrosion resistant gasket type backflow preventer. Gasket type connection, capacity, and size will be coordinated with the civil portion of the work for final point of discharge to the existing sanitary sewer on-site. Dedicated backflow water shall be installed to building main drain lines.

E. Storm Water System

The storm water piping system will consist of relief drain, overflow drains and area drainage discharging into a gravity drainage piping system and connecting to the existing storm water main pipe. Storm water will be collected via roof drains and overflow drains. Overflow drains shall be installed in the event the rainwater leader is unable to operate properly.

The Two (2) horizontal main storm drainage line in the ground level shall be 8-inch cast iron soil pipe material and shall collect all the storm water of the building. The overflow drain system will be connected and combined with the storm drain line at the vertical drop. Roof drain drain and first 3/8-inch horizontal pipe will be wrapped with 1/2" thick fiberglass isolation to prevent condensation. All storm drain systems inside the building will be filtered as part of storm drain management system. NBE will recommend collecting all rain drain piping storm water streams of the filter section in an underground or above ground concrete tank (tanks to be used for irrigation system).
MP (CONT)

A. General

1. The following outlines the minimum scope of work required for the project.

2. Project Design Statement

C. Fire Pump

3. One (1) new fire protection water service line for the building fire protection systems will enter via a dual detector check valve assembly located at the new fire pump room on the ground floor. The building will be fully sprinklered. Fire protection system will be designed by design/build. The designer/contractor will provide final design and hydraulic calculations. An electric-driven fire booster pump for the fire sprinkler system will be required to boost the incoming fire water supply pressure to meet the required flow and pressure to the building. A combination of wet standpipes and automatic sprinkler system will be provided. The sprinkler system will consist of a new fire pump with each room containing a standard wet stand pipe with sprinkler heads. New pump alarm will be connected to floor alarm through the building fire alarm system.

4. The building fire detection and alarm system will be supervised and monitored via audio voice communication system along with visual monitoring to the building fire alarm panel. The fire pump alarm shall be connected to the building fire alarm panel.

5. The building fire detection and alarm system shall be in accordance with the last NFPA 13 requirements and the City of San Francisco Fire Department requirements.

D. Applicable Codes and Standards

3. City of San Francisco Fire Department
4. NCPA 13, 14, 15

E. Schematic Submission

1. ALICE GRIFFITH BLOCK 1
2. M. Recommendation
3. In order to achieve LEED gold certification for residential, it is recommended that Lutron Halogen 2 (or similar) be installed in each residential unit, ground floor office and community area. The Halogen 2 wire in return rotates in the house, the sprinkler, down control and elevators. The Halogen 2 wire in return rotates in the house, down control and elevators. The Halogen 2 wire in return rotates in the house, down control and elevators. The Halogen 2 wire in return rotates in the house, down control and elevators.

IV. ELECTRICAL SYSTEM

1. The following outlines the minimum scope of work required for the project.

A. Applicable Codes and Standards

1. CEC California Electrical Code - 2013
2. IPCC, San Francisco Electrical Code - 2013
3. NFPA 70, National Electrical Code - 2013
5. CEC, California Electric Code - 2013
6. CEC, California Electric Code - 2013
7. California Residential Code - 2013
8. CGCC, California Green Building Standards Code - 2013

B. Electrical Service and Distribution

1. The electrical service shall be arranged from a PG&E power transformer located in the floor below the transformer vault. The vault size shall be a minimum of 24'-0" x 12'-0" with 8'-0" high and 4'-0" wide doors.

2. The new service main switchboard shall be a 300 kVA, 120/208V, 3 phase, 4 wire, located in the main electrical room on first floor next to the transformer vault.

3. The main electrical room shall be approximately 24'-0" x 18'-0" in dimensions. Additional electrical service of size 16'-0" x 12'-0" may be required.

4. A separate disconnect shall be provided at the main switchboard with a conduit runup to the stairwell area.

5. The main switchboard shall be equipped with incoming utility meter. There will be separate electric meter for each rental unit along with a meter for the common area.

6. The incoming electric service shall be connected to the building fire alarm system.

7. The main electric service shall be connected to the building fire alarm system.

8. The incoming electric service shall be connected to the building fire alarm system.

9. The incoming electric service shall be connected to the building fire alarm system.
**Project Data**

**LOT AREA**: 62961 SF (1.445 Acres)
**TOTAL UNITS**: 122
**DENSITY (DU/ACRE)**: 84
**CONSTRUCTION TYPE**: Multi-family Residential
**BUILDING TYPE**: Type V A, Type I A, Multi-family Residential

### UNIT TABULATION

<table>
<thead>
<tr>
<th>Unit Types</th>
<th>No. of Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>1BR Flat</td>
<td>13</td>
</tr>
<tr>
<td>2BR Flat</td>
<td>71</td>
</tr>
<tr>
<td>3BR Flat</td>
<td>35</td>
</tr>
<tr>
<td>Townhome</td>
<td>18</td>
</tr>
<tr>
<td>4BR Flat</td>
<td>3</td>
</tr>
</tbody>
</table>

**Total**: 122

### UFAS UNIT COUNT

<table>
<thead>
<tr>
<th>Unit Types</th>
<th>UFAS Unit - Standard (10%)</th>
<th>UFAS Unit - Visual &amp; Hearing Impaired (4%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1BR</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>2BR</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>3BR</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>4BR</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

**Sub-Total**: 15

**Total**: 22

---

### BUILDING AND UNIT AREA

#### RESIDENTIAL - UNITS

<table>
<thead>
<tr>
<th>Units Types</th>
<th>Flat/TH</th>
<th>No. of Units</th>
<th>Ave Net (SF) **</th>
<th>Total (SF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 BR Flat</td>
<td>13</td>
<td>675</td>
<td>8775</td>
<td></td>
</tr>
<tr>
<td>2 BR Flat</td>
<td>71</td>
<td>955</td>
<td>67805</td>
<td></td>
</tr>
<tr>
<td>3 BR Flat</td>
<td>15</td>
<td>1246</td>
<td>18690</td>
<td></td>
</tr>
<tr>
<td>3 BR TH</td>
<td>18</td>
<td>1500</td>
<td>27000</td>
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<tr>
<td>4 BR Flat</td>
<td>3</td>
<td>1530</td>
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<tr>
<td>4 BR TH</td>
<td>0</td>
<td></td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

**Sub-Total**: 122

**Total**: 129680

#### RESIDENTIAL - COMMON AREAS

**Circulation**: 15669
**Amenities**: 3642
**Lobby**: 912

**Total**: 20223

**Residential Net ***: 19903

#### NON-RESIDENTIAL

**Trash Room/ Utility/ Storage**: 6157
**Garage**: 25961

**Sub-Total**:

**Non-Residential Total**: 32118

**Residential Gross ***: 192021

---

* Note 1: Calculations of Residential Net and Residential Gross is per City's definition of Residential and Non-Residential.

** Note 2: Average net area of each unit type is based on the typical unit plans INCLUDING bay windows or other articulations.
## Design Standards

<table>
<thead>
<tr>
<th>Building Standards</th>
<th>Block 1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Building Height</strong></td>
<td><strong>DESIGN STANDARDS:</strong> BLOCK 1 <strong>DESIGN STANDARDS:</strong> BLOCK 1</td>
</tr>
<tr>
<td>Per Building Code (Type V A):</td>
<td><strong>BUILDING HEIGHT</strong></td>
</tr>
<tr>
<td>Required</td>
<td>60'</td>
</tr>
<tr>
<td>Proposed</td>
<td>55'</td>
</tr>
<tr>
<td>Per Design for Development (D4D):</td>
<td><strong>BULK</strong></td>
</tr>
<tr>
<td>Required</td>
<td>65'</td>
</tr>
<tr>
<td>Proposed</td>
<td>55'</td>
</tr>
<tr>
<td><strong>Development Block Coverage - Low-Rise 0'-40':</strong></td>
<td><strong>Development Block Coverage - Low-Rise 40'-65':</strong></td>
</tr>
<tr>
<td>Required</td>
<td>100% max.</td>
</tr>
<tr>
<td>Proposed</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Length of Apparent Face - Base:</strong></td>
<td><strong>Length of Apparent Face - Above Base:</strong></td>
</tr>
<tr>
<td>(When major change in fenestration and/or material are not provided)</td>
<td>(When major change in fenestration and/or material are not provided)</td>
</tr>
<tr>
<td>Required</td>
<td>3' length min.; 30' max.</td>
</tr>
<tr>
<td>Proposed</td>
<td>3' 9&quot; to 27' 4 3/4&quot;</td>
</tr>
<tr>
<td><strong>Horizontal Plane Change in Apparent Face - Base:</strong></td>
<td><strong>Horizontal Plane Change in Apparent Face - Above Base:</strong></td>
</tr>
<tr>
<td>(When major change in fenestration and/or material are not provided)</td>
<td>(When major change in fenestration and/or material are not provided)</td>
</tr>
<tr>
<td>Required</td>
<td>2' depth min. offset</td>
</tr>
<tr>
<td>Proposed</td>
<td>2'-0&quot; to 5'-0&quot;</td>
</tr>
<tr>
<td><strong>Upper Floor Stepback Relative to Floor Immediately Below:</strong></td>
<td><strong>Upper Floor Stepback Relative to Floor Immediately Below:</strong></td>
</tr>
<tr>
<td>Required</td>
<td>20% of floor plate above 55' height</td>
</tr>
<tr>
<td>Proposed</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Habitable Space Max. Projection:</strong></td>
<td><strong>Habitated Space Max. Projection:</strong></td>
</tr>
<tr>
<td>Required</td>
<td>70% Min.</td>
</tr>
<tr>
<td>Proposed</td>
<td>Carroll: 92%; Arelious Walker: 92%; Donner: 99%; Laneway: 100%</td>
</tr>
</tbody>
</table>

| **SETBACK** | **RESIDENTIAL STREET:** **SETBACK** |
| **Carroll:** | **10' min.; Arelious Walker:** 10' min.; **Donner:** 9' waiver; **Laneway:** 0' min. |
| **Laneway:** | **0' min.** |
| **PROJECTION** | **PROJECTION** |
| Required | 3' max. depth; 15' max. length |
| Proposed | 3' max. depth; 15' max. length |
| **Min. Height Clearance to Sidewalk:** | **Min. Height Clearance to Sidewalk:** |
| Required | 9' min. |
| Proposed | 10' 3" min. |
| **Cumulative Projections:** | **Cumulative Projections:** |
| Required | 67% Max. |
| Proposed | Carroll: 10%; Arelious Walker: 19%; Donner: 15%; Laneway: 11% |

| **LANEWAY** | **LANEWAY** |
| **STEPBACK** | **STEPBACK** |
| Required: | 1:1.2 from 35' to 85' |
| Proposed: | 1:1.1 |

| **GROUND FLOOR ACTIVATION** | **GROUND FLOOR ACTIVATION** |
| **Active Uses** | Lobby, Building and Residential Entrances |

| **GRADE SEPARATION** | **GRADE SEPARATION** |
| **Carroll:** | **2' to 4' Above the Street;** |
| **Arelious Walker:** | **0' for Mid-block Vehicular Laneway** |
| **Donner:** | **2' to 4' Above the Street except 2 units adjacent to the Lobby, variance has been requested.** |
| **Laneway:** | **0' for Mid-block Vehicular Laneway** |

| **PARKING** | **PARKING** |
| **Residential Use:** | **Residential Use:** |
| Required (1 Space/ Unit Max.) | 122 Max. |
| Proposed | 61 Total (3 Disabled) |

| **CAR-SHARE** | **CAR-SHARE** |
| **Residential Use:** | **Residential Use:** |
| Required | 1 |
| Proposed | 1 |

| **BICYCLE PARKING** | **BICYCLE PARKING** |
| **Residential Use (Projects over 50 Units):** | **Residential Use (Projects over 50 Units):** |
| Required (25+1 every 4 Units over 50) | 43 |
| Proposed | 60 |

| **OPEN SPACE** | **OPEN SPACE** |
| **Total Open Space Area:** | **Total Open Space Area:** |
| Required Ratio | 60 sf per unit |
| Proposed | 127 sf per unit |
| **Private Open Space:** | **Private Open Space:** |
| Required Minimum Dimension | 10' |
| Proposed | 10'-5" |
| **Required Minimum Area** | **Required Minimum Area** |
| Required | 90 sf |
| Proposed | 15,600 sf (Podium Courtyard) |
## LEED Checklist

### LEED for Homes Mid-rise Pilot Simplified Project Checklist (continued)

<table>
<thead>
<tr>
<th>Effective LEED Points Possible</th>
<th>Actual</th>
<th>Certified</th>
<th>Gold</th>
<th>Platinum</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Water Efficiency (WE)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1 High Efficiency Irrigation System for MID-RISE</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.2 Basic Irrigation System for MID-RISE</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.3 High Efficiency Irrigation System for Single-Family</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.4 Basic Irrigation System for Single-Family</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Energy and Atmosphere (EA)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1 Energy Conservation Plan for MID-RISE</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.2 High Efficiency Lighting for MID-RISE</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.3 High Efficiency Lighting for Single-Family</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.4 Basic Lighting for Single-Family</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Indoor Environmental Quality (IEQ)</strong></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>4.1 Radon-Resistant Construction in High-Risk Areas Prereq</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.2 Advanced Ventilation for MID-RISE</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.3 Advanced Ventilation for Single-Family</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.4 Basic Ventilation for Single-Family</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### LEED ND

**Location and Linkages (LL)**

- **Prelim:**
  - Date last updated: [date]
  - Not Certified
  - Min. Point Thresholds Not Met for Prelim. OR Final Rating

### LEED for Homes Mid-rise Simplified Project Checklist

**Project Team Leader:**

- [Name]

**Builder Name:**

- [Name]

### Adjusted Certification Thresholds

- **Max Project Points:**
  - 50.0
  - 45.0

### Final Pts Preliminary Final

- **Avg. Home Size Adjustment:**
  - 0.0

### Sub-Total for SS Category:

- **Pts:**
  - 22
  - 16
  - 0
  - 8

### Sub-Total for EQ Category:

- **Pts:**
  - 11
  - 8
  - 0
  - 0

### Sub-Total for AE Category:

- **Pts:**
  - 3
  - 0
  - 0
  - 0

### Adjusted Certification Thresholds

- **Max Project Points:**
  - 80.0
  - 75.0

### Final Pts Preliminary Final

- **Avg. Home Size Adjustment:**
  - 0.0

### Sub-Total for AE Category (No Minimum Points Required)

- **Pts:**
  - 4
  - 0
  - 0
  - 0

### Sub-Total for EQ Category (No Minimum Points Required)

- **Pts:**
  - 10
  - 0
  - 0
  - 0

### Sub-Total for SS Category (No Minimum Points Required)

- **Pts:**
  - 5
  - 0
  - 0
  - 0

---

**LEED for Homes Mid-rise Pilot Simplified Project Checklist**

**ALEX GRIFFITH BLOCK 1**

**SCHEMATIC SUBMISSION**

San Francisco, CA  DECEMBER 03, 2014
The Alice Griffith redevelopment process is structured to occur in phases to minimize disruption to residents. Blocks 1, 2, 4, 5, 8, 9, and 14 will host the replacement affordable housing. The block numbering system was developed by the Candlestick Point D4D Plan.
Site Analysis

MUNI STATION
MTA BUS ROUTE
MTA BUS STOP
BRT ROUTE
BAY TRAIL
NEW COMMUNITY PARKS
NEW COMMUNITY PARK - FINAL LOCATION MAY CHANGE
NEW AND IMPROVED STATE RECREATION AREA
OTHER - BOULEVARD, PLEASURE GROVE, BAY NATURALIZED LANDSCAPE
YOSEMITE SLUGH STATE RECREATION AREA
NEIGHBORING PARKS

PUBLIC TRANSPORTATION

•••I MCCORMACK BARON SALAZAR
JF"!
AE3 PARTNERS, INC.
©2014 Torti Gallas and Partners, Inc. | 523 West 6th Street, Suite 212, Los Angeles, California 90014 | 213.607.0070

SCHEMATIC SUBMISSION
San Francisco, CA | DECEMBER 03, 2014
5: COURTYARD NORTH ELEVATION

6: COURTYARD EAST ELEVATION

ELEVATIONS/ SECTIONS
7: COURTYARD SOUTH ELEVATION

8: COURTYARD WEST ELEVATION

ELEVATIONS/ SECTIONS

MAX BLDG HEIGHT PER D4D
171.75'
MAX BLDG HEIGHT PER BLDG CODE
166.75'
ROOF T.O.P.
161.33'

LEVEL 5
151.33'
LEVEL 4
141.33'
LEVEL 3
131.33'
LEVEL 2
121.33'
LEVEL 1
108.00'
LOBBY
107.00'
AVE GRADE PLANE
106.75'

MATERIAL LEGEND:

Stucco 1 Stucco
Brick 2 Thin Brick Veneer
Fiber Cement 3 Board
Concrete 4 Siding
Pre-Cast Concrete Coping
Metal 8 Aluminum Panel
9 Aluminum Canopy
10 Aluminum Architectural Railing
11 Metal Reveal
Window and Door 12 Vinyl Window
13 Aluminum Window
14 Aluminum Storefront
15 Aluminum Storefront Door
16 Steel Door
17 Heavy Duty Rolling Grille Garage Door
18 Nana Wall

ALICE GRIFFITH BLOCK 1
SCHEMATIC SUBMISSION
San Francisco, CA
DECEMBER 03, 2014
9: BUILDING SECTION

MAX BLDG HEIGHT PER D4D: 171.75'
MAX BLDG HEIGHT PER BLDG CODE: 166.75'
ROOF T.O.P.: 161.33'
LEVEL 5: 151.33'
LEVEL 4: 141.33'
LEVEL 3: 131.33'
LEVEL 2: 121.33'
LEVEL 1: 108.00'
LOBBY: 108.00'
AVE.GRADE PLANE: 106.75'

BUILDING SECTION

ALICE GRIFFITH BLOCK 1
SCHEMATIC SUBMISSION
San Francisco, CA | DECEMBER 03, 2014
### LEGEND
1. MAIN ENTRANCE
2. UNIT ACCESS
3. EGRESS
4. GARAGE ENTRANCE
5. CITY SIDEWALK
6. STREET TREES BY OTHERS
7. PLANTING AREA

**NOTE:**
See Detail 1 Flow Planter At Streetscape For Typical Schematic Planting Area Condition At Streetscape.
LEGEND

- 24" Coreten and Concrete Planters
- 36" Concrete Planter
- 42" Flow Through Planter
- Resilient Sports Court Safety Surface
- Concrete Paver
- Alt. Concrete Paver
- Built in Wood Bench
- Built in Concrete Table

Note:
All furniture and landscape elements to be built in or fixed in place.

See Detail 2 Flow Planter on podium at courtyard for typical schematic condition in planting areas in the courtyard.
1. CONCRETE TO HAVE INTEGRAL COLOR.
2. BLACK CRUSHED LAVA ROCK SIZE TO BE 3/8" DIA. AVAILABLE FROM LYNGSO GARDEN MATERIALS (PH. 650-364-1730.)
3. BLACK LA PAZ COBBLE SIZE TO BE 2" ~ 3" DIA. AVAILABLE FROM LYNGSO GARDEN MATERIALS (PH. 650-364-1730.)
4. ATRIUM GRATE TO BE NDS 4" POLYOLEFIN ATRIUM GRATE, COLOR BLACK. SET GRATE INSIDE OF PVC RISER. SEE CIVIL DRAWINGS.

NOTE:
1. CONCRETE TO HAVE INTEGRAL COLOR.
2. BLACK CRUSHED LAVA ROCK SIZE TO BE 3/8" DIA. AVAILABLE FROM LYNGSO GARDEN MATERIALS (PH. 650-364-1730.)
3. BLACK LA PAZ COBBLE SIZE TO BE 2" ~ 3" DIA. AVAILABLE FROM LYNGSO GARDEN MATERIALS (PH. 650-364-1730.)
4. ATRIUM GRATE TO BE NDS 4" POLYOLEFIN ATRIUM GRATE, COLOR BLACK. SET GRATE INSIDE OF PVC RISER. SEE CIVIL DRAWINGS.

FLOU-THROUGH PLANTER ON PODIUM AT COURTYARD
NOT TO SCALE

FLOU-THROUGH PLANTER AT GRADE
NOT TO SCALE
RAISED CONCRETE PLANTER

RAISED CORTEN STEEL PLANTER

BUILT-IN WOOD BENCH

PEDESTAL PAVERS

OUTDOOR GRILL

OVERHEAD TRELLIS

NANO DOORS AT COMMUNITY ROOM

PLAY STRUCTURE - CLIMBER

PLAY STRUCTURE

SEATING IN PLAY AREA

CAFE STYLE TABLES & CHAIRS (FIXED)

LANDSCAPE MATERIAL EXAMPLES
Condition without Variance

Carroll Avenue

- **EL 108.00'**
- **EL 106.00'**
- **EL 108.00'**
- **EL 107.00'**
- **EL 109.00'**
- **EL 106.70'**
- **EL 107.00'**

- **3BR FLAT**
- **V & H UFAS**
- **OFFICE**
- **LOBBY**
- **TRASH ROOM 2**
- **CAR-SHARE SPACE**
- **Elevator with extra stop.**
- **Up and down travel pattern.**

**Note:** The floor plans are labeled with various areas and elevators, indicating different sections of the building. The elevators are marked with specific levels (EL 106.00', EL 108.00', EL 107.00'), and the floor plans highlight the layout and areas of interest such as offices, lobbies, and trash rooms.
Condition with Variance

Elevator with no extra stop.
<table>
<thead>
<tr>
<th>Consultant Names</th>
<th>Discipline</th>
<th>Fees</th>
<th>SBE</th>
<th>SBE - SF</th>
<th>MBE</th>
<th>Ethnicity*</th>
<th>WBE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Torti Gallas / AE3 (65%-35%)</td>
<td>Architect</td>
<td>$895,500</td>
<td>$895,500</td>
<td>$895,500</td>
<td>$895,500</td>
<td>African-American</td>
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<tr>
<td>Torti Gallas and Partners</td>
<td>Renderings / Redraw</td>
<td>$18,500</td>
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<tr>
<td>Bright Green Strategies</td>
<td>Green Consultant</td>
<td>$53,440</td>
<td>$53,440</td>
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<td>$53,440</td>
<td>Asian Pac</td>
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<td>Miller Company</td>
<td>Landscape Architect</td>
<td>$88,450</td>
<td>$88,450</td>
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<td>Iranian</td>
<td>175,206</td>
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<td>NBA Engineering Inc.</td>
<td>MEP</td>
<td>$175,206</td>
<td>$175,206</td>
<td>$175,206</td>
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<td>Irish</td>
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<tr>
<td>KPFF/ Rivera Consulting Group</td>
<td>Structural</td>
<td>$178,000</td>
<td>$178,000</td>
<td>$178,000</td>
<td>$178,000</td>
<td>Latino</td>
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<tr>
<td>Grossman Design Group</td>
<td>Waterproofing</td>
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<td>$45,500</td>
<td>$45,500</td>
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<tr>
<td>Telamon</td>
<td>Civil</td>
<td>$36,000</td>
<td>$36,000</td>
<td>$36,000</td>
<td>$36,000</td>
<td>Asian Pac</td>
<td>36,000</td>
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<tr>
<td>ENGEO</td>
<td>Geotechnical Engineer</td>
<td>$10,500</td>
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<tr>
<td>Mei Wu Acoustics</td>
<td>Acoustical Engineering</td>
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<tr>
<td>TBD</td>
<td>Permit Expediting</td>
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<td>Surveyor</td>
<td>$-</td>
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<td>TBD</td>
<td>Special Insections</td>
<td>$-</td>
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<tr>
<td>TBD</td>
<td>Exterior Building Maintenance</td>
<td>$-</td>
<td>$-</td>
<td></td>
<td>$-</td>
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<tr>
<td><strong>Totals</strong></td>
<td><strong>$1,555,796</strong></td>
<td><strong>$1,526,796</strong></td>
<td><strong>$1,453,856</strong></td>
<td><strong>$1,217,640</strong></td>
<td><strong>$284,146</strong></td>
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</tr>
</tbody>
</table>

Percent of Total Fees

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>98.1%</td>
<td>93.4%</td>
<td>78.3%</td>
<td>18.3%</td>
</tr>
</tbody>
</table>

*Please note: ethnicity and/or gender data were gathered from third-party sources and presented for informational purposes only. Such data have not been verified.
### Preliminary Job Projection - Alice Griffith Phases 3 (Block 1)

*Information provided by MBS*

**Alice Griffith Block 2**

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction Costs</td>
<td>$ 50,000,000 rounded</td>
</tr>
<tr>
<td>Labor Costs</td>
<td>$ 27,150,000</td>
</tr>
<tr>
<td>Construction duration</td>
<td>19 months</td>
</tr>
<tr>
<td>Developer job projection</td>
<td>200 to 250 construction jobs</td>
</tr>
<tr>
<td>Total construction work hours</td>
<td>5,000 labor hours</td>
</tr>
<tr>
<td>Number of units</td>
<td>122</td>
</tr>
<tr>
<td>Construction Type per building</td>
<td>Type V A; Type I A</td>
</tr>
<tr>
<td>Building Types (e.g. townhomes)</td>
<td>Multi-family Residential</td>
</tr>
<tr>
<td>Lot Area</td>
<td>~1.56 acres</td>
</tr>
</tbody>
</table>
MEMORANDUM

DATE: December 5, 2014
TO: HOPE SF LOAN COMMITTEE
FROM: ELIZABETH COLOMELLO, DEVELOPMENT SPECIALIST
RE: ALICE GRIFFITH PHASES 1 and 2 PERMANENT LOANS, FIRST AMENDMENT TO LOAN AGREEMENTS FOR LOAN MODIFICATIONS

THIS REQUEST

On May 16, 2014 the HOPE SF Loan Committee ("LC") approved two permanent loans for the first two phases of the Alice Griffith Public Housing redevelopment ("Phase 1" and "Phase 2"). The OCII Commission approved these loans on July 15, 2014. LC stipulated that the final financial plan ("Final Financial Plan") be subject to approval by OCII Director and MOHCD Executive Director prior to the close of construction financing for each of those phases. The sources of the OCII loans for each phase will include an OCII subsidy and the Master Developer Subsidy ("MDS") as shown below:

<table>
<thead>
<tr>
<th>Phase</th>
<th>OCII</th>
<th>Master Developer Subsidy (&quot;MDS&quot;)</th>
<th>Total Funds Approved/Requested</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Approved Predev)</td>
<td>$3,672,238</td>
<td>$0</td>
<td>$3,672,238</td>
</tr>
<tr>
<td>1 (Request Gap)</td>
<td>$3,421,679</td>
<td>$14,879,013</td>
<td>$18,300,692</td>
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<tr>
<td>Subtotal Phase 1</td>
<td>$7,093,917</td>
<td>$14,879,013</td>
<td>$21,972,930</td>
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<tr>
<td>2 (Approved Predev)</td>
<td>$3,562,238</td>
<td>$0</td>
<td>$3,562,238</td>
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<tr>
<td>2 (Request Gap)</td>
<td>$3,699,043</td>
<td>$14,631,970</td>
<td>$18,331,013</td>
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<tr>
<td>Subtotal Phase 2</td>
<td>$7,261,281</td>
<td>$14,631,970</td>
<td>$21,893,251</td>
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<tr>
<td>Total</td>
<td>$14,355,198</td>
<td>$29,510,983</td>
<td>$43,866,181</td>
</tr>
</tbody>
</table>

*Approved predevelopment funds roll into Phase 1 and 2 permanent loans.

The sources for the OCII subsidy are as follows:

<table>
<thead>
<tr>
<th>Phase</th>
<th>OCII Prior Year Bond Proceeds</th>
<th>Master Developer Subsidy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$3,421,679</td>
<td>$14,879,013</td>
</tr>
<tr>
<td>2</td>
<td>$3,699,043</td>
<td>$14,631,970</td>
</tr>
<tr>
<td>Total</td>
<td>$7,120,722</td>
<td>$29,510,983</td>
</tr>
</tbody>
</table>
Double Rock Ventures LLC ("DRV"), the development entity for the redevelopment of Alice Griffith Public Housing is an affiliate of McCormack Baron Salazar ("MBS"). Alice Griffith Phase 1, LP and Alice Griffith Phase 2, LP will be the phase owners for Phases 1 and 2. CP Development Co, LP, is a partnership including the Lennar Corporation ("CP DEV CO" or "Lennar") created for the purpose of redeveloping Hunters Point Shipyard Phase 2 and Candlestick Point. On June 3, 2010, the former San Francisco Redevelopment Agency now the Office of Community Investment and Infrastructure, or ("OCII") executed a Development and Disposition Agreement ("DDA") with CP DEV CO that includes a Below Market-Rate Housing Plan ("Housing Plan").

The Housing Plan defines the roles and responsibilities of the OCII and CP DEV CO regarding the development of up to 10,500 housing units, including the revitalization of the Alice Griffith public housing development as a mixed-income, service-enriched community, developed according to the principles of HOPE SF ("Project" or "AG").

The approved loan agreements with DRV require that Lennar provide OCII with the full MDS at the close of construction financing for each phase of the development. Lennar has requested that OCII accept an irrevocable Letter of Credit from a bank for a portion of the MDS.

**Staff recommends approval of this request.**

**BACKGROUND**

The Housing Plan requires that CP DEV CO provide a subsidy to the AG vertical development equal to $90,000 per AG Replacement Unit and $70,000 per LIHTC Unit (described in the DDA as the "Alice Griffith Subsidy" and the "Agency Subsidy", but together for purposes of this evaluation known as the "Base MDS"), another $62 million from OCII in tax increment gap financing, and projected tax credit equity of $97.6 million (based upon $.85 per credit for the two 9% deals and .90 for the four 4% deals). Should total development cost ("TDC") for any phase exceed the TDC initially projected in the DDA, CP DEV CO must cover the proportion of cost overruns attributable to the public housing units ("Additional MDS") and the Agency must cover the cost overruns attributable to the LIHTC units (the ratio is approximately 50%-50% for the all five phases of the development).

Also, OCII is responsible for covering any gaps in projected tax credit equity and/or AHP funds below what was projected at the time the DDA was executed. Unanticipated financing sources, such as HUD's Choice Neighborhoods Grant, reduce OCII's obligation. OCII's obligation, therefore, set at $62,017,200 in the Housing Plan, will increase on a pro-rated basis as Project costs go up (as described above), but will be offset by any additional funding the Project secures. Since the Project has secured CNI funding, of which $21,350,000 is to be used for AG development, OCII's base contribution, prior to any cost overruns is $40,667,200.

The Developer does anticipate Additional MDS, in accordance with the DDA definition described above, for each phase of AG. The DDA requires Lennar to pay the Base MDS for each phase of development at the close of construction financing for that phase. The DDA does not specify when the Additional MDS must be paid, though the timing of the payment must not jeopardize the feasibility of the project.

Since the permanent loans for Phases 1 and 2 were approved, MBS has selected a lender and investor for those Phases. Chase will be the construction lender with CCRC providing permanent loans of about $3 million per phase and RBC providing tax credit equity. The tax
credit pricing is $1.12 provided by RBC Capital Markets for Phases 1 and 2. MBS is still awaiting final construction cost information and anticipates having the Guaranteed Maximum Price ("GMP") in place by mid-December. Staff anticipates that the Final Financial Plan will be completed and ready for OCII and MOHCD review by the end of December.

**LOAN AMENDMENT REQUESTS**

Lennar has requested that, rather than provide the Base MDS and Additional MDS for Phases 1 and 2 at the close of construction financing for those phases, that they provide the Base MDS at that time, as required by the DDA, and provide irrevocable standby bank Letters of Credit ("LOC") for the Additional MDS, currently estimated at just under $5 million per phase for a total of approximately $9.8 million. The Base MDS will be sufficient to provide the funds needed during construction. Lennar will provide the Additional MDS at construction completion in September 2016, or earlier as needed, and will provide the LOCs at the close of construction financing for Phase 1 and Phase 2. This request is consistent with the DDA requirements related to provision of the MDS for AG as described above. The following table shows the updated sources for the Phases 1 and 2 OCII loans that reflect actual equity pricing, but does not reflect final GMP construction pricing:

<table>
<thead>
<tr>
<th>Alice Griffith Phases 1 and 2</th>
<th>Phase 1</th>
<th>Phase 2</th>
<th>Phases 1 and 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Units</td>
<td>93</td>
<td>91</td>
<td>184</td>
</tr>
<tr>
<td>Sqft</td>
<td>136,067</td>
<td>135,719</td>
<td>271,786</td>
</tr>
<tr>
<td>Number of Bedrooms</td>
<td>197</td>
<td>189</td>
<td>386</td>
</tr>
<tr>
<td>Cost Per Unit</td>
<td>Cost Per Bedroom</td>
<td>Cost Per Sqft</td>
<td></td>
</tr>
<tr>
<td>OCII Permanent Sources</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OCII Funding Base</td>
<td>$2,743,650</td>
<td>$2,797,550</td>
<td>$5,541,200</td>
</tr>
<tr>
<td>OCII Funding &quot;Cost Overruns&quot;</td>
<td>$2,966,925</td>
<td>$3,069,523</td>
<td>$6,036,448</td>
</tr>
<tr>
<td>Total OCII Funding</td>
<td>$5,710,575</td>
<td>$5,867,073</td>
<td>$11,577,648</td>
</tr>
<tr>
<td>MDS Base</td>
<td>$7,670,000</td>
<td>$7,490,000</td>
<td>$15,160,000</td>
</tr>
<tr>
<td>Additional MDS &quot;Cost Overruns&quot;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PROPOSED LOC AMOUNTS</td>
<td>$4,916,618</td>
<td>$4,911,236</td>
<td>$9,827,854</td>
</tr>
<tr>
<td>Total Master Developer Subsidy</td>
<td>$12,586,618</td>
<td>$12,401,236</td>
<td>$24,987,854</td>
</tr>
<tr>
<td>Total Permanent Loan Amount</td>
<td>$18,297,193</td>
<td>$18,268,309</td>
<td>$36,565,502</td>
</tr>
</tbody>
</table>

The current flow of funds for Phases 1 and 2 has the CNI funds per phase spent first, followed by the OCII loans which include OCII funds and the full MDS as shown above. Current projections show approximately $6 million of the OCII loan being spent during construction per phase before the bond financing must be spent to ensure compliance with the 50% test, requiring that more than 50% of project costs are paid for with bond proceeds. The Base MDS portion of the OCII loan, along with the remaining OCII funds should be sufficient to cover costs during the construction period with the remainder of the OCII Loan, including the Additional MDS, being used to repay the construction loan at the end of construction. In the event that any portion of the MDS is needed sooner than the close of construction, Lennar will provide the necessary funds at that earlier date.

*It is important to note that the "cost overrun" portion of Lennar and OCII's portions of the OCII loans for Phases 1 and 2 could increase or decrease and as long as those changes are within the amounts approved by Commission in July, Lennar and OCII must provide those subsidies to the*
projects, subject to reasonable review and input by all parties. The loan amounts shown above reflect the benefit of the added equity to the projects, thereby reducing the OCII loan amounts below what was approved by LC in May, but until the GMP is in place, the loan amounts cannot be finalized. Given the increases in construction costs industry-wide and on other affordable projects that have recently received construction pricing, staff anticipates an increase in costs from the estimates in place, but staff anticipates the higher than estimated equity pricing will offset higher construction pricing, and that the approved loan amounts will be sufficient. The final loan amounts will be approved by the OCII Executive Director and the MOHCD Director as a part of their approval of the Final Financial Plan prior to the close of construction financing for Phases 1 and 2 by January 15, 2015.

OCII staff has worked with financial advisor CSG Advisors to develop an LOC term sheet that does not amend Lennar’s obligations per the DDA to provide to the funding for the Base MDS and Additional MDS for Phases 1 and 2 and that:

- allows Phases 1 and 2 to maintain the current schedule of performance, in conformance with the HUD CNI funding deadlines;
- minimizes additional financial risk and provides no additional cost to Phases 1 and 2; and
- minimizes additional risk and provides no additional cost to OCII.

The proposed LOC term sheet has been reviewed and approved by Chase as lender and RBC as investor for Phases 1 and 2, subject to review and comment on the final LOC and related documents.

STAFF RECOMMENDATIONS

Staff recommends approval of the proposed LOC Term Sheet subject to the following requirements (as further described in the attached Letter of Credit Term Sheet):

- The Base MDS for Phase 1 and 2 will be deposited in cash with the OCII on the day prior to construction loan closing so that the OCII can certify to Chase, the senior lender for the Project, that it is holding the funds for this portion of the OCII Loan
- The Additional MDS, with the approval of OCII and Chase, may be in the form of an approved irrevocable standby LOC for each Phase 1 and 2.
- The LOC must be a Standby LOC, to be drawn upon in the event that Lennar does not make a payment of the Additional MDS when needed.
- The LOC amount must be equal to the Additional Amount for each Phase 1 and 2 (to be determined prior to construction loan closing; currently estimated at $9.8 million).
- The LOC provider must be must be rated in the AA category or better by Moody’s or Standard & Poor’s or rated Moody’s Prime 1 and not on a watchlist for negative downgrade and must be approved by both OCII and Chase.
- The LOC must have a term that expires no later than January 1, 2017 plus 120 days for any clawback period.
- If Lennar fails to make any of the payments of the Additional Amount for Phase 1 or Phase 2 in full when due, OCII will submit a draw certificate stating the amount drawn
and presented by facsimile (or SWIFT depending on the issuing bank) for the full remaining amount of the LOC and the LOC provider will pay such funds within 48 hours.

- There will thus be a maximum of one draw under a Standby Letter of Credit (either if Lennar does not make a payment or if there is any amount outstanding 15 days prior to expiration). Such draw, if any, will be for the total outstanding amount.

- The final executed LOCs must be provided no later than the day of construction loan closing.

- The draft LOCs, including draw instructions contained therein, the draft Reimbursement Agreement and any related documents that may affect OCII or Developer’s obligations under the DDA or the Project schedule or financing must be provided to OCII and Chase no later than January 5, 2015.

- OCII will entirely fulfill its obligation to Chase and Developer to fund the Additional MDS portion of the OCII Loan by assigning to Chase, at construction loan closing OCII’s right to request and receive all draws, while still retaining the right to review and approve draw requests, under the LOCs.

- All costs for and related to the Letters of Credit and associated OCII Loan Amendments, including but not limited to OCII staff costs, origination fees, legal costs, drawing fees, reimbursement obligations, etc., are solely the responsibility of Lennar. All such costs, including legal and advisory costs related to review of the LOCs and related documents that are incurred by OCII must be paid by Lennar on or prior the day before construction loan closing. Any such costs incurred after closing or any costs related to enforcement of Lennar’s obligations with respect to the additional amount, other than OCII staff costs, shall be paid within 15 days. OCII staff costs shall be paid by Master Developer to OCII as consistent with the requirements for Agency Costs under the DDA.

- The LOC term sheet is subject to review and approval by Chase.

ADDITIONAL LOAN CONDITIONS/MODIFICATIONS:

- Borrower must seek lender and investor approval of the final Letters of Credit and related documents, as approved by OCII.

- Reasonable changes to the terms provided here that are not inconsistent with the DDA and OCII Loan Agreement and do not materially increase the burdens and responsibilities of OCII or materially decrease the benefits to OCII with respect to the Project or negatively affect the Project schedule or financing may be approved as part of approval by the OCII Director and MOHCD Executive Director of the Final Financial Plan as required in the Loan Agreement.

LOAN COMMITTEE MODIFICATIONS:

Attachment: Letter of Credit Term Sheet
LOAN COMMITTEE RECOMMENDATION

Approval indicates approval with modifications, when so determined by the Committee.

[ ] APPROVE.  [ ] DISAPPROVE.  [ ] TAKE NO ACTION.

Olson Lee, Director
Mayor's Office of Housing and Community Development

[ ] APPROVE.  [ ] DISAPPROVE.  [ ] TAKE NO ACTION.

Joyce Crum, Director of Housing and Homeless Programs
Department of Human Services

[ ] APPROVE.  [ ] DISAPPROVE.  [ ] TAKE NO ACTION.

Margot Antonetty, Interim Director of Housing and Urban Health
Department of Public Health

[ ] APPROVE.  [ ] DISAPPROVE.  [ ] TAKE NO ACTION.

Tiffany Bokser, Executive Director
Office of Community Investment and Infrastructure

[ ] APPROVE.  [ ] DISAPPROVE.  [ ] TAKE NO ACTION.

Barbara Smith, Interim Executive Director
San Francisco Housing Authority
## Office of Community Investment and Infrastructure

Alice Griffith Phase I and II

**DRAFT TERM SHEET FOR**

**LETTERS OF CREDIT FROM CP DEVELOPMENT CO., LP (“MASTER DEVELOPER”)**

*December 2, 2014*

### Master Developer’s Obligation to Office of Community Investment and Infrastructure (“OCII”)

<table>
<thead>
<tr>
<th>Funding Amount</th>
<th>Master Developer is obligated to provide to OCII:</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. $7.67 million for Phase 1 and $7.49 million for Phase 2 for a total of $15.16 million of Alice Griffith Subsidy and Agency Subsidy per the Below Market Rate Housing Plan of the Disposition and Development Agreement for Candlestick Point and Phase 2 of the Hunters Point Shipyard, (“Base Amount”) and</td>
<td></td>
</tr>
<tr>
<td>b. Additional amount referenced as Cost Overruns portion of the subsidy per the DDA (“Additional Amount”), currently estimated to be $4.9 million for Phase 1 and $4.9 million for Phase 2, totaling approximately $9.8 million, subject to change until construction loan closing.</td>
<td></td>
</tr>
</tbody>
</table>

### Use of Master Developer’s funds

OCII will use both the Base Amount and the Additional Amount to fund, in part, the OCII loans to the Project (i.e. the Phase 1 and Phase 2 Replacement Projects), all consistent with the DDA.

### Base Amount

Monies for each Phase 1 and 2 Base Amount will be deposited in cash with OCII in accordance with the DDA on the day prior to construction loan closing so that OCII can certify to Chase, the senior lender for the Project, that it is holding the funds for this portion of the OCII Loan at initial loan closing of each phase.

### Additional Amount

The total Additional Amount for both Phases shall be either:

- a) deposited in cash with OCII in accordance with the DDA at initial loan closing, in the same way as the Base Amount, or
- b) with the approval of OCII and Chase, may be in the form of an approved irrevocable letter of credit for each Phase 1 and 2.

### Conditions for Approval of Letters of Credit for Additional Amount

1. Relationship to Base Amount

- a) The million Base Amount must be funded in full and in escrow on the day before construction loan closing
- b) Lennar makes no request that any portion of the Base Amount be funded later than the day before construction loan closing
2. Type of Letters of Credit

Standby Letter of Credit, as provided below. May provide one Standby Letter of Credit for each Phase or one for both Phases if agreed to by OCII and Chase.

3. Stated Amount

Equal to Additional Amount for each Phase 1 and 2. (to be determined prior to construction loan closing; currently estimated at $9.8 million-$4.9 million each for Phases 1 and 2)

4. Standby Letter of Credit Provider (“Provider”)

Must be:

a) Per by Moody’s or Standard & Poor’s:
   a. Rated in the AA category or better, or
   b. Rated Moody’s Prime 1
   c. Not on watchlist for negative downgrade

b) Approved by both OCII and Chase

5. Maximum Term of Standby Letter of Credit

a) Expires no later than January 1, 2017 plus 120 days for any clawback period

b) Except upon prior written certification from Beneficiaries that Master Developer has made its payment of the Additional Amount in full, the entire remaining amount of each Standby Letter of Credit will be automatically drawn down 15 business days prior to expiration.

6. Applicant for Standby Letter of Credit

Master Developer

In accordance with a reimbursement agreement with both OCII and Chase providing review and comment to ensure consistency with the DDA and related bond documents and loan agreements.

7. Payee / Beneficiary of Standby Letter of Credit

OCII

8. When Additional Amount or Standby Letter of Credit Will Be Drawn

a) Master Developer is obligated under the DDA to provide payments totaling the full Additional Amount at closing.

b) The Payee will submit each payment request to Master Developer with a copy to the Standby Letter of Credit Provider, including the date due and the amount.

c) i) If Master Developer makes such payment, the Payee will approve an equal reduction in the total amount of the Standby Letter of Credit upon expiration of the clawback period.

ii) If Master Developer fails to make any such payment in full when due, the Payee will submit a draw certificate stating the amount drawn and presented by facsimile (or SWIFT depending
on the issuing bank) for the full remaining amount of the Standby Letter of Credit and the Provider will pay such funds within 48 hours.

d) There will thus be a maximum of one draw under a Standby Letter of Credit (either if Master Developer does not make a payment as set forth under (c)(ii)) above or if there is any amount outstanding 15 days prior to expiration). Such draw, if any, will be for the total outstanding amount.

9. When Standby Letters of Credit are provided

One day prior to construction loan closing to be held in escrow and released upon construction loan closing in accordance with escrow instructions approved by Master Developer, Chase and OCII.

The draft Letters of Credit, including draw instructions contained therein, the draft Reimbursement Agreement and any related documents that may affect OCII or Developer’s obligations under the DDA or the Project schedule or financing must be provided to OCII and Chase no later than January 5, 2015.

10. Assignment of Standby Letters of Credit

OCII will entirely fulfill its obligation to Chase and the Phase 1 and 2 Developer to fund the Additional Amount of the OCII Loan by assigning to Chase, at construction loan closing, OCII’s right to receive all direct payments of the Additional Amount by Master Developer and to draw under the Standby Letter of Credit. OCII will still retain the right to review and approve payment requests from the Phase Developer and any draw under the Standby Letters of Credit.

The Draw requests must be approved by:

(a) Chase and

(b) OCII, confirming the request is in accordance with the OCII Loan Agreement

Any draw against the Letter of Credit or direct payment by Master Developer as described in paragraph 8 shall be credited toward satisfying Master Developer’s obligation to fund the Additional Amount to OCII under the DDA upon expiration of the clawback period.

Any payment of the Additional Amounts, either directly by Master Developer or through draws on the Standby Letters of Credit, will be treated as part of and added to the amount outstanding under the OCII Loan to the Phase Developer.

12. Costs Related to Letters of Credit

All costs related to the Letters of Credit and associated OCII Loan Amendments, including but not limited to OCII staff costs, origination fees, legal costs, drawing fees, reimbursement obligations, etc., are solely the responsibility of Master Developer. All such costs, including legal and advisory costs related to...
review of the Letters of Credit and related documents that are incurred by the OCII must be paid by Master Developer on or prior the day before construction loan closing. Any such costs incurred after closing or any costs related to enforcement of Lennar’s obligations with respect to the additional amount, other than OCII staff costs, shall be paid within 15 days. OCII staff costs shall be paid by Master Developer to OCII as consistent with the requirements for Agency Costs under the DDA.

13. Chase Review of Term Sheet

This term sheet is subject to review and approval by Chase.
FIRST AMENDMENT TO THE LOAN AGREEMENT
Tax Increment Funds
Alice Griffith Replacement Projects Phase 1

THIS FIRST AMENDMENT TO THE LOAN AGREEMENT ("First Amendment") is entered into as of __________, by and between the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, a public body, organized and existing under the laws of the State of California, hereafter referred to as the Office of Community Investment and Infrastructure, ("OCII"), and Double Rock Ventures, LLC, a California limited liability company ("Borrower").

RECITALS

A. In furtherance of the objectives of the California Community Redevelopment Law (Health and Safety Code, section 33000 et seq. the "CRL"), the former San Francisco Redevelopment Agency ("Former Agency") would undertake programs for the reconstruction and construction to improve blighted areas in the City and County of San Francisco (the "City").

B. In accordance with the CRL, the City, acting through its Board of Supervisors, approved a Redevelopment Plan for the Bayview Hunters Point Redevelopment Project Area (the “Project Area”) by Ordinance No. 113-06, adopted on May 16, 2006. In cooperation with the City, OCII is responsible for implementing the Bayview Hunters Point Redevelopment Plan (the “Redevelopment Plan”)

C. Under California State Assembly Bill No. 1X26 (Chapter 5, Statutes of 2011-12, first Extraordinary Session) ("AB 26"), as amended by California State Assembly Bill No. 1484 ("AB 1484") (together the “Dissolution Laws”) the Former Agency dissolved as a matter of law on February 1, 2012. On October 2, 2012 the San Francisco Board of Supervisors, acting as legislative body of OCII as the successor to the Agency, passed Ordinance 215-12, which outlined the rights and responsibilities of OCII as the Agency’s successor agency, including but not limited to certain retained existing enforceable obligations for the development of affordable housing. Accordingly, under Ordinance 215-12 and Dissolution Law, OCII has the obligation and authority to enter into this Agreement to allow for the development of the Alice Griffith Replacement Project as further discussed below in Recital D below.

D. The Hunters Point Shipyard/Candlestick Point Project (the “Shipyard Development”) is one of San Francisco's three critical redevelopment legacy projects that OCII must continue to implement under the Dissolution Law. The Shipyard Development is divided into two related parts, called Phase 1 and Phase 2, each with a separate disposition and development agreement. The disposition and development agreements, together with a number of related binding agreements attached to or referenced in the text of the disposition and development agreement, establish a comprehensive set of enforceable obligations that collectively govern the completion of the Shipyard Development. The disposition and development agreements are binding contractual agreements that provide for the transfer of land from OCII to developers, the developers’ and OCII’s rights and obligations relating to the construction of specified improvements, and the financing mechanisms for completing these projects. Phase 1 covers
approximately 75 acres and Phase 2 is significantly larger, covering over 700 acres at the Shipyard and at the adjacent Candlestick Point. The Alice Griffith Replacement Project is a key component of Phase 2 of the Shipyard Development. All 256 public housing units currently on site will be replaced (“Public Housing Replacement Units”) and 248 new affordable units (“Additional Affordable Units”) will be added on seven blocks that are a combination of vacant lots and existing Alice Griffith parcels (“Development” or “AG”).

E. In connection with the Candlestick Point and Phase 2 of Hunters Point Shipyard project, the Former Agency and CP Development Co., LP (“CP Dev Co”) entered into a Disposition and Development Agreement (Candlestick Point and Phase 2 of the Hunters Point Shipyard), dated June 3, 2010 (the “DDA”). The DDA includes a Below Market-Rate Housing Plan (“Housing Plan”). The Housing Plan defines the roles and responsibilities of the Former Agency and CP Dev Co regarding the development of up to 10,500 housing units, an important part of which is the revitalization of the Alice Griffith public housing development as a mixed-income, service-enriched community, developed according to the principles of the City’s HOPE SF Program. On December 14, 2012 the California Department of Finance (“DOF”) recognized the DDA as an Enforceable Obligation under the Dissolution Law. The Dissolution Law, in particular California Health and Safety Code Section 34177, provides that OCII is required to (1) perform obligations required pursuant to any Enforceable Obligation, and (2) continue to oversee development of properties until the contracted work has been completed.

F. Based on the requirements of the DDA, McCormack Baron Salazar (“MBS”) was selected by CP Dev Co to be the Alice Griffith Developer based upon their extensive experience revitalizing public housing across the country. Additional development team members include the San Francisco Housing Authority (“SFHA”) and Urban Strategies, Inc., which will be implementing the social services program at AG. The Borrower is the development entity for the overall redevelopment of Alice Griffith Public Housing and is an affiliate of MBS. Each financing phase of development will have a separate development entity affiliate of MBS. The current public housing site is bordered roughly by Hawes, Carroll, and Gilman Streets and vacant land owned by the State Parks Department and OCII (Exhibit B). AG will include the adjacent State and OCII lands and be comprised of Blocks 1,2,4,5,8,9, and 14 (as shown in Exhibit B). Block 2 is the subject of this document (the “Site”). Block 2 is “AG Phase 1”.

G. The Below-Market Rate Housing Plan, which is Exhibit E of the DDA, requires that CP Dev Co provide a per unit subsidy to the AG vertical development equal to $90,000 per Public Housing Replacement Unit, and $70,000 per Additional Affordable Unit (“Master Developer Subsidy”). Exhibit E also requires that OCII provide a base subsidy of $62,017,200 in tax increment gap financing to be divided among the five phases based on development needs per phase. For each phase of AG and according to a formula in Exhibit 5, OCII and CP Dev Co will provide the proportion of the contributions described above that is proportionate to that phase.

H. If after maximizing all available and appropriate sources other than CP Dev Co and OCII, the total development cost (“TDC”) for any phase exceeds the TDC initially projected in the DDA, then the excess of the TDC will be considered a cost overrun (“Cost Overrun”). If there are Cost Overruns in any phase, then CP Dev Co must cover the proportion of Cost
Overruns attributable to the Public Housing Replacement Units and OCII must cover the Cost Overruns attributable to the Additional Affordable Units. OCII is responsible for funding any gaps in projected tax credit equity and/or Affordable Housing Program funds below what was projected at the time the DDA was executed. Conversely, additional funding sources unanticipated at the time of the DDA reduces OCII’s obligation (e.g. the portion of HUD’s CNI Grant described in Recital J for housing development at AG). Therefore, OCII’s base subsidy, once the CNI funds are incorporated into the development budget, is $40,667,200. The respective OCII and Master Developer subsidies must be provided at or prior to the close of construction financing of each phase, pursuant to Section 5.4 (a) and (c) of the Housing Plan in the DDA.

I. The Former Agency and Borrower entered into a Tax Increment Loan Agreement for $3,000,000 for master planning and initial predevelopment work for the first phases of AG on March 29, 2011. Of this loan $1,916,750 was allocated to predevelopment of the first two phases of the AG, in the amount of $958,375 for each Phase I and Phase II. The remaining balance of $1,083,250 has been allocated to site-wide master planning.

J. In August 2011, MBS as lead applicant and SFHA as co-applicant were awarded a U.S. Department of Housing and Urban Development (“HUD”) Choice Neighborhoods Initiative Implementation (“CNI”) Grant in the amount of $30,500,000, of which $21,500,000 is to be used for housing development at AG. The CNI program supports locally driven strategies to address struggling neighborhoods with distressed public or HUD-assisted housing through a comprehensive approach to neighborhood transformation. Local leaders, residents, and stakeholders, such as public housing authorities, cities, schools, police, business owners, nonprofits, and private developers, come together to create and implement a plan that transforms distressed HUD housing and addresses the challenges in the surrounding neighborhood. The program is designed to catalyze critical improvements in neighborhood assets, including vacant property, housing, services and schools. The CNI funding comes with a variety of deadlines and deliverables, the most important of which is a statutory obligation that grants funds be expended and units delivered by September 2016 for the portion of the funds associated with Phases 1 and 2 and September 2017 for the portion of the funds to be used for Phase 3. Therefore, CNI funds and associated funding deadlines will apply to the first three phases of AG.

K. On September 23, 2013 the Oversight Board of the City and County of San Francisco approved an expenditure of up to $18,310,070 for funding for the Development including the Project (as defined in Recital K below) through Item No. 161 of the Recognized Obligation Payment Schedule for the period of January 1, 2014 through June 30, 2014 (“ROPS 13-14B”), and the Funding Amount consists of a portion of the $7,856,717 in reserves approved by DOF shown on that Item. The reserves for Item 161 consist of funds approved by DOF to be retained through the Low and Moderate Income Housing Funds Due Diligence Reserve for the Alice Griffith Replacement Project. The California Department of Finance provided final approval of the expenditure for Item No. 239 through its letter dated December 17, 2013.

L. Borrower requested funds in the amount of $2,713,863, in predevelopment funding (“Funds or the ‘Funding Amount’) for AG Phase 1 (the “Project”). This amount, combined with $958,375 in predevelopment funds described in Recital H, totals $3,672,238. On December 20,
2013 the Citywide Affordable Housing Loan Committee ("Loan Committee") approved this request for funding and on April 1, 2014, OCII Commission approved the Borrower’s request for predevelopment funds for the Project.

M. Borrower requested additional gap funds in the amount of $18,300,692 for a total aggregate amount not to exceed $21,972,930 ("Funds or the “Funding Amount”) for the Project. On May 16, 2014 the Loan Committee approved this request for funding and on June 15, 2014, OCII Commission approved the Borrower’s request for gap funds for the Project.

N. The Funding Amount consists of OCII funds and Master Developer Subsidy per the requirements of the Housing Plan in the DDA as described in Recital G above and shown in the following table:

<table>
<thead>
<tr>
<th></th>
<th>OCII</th>
<th>Master Developer Subsidy (“MDS”)</th>
<th>Total Funds Approved/Requested</th>
</tr>
</thead>
<tbody>
<tr>
<td>Predevelopment (approved April 1, 2014)</td>
<td>$3,672,238</td>
<td>$0</td>
<td>$3,672,238</td>
</tr>
<tr>
<td>Gap (approved June 17, 2014)</td>
<td>$3,421,679</td>
<td>$14,879,013</td>
<td>$18,300,692</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$7,093,917</strong></td>
<td><strong>$14,879,013</strong></td>
<td><strong>$21,972,930</strong></td>
</tr>
</tbody>
</table>

O. The portion of the OCII and Master Developer subsidies that are a part of the base contribution and the portion attributable to Cost Overruns as required by the DDA for current phase of work and described in Recital G above is shown in the following table:

<table>
<thead>
<tr>
<th>OCII Permanent Sources</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>OCII Funding Base</td>
<td>$2,743,650</td>
</tr>
<tr>
<td>OCII Funding &quot;Cost Overruns&quot;</td>
<td>$4,350,267</td>
</tr>
<tr>
<td><strong>Total OCII Funding</strong></td>
<td><strong>$7,093,917</strong></td>
</tr>
<tr>
<td>CP DEV CO Funding Base</td>
<td>$7,670,000</td>
</tr>
<tr>
<td>CP DEV CO Funding &quot;Cost Overruns&quot;</td>
<td>$7,209,013</td>
</tr>
<tr>
<td><strong>Total Master Developer Subsidy</strong></td>
<td><strong>$14,879,013</strong></td>
</tr>
<tr>
<td><strong>Total Loan Amount</strong></td>
<td><strong>$21,972,930</strong></td>
</tr>
</tbody>
</table>

P. Subsequent to the execution of this Agreement and Prior to the Loan Closing Date this Agreement will be assigned to AG Phase 1, L.P., a California limited partnership.

Q. Upon completion of the Project, OCII intends to transfer the affordable housing loan obligation, asset, and ground lease to MOHCD as the designated Successor Housing Agency of the City and County of San Francisco under Board Resolution 11-12, as required by Dissolution Law. The transfer will occur subsequent to recordation of the notice of completion and all MOHCD asset management requirements will apply.

R. The Master Developer has requested to provide an irrevocable Letter of Credit ("LOC") as security for the “Cost Overruns” portion of their subsidy, and to provide the actual subsidy at a later time, closer to the date that the funds will be used to pay for Project costs; and,
S. OCII has agreed to this request in concept, subject to terms outlined in an LOC term sheet (“LOC Term Sheet”) and subject to approval of the final LOC and related documents; and,

T. This request requires a First Amendment to the Phase 1 Loan Agreement to modify the sources, and to incorporate the terms outlined in the LOC Term Sheet; and,

U. The First Amendment also incorporates several administrative changes to ensure consistency among Project documents that do not change the terms of the Loan Agreement; and

V. OCII wishes to make a First Amendment to the Loan Agreement (the “Loan”) with the Borrower. On December 16, 2014, the Commission approved this First Amendment through Resolution No. ____-2014.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein and other good and valuable consideration, OCII and Borrower agree as follows:

AGREEMENT

1. Amendments to the Loan Agreement

(a) The definition of Surplus Cash is to be added. “Surplus Cash” means Project Income remaining after payment of Project Expenses and Project Fees. The amount of Surplus Cash must be based on figures contained in audited financial statements. Distributions of Surplus Cash shall not exceed the amount of unrestricted cash at end of Borrower’s fiscal year.

(b) The first and second bullet in Section 3.5 of the Loan Agreement shall be deleted in its entirety and replaced with the following:

- To pay any outstanding Developer Fees, then up to one-third (1/3) of remaining Surplus Cash shall be paid to the Borrower as an incentive management fee in an amount not to exceed Five Hundred Dollars ($500) per unit per year, up to a maximum of Fifty Thousand Dollars ($50,000) per year.

- The remaining portion of Surplus Cash, shall be allocated as follows:
  (i) To SFHA: The lesser of (a) the annual residual Ground Rent, or (b) one-third (1/3) of the available Surplus Cash;
  (ii) To OCII/MOHCD: The lesser of (a) payments due on any outstanding loans from OCII or MOHCD; or (b) the remaining available Surplus Cash. The amounts shall be allocated proportionally toward payment of outstanding principal and
accrued but unpaid interest on the outstanding loans from OCII and MOHCD.

(c) Section 4.3 (c) of the Loan Agreement shall be deleted in its entirety and replaced with the following:

As a condition of Loan closing, OCII must be in receipt of the Master Developer Subsidy, which is included in the Funding Amount, pursuant to Section 5.4 (a) and (c) of the Below Market Rate Housing Plan component of the DDA with CP Dev Co which states that the Base Amount of Master Developer Subsidy must be provided “on the date of the closing of the construction loan” for the applicable phase. An irrevocable bank Letter of Credit may be provided for the “Cost Overruns” portion of the Master Developer Subsidy subject to the terms and conditions attached hereto as Exhibit A. After the Loan Closing Date, OCII shall be responsible for advancing the full Funding Amount (including amounts derived from or calculated by reference to the Master Developer Subsidy) as and when due to Borrower pursuant to the terms of this Agreement and expressly agrees that the Borrower will not, after such time, bear any risk associated with the timing or amount of Master Developer Subsidy available to OCII.

(d) Section 7.3 (a) of the Loan Agreement shall be deleted in its entirety and replaced with the following:

Maximum Rent charged to each Qualified Tenant may not exceed the amounts set forth in Exhibit A, provided that maximum Rent for Qualified Tenants for Units for which Section 8 or RAD assistance is available is the payment standard established by SFHA and HUD or other Governmental Agency with jurisdiction over the rental subsidy program.

(e) Exhibit E Bayview Hunters Point Employment and Contracting Policy shall be deleted and replaced with the attached Exhibit E Bayview Hunters Point Employment and Contracting Policy and Workforce Memorandum of Understanding

(f) Exhibit J - Tenant Selection Plan Policy shall be deleted and replaced with the attached Exhibit J - Tenant Selection Plan Policy.

2. Representations and Warranties.

(a) All of the representations and warranties made by Borrower to OCII in the Loan Agreement continue to be true and complete as of the date of this First Amendment.

(b) No event has occurred and is continuing that constitutes an event of default or potential event of default under the Loan Agreement.
3. Miscellaneous.

(a) No reference to this First Amendment is necessary in any instrument or document at any time referring to the Loan Agreement. Any reference to such documents shall be deemed a reference to such documents as amended by this First Amendment.

(b) Except as amended by this First Amendment, the Loan Agreement shall remain unmodified and in full force and effect. In the event of any conflict between the terms of the Loan Agreement and the provisions of this First Amendment, this First Amendment shall control.

(c) This First Amendment may be executed in multiple counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument.

(d) The terms, covenants and conditions contained in this First Amendment shall bind and inure to the benefit of Borrower and OCII and, except as otherwise provided herein, their personal representatives and successors and assigns.

(e) OCII and Borrower hereto agree to execute such further instruments and to take such further actions as may be reasonably required to carry out the intent of this First Amendment.

(f) Nothing contained in this First Amendment, nor any act of OCII, may be interpreted or construed as creating the relationship of third party beneficiary, limited or general partnership, joint venture, employer and employee, or principal and agent between the OCII and/or Borrower or Borrower’s agents, employees or contractors.
IN WITNESS WHEREOF, the parties hereto have executed this First Amendment at San Francisco, California as of the date first written above.

OCII:
Office of Community Investment
And Infrastructure, Successor Agency
to the Redevelopment Agency of the
City and County of San Francisco,
a public body, organized and existing
under the laws of the State of
California

By: ______________________________________
    Tiffany Bohee
    Executive Director

APPROVED AS TO FORM:

DENNIS J. HERRERA
City Attorney

By: ______________________________________
    Heidi J. Gewertz
    Deputy City Attorney

BORROWER:
Double Rock Ventures, LLC, a Delaware limited
liability company

By: Double Rock MBS Member, Inc., a Missouri
corporation, its Sole Member

By: ______________________________________
    Kevin J. McCormack, President
EXHIBIT A

LETTER OF CREDIT TERM SHEET
EXHIBIT E

Bayview Hunters Point Employment and Contracting Policy
INTERAGENCY MEMORANDUM OF UNDERSTANDING
(ALICE GRIFFITH REPLACEMENT PROJECTS)

AMONG

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY
AND COUNTY OF SAN FRANCISCO, COMMONLY KNOWN AS THE OFFICE OF
COMMUNITY INVESTMENT AND INFRASTRUCTURE

HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO,

MAYOR’S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT

AND

OFFICE OF ECONOMIC AND WORKFORCE DEVELOPMENT
INTERAGENCY MEMORANDUM OF UNDERSTANDING
(ALICE GRIFFITH REPLACEMENT PROJECTS)

This INTERAGENCY MEMORANDUM OF UNDERSTANDING (ALICE GRIFFITH REPLACEMENT PROJECTS) (as amended from time to time in accordance with the terms hereof, this “MOU”) is entered into as of _______ , 2014 (the “Effective Date”) by and among the Successor Agency to the Redevelopment Agency of the City and County of San Francisco, a public body organized and existing under the laws of the State of California and commonly known as of the Effective Date as the Office of Community Investment and Infrastructure (the “Agency”), the Housing Authority of the City and County of San Francisco, a public body, corporate and politic (“SFHA”), and the City and County of San Francisco, a charter city of the State of California (the “City”), acting by and through its Mayor’s Office of Housing and Community Development (“MOHCD”) and its Office of Economic and Workforce Development (“OEWD”). The Agency, SFHA, MOHCD and OEWD are sometimes referred to herein, individually, as a “Party” and, collectively, as the “Parties”.

SECTION I. PURPOSE

1. SFHA, the City, and the Agency are parties to that certain Memorandum of Understanding for the Proposed Redevelopment of Alice Griffith Public Housing dated as of July 8, 2010, which sets forth the parties’ thereto desire to cooperate in the planning of the proposed redevelopment of the Alice Griffith public housing development (“Alice Griffith”), located at 207 Cameron Way in San Francisco, California. Adjacent to Alice Griffith is certain real property owned by the Agency and the Port of San Francisco, and Alice Griffith surrounds certain real property owned by the City. All such property, as generally depicted in Exhibit A-1. The Parties acknowledge and agree that the Agency and SFHA are as of the Effective Date in the process of undertaking certain land conveyances and acquisitions within such real property, and such real property is in the process of being further subdivided in accordance with the City’s subdivision code. Following such subdivision, the Authority and the Agency, with the approval of Master Developer and Housing Developer, shall attach the legal description of such real property hereto as Exhibit A-2. Such real property is referred to herein as the “Alice Griffith Site”.

2. The Agency and CP Development Co., LP, a Delaware limited partnership (“Master Developer”), are parties to that certain Disposition and Development Agreement (Candlestick Point and Hunters Point Shipyard), dated for reference purposes as of June 3, 2010 (as amended and as may be further amended from time to time, the “CP/HPS2 DDA”). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the CP/HPS2 DDA.

3. The CP/HPS2 DDA contemplates the transformation of the Alice Griffith Site into approximately one thousand one hundred twenty (1,126) new units of housing, including the one-for-one replacement of each of the existing two hundred fifty six (256) units at
Alice Griffith as of the Effective Date. The CP/HPS2 DDA contemplates such replacement units being constructed as part of the multi-phased, five hundred four (504) unit Alice Griffith Replacement Projects, which are planned to include two hundred fifty six (256) Alice Griffith Replacement Units and two hundred forty eight (248) Affordable Units targeted to households earning no more than sixty percent (60%) of Area Median Income, all as more particularly described therein.

4. The CP/HPS2 DDA contemplates formation of an Alice Griffith Developer that would facilitate construction of the Alice Griffith Replacement Projects, with such formation being under an arrangement between Master Developer and a Qualified Housing Developer approved by the Agency. On or about October 23, 2012, the Agency approved Double Rock Ventures, LLC, a Delaware limited liability company (the “Housing Developer”), as such Alice Griffith Developer, and McCormack Baron Salazar, Inc., a Missouri corporation (“MBS”), as a Qualified Housing Developer.

5. SFHA, Master Developer and MBS entered into that certain Exclusive Negotiating Rights Agreement dated as of October 14, 2010, as amended, providing, among other things, Master Developer and MBS the exclusive rights to negotiate with SFHA for the potential redevelopment of the Alice Griffith Replacement Projects. Master Developer and MBS assigned all of their respective rights and interests under the ENRA to Housing Developer.

6. The Alice Griffith Replacement Projects will be constructed in phases, with each phase to be constructed and owned by a separate entity (each, an “Alice Griffith Phase Developer”) that will be established by and controlled by MBS and/or Housing Developer (subject to certain approval rights of and obligations to the Parties and Master Developer).

7. Under the CP/HPS2 DDA, Master Developer is responsible for the master development of the Alice Griffith Site, including by undertaking certain work necessary to permit construction of new homes and other improvements with the Alice Griffith Site, all as more particularly described therein. Such work includes creating separate legal parcels in accordance with the CP/HPS Subdivision Code, grading and soil compacting such parcels, constructing necessary supporting infrastructure, including parks and open space, and otherwise preparing Alice Griffith Lots on which the Alice Griffith Replacement Projects will be developed (as more particularly described in the CP/HPS2 DDA as Infrastructure, the “Alice Griffith Infrastructure”). In addition, under the CP/HPS2 DDA, Master Developer will convey certain other real property within the Alice Griffith Site to Vertical Developers for the development of new homes and other improvements, all as more particularly described in the CP/HPS2 DDA as Vertical Improvements (the “Other Vertical Improvements”).

8. The term “Developer” as used herein shall mean: (i) with respect to the Alice Griffith Infrastructure, Master Developer; (ii) with respect to the Alice Griffith Replacement Projects, the applicable Alice Griffith Phase Developer; and (iii) with respect to the Other Vertical Improvements, the applicable Vertical Developer.
9. SFHA and MBS were awarded a Choice Neighborhoods Initiative Implementation Grant ("CNI Grant") from the United States Department of Housing and Urban Development ("HUD") to provide financial assistance to the Alice Griffith Replacement Projects; subject to the certain conditions as provided in the CNI Grant Agreement, including compliance with section 3 of the Housing and Urban Development Act of 1968, as amended (12 USC§1701, and regulations set forth in 24 CFR part 135) (the "Section 3 Requirements"). Pursuant to the terms of the CNI Grant application and the resulting grant agreement, SFHA and MBS made specific commitments to HUD regarding the Section 3 Requirements as well as other hiring and contracting matters (as they may be amended pursuant to the terms of the CNI Grant agreement, the "CNI Contracting Requirements").

10. Under Resolution No. 4967 adopted by the SFHA Board of Commissioners on February 22, 2001 ("Resolution 4967"), SFHA established, among other matters, a goal that contractors, in conjunction with their subcontractors, hire SFHA residents such that SFHA residents constitute a minimum of twenty five percent (25%) of the total workforce (calculated by person-hours) on all contracts covered by Resolution 4967.

11. Under the CP/HPS2 DDA, Master Developer is required to comply with certain Agency policies, including the Bayview Hunters Point Employment and Contracting Policy, adopted by the Agency Commission on December 4, 2007 under resolution number 127-2007 and as revised under the CP/HPS2 DDA (as amended from time to time in accordance with the CP/HPS2 DDA, the "BVHP ECP"). The BVHP ECP establishes a goal that fifty percent (50%) of construction and permanent workforce hires for each trade be qualified BVHP Residents and requires Master Developer and its contractors and subcontractors to use good faith efforts to cause fifty percent (50%) of its construction and permanent workforce hours by trade be performed by qualified BVHP Residents, then residents of the 94123 and 94107 zip code areas, then residents of other existing Agency redevelopment project areas, and then San Francisco Residents with First Consideration to BVHP Residents (all as defined and more particularly described in the BVHP ECP). Alice Griffith residents and other public housing residents are BVHP Residents and are thus given First Consideration under the BVHP ECP.

12. The primary purpose of this MOU is to clarify and define the roles, responsibilities, goals and procedures of each Party in relation to certain of the City’s community and public benefits policies and the Agency Policies as described in the CP/HPS DDA with respect to workforce hiring for the (i) construction of the Alice Griffith Infrastructure by Master Developer, (ii) construction of the Alice Griffith Replacement Projects by Alice Griffith Phase Developers, and (iii) construction of Other Vertical Improvements by Vertical Developers (collectively, the "Covered Work").

SECTION II. AGREEMENTS AMONG PARTICIPATING PARTIES

1. DEVELOPER COMPLIANCE
a **MASTER DEVELOPER AND VERTICAL DEVELOPERS.** SFHA has determined that the Alice Griffith Infrastructure and the Other Vertical Improvements are not subject to Section 3 Requirements due to the fact that no federal funds, including the CNI Grant, will be used directly or indirectly in the construction of the foregoing, and therefore Master Developer and Vertical Developers will not be required to comply with the Section 3 Requirements in connection with the foregoing. In undertaking the construction of the Alice Griffith Infrastructure, compliance by Master Developer, and in undertaking the construction of the Other Vertical Improvements, compliance by the applicable Vertical Developer, with all of the requirements contained in the BVHP ECP (as revised under Section III of this MOU) will relieve Master Developer and such Vertical Developers, respectively, from all other workforce or contracting requirements, programs and policies of SFHA and the City and, except as otherwise required by the CP/HPS2 DDA, of the Agency.

b **ALICE GRIFFITH PHASE DEVELOPER.** SFHA has determined that the Alice Griffith Replacement Projects are subject to compliance with the Section 3 Requirements, and therefore each Alice Griffith Phase Developer will be required to comply with the Section 3 Requirements. In undertaking the construction of the Alice Griffith Replacement Projects, compliance by the applicable Alice Griffith Phase Developer with all of the requirements contained in the BVHP ECP (as revised under Section III of this MOU) and with the Section 3 Requirements will relieve such Alice Griffith Phase Developer from all other workforce or contracting requirements, programs and policies of SFHA, the City and the Agency. The Authority and the City have determined that compliance with the modifications set forth in Section III.2 of this MOU will identify Section 3 eligible residents.

## 2. CONSTRUCTION WORKFORCE

a The rules of the BVHP ECP will govern construction workforce hiring and placement for the Covered Work, with a residency modification to accommodate provisions in Resolution 4967. These modifications are set forth in Section III of this MOU.

b The Agency will monitor and enforce the BVHP ECP.

c The Agency will provide access to payroll data provided under the BVHP ECP to all other Parties through an electronic certified payroll system (e.g., Elations).

d To ensure an efficient work referral system, OEWD’s CityBuild Program ("CityBuild") will serve as the lead and initial point of contact among the applicable Developer, its contractors and subcontractors and the BVHP
community for construction worker placement with respect to Covered Work undertaken by or on behalf of such Developer.

e Each Developer’s contractors and/or subcontractors will also submit to the Agency copies of all correspondence to/from CityBuild, SFHA, and/or trade unions requesting resident workers and will attach these documents to their Certified Payroll Reports or otherwise make such information available on request of the Agency (which will make such information available to the other Parties upon request).

3. PROFESSIONAL SERVICES TRAINEE REQUIREMENTS

a The rules of the BVHP ECP will govern trainee hiring and placement for the Covered Work, with a residency modification to accommodate provisions of the Section 3 Requirements and Resolution 4967, as applicable. These modifications are set forth in Section III of this MOU.

b The Agency will monitor and enforce the BVHP ECP.

c To ensure an efficient work referral system, CityBuild will serve as the lead and initial point of contact among the applicable Developer, its consultants and subconsultants and the BVHP community for trainee placement with respect to Covered Work undertaken by or on behalf of such Developer.

4. PERMANENT WORKFORCE

a The rules of the BVHP ECP will govern permanent workforce hiring and placement with a residency modification to accommodate provisions in the Section 3 Requirements and Resolution 4967, as applicable. These modifications are set forth in Section III of this MOU.

b Pursuant to the Section 3 Requirements, at least thirty percent (30%) of the permanent, full-time employees hired should be Section 3 residents. After a Section 3 employee has been employed for three (3) years, the employee may no longer be counted as a Section 3 employee to meet the thirty percent (30%) requirement. This requires Alice Griffith Phase Developer or its contractors or subcontractors to continue hiring Section 3 residents when employment opportunities are available, as more particularly set forth in Section III.2.b of this MOU.

c The Agency will monitor and enforce the BVHP ECP.

d The Agency will provide access to payroll data provided under the BVHP ECP to all other Parties through an electronic certified payroll system (e.g., Elations).
e To ensure an efficient work referral system, City Build will serve as the lead and initial point of contact among each Vertical Developer and Alice Griffith Phase Developer, their respective contractors/subcontractors and the BVHP community and businesses for permanent workforce placement with respect to Covered Work undertaken by or on behalf of such Developer.

f Each Vertical Developer’s and Alice Griffith Phase Developer’s contractors and/or subcontractors will submit a permanent workforce report provided by the Agency. Each such Developer shall submit to the Agency copies of all correspondence to/from CityBuild, SFHA, and/or trade unions requesting resident workers to ensure that permanent employment placement occurs according to the priorities set forth in Section III of this MOU.

SECTION III, BVHP ECP MODIFICATIONS

The BVHP ECP is hereby modified as follows in this Section III with respect to the Covered Work.

1. **25% WORKFORCE RESIDENT GOAL.** In addition to the goal established in the BVHP ECP that fifty percent (50%) of construction workforce hires for each trade be qualified BVHP Residents, with respect to the Covered Work undertaken by a Developer, the hiring goals set forth in section II.A.1 of the BVHP ECP hereby include a goal that Authority residents constitute a minimum of twenty five percent (25%) of the total workforce (calculated by person-hours). This goal is not additional; the hiring of SFHA residents counts toward the existing fifty percent (50%) goal.

2. **PERMANENT WORKFORCE HIRING GOALS.**

   a **VERTICAL DEVELOPERS.** [VERTICAL DEVELOPER PERMANENT WORKFORCE MODIFICATIONS TO COME CONSISTENT WITH BVHP ECP]

   b **ALICE GRIFFITH PHASE DEVELOPERS.** In addition to the goals established in the BVHP ECP that fifty percent (50%) of permanent/temporary workforce hires be qualified BVHP Residents, with respect to the Alice Griffith Replacement Projects undertaken by an Alice Griffith Phase Developer, the hiring goals set forth in section II.B.1 of the BVHP ECP hereby include a goal that at least thirty percent (30%) of the permanent, full-time employees hired be Section 3 residents. After a Section 3 employee has been employed for three (3) years, the employee may no longer be counted as a Section 3 employee to meet the thirty percent (30%) requirement. This requires such Alice Griffith Phase Developer and/or its successors and assigns to continue hiring Section 3 residents when employment opportunities are available.
3. EMPLOYMENT PLACEMENT PRIORITY. The application of the good faith efforts requirements set forth in section VII.A.1 of the BVHP ECP are hereby changed with respect to the Covered Work undertaken by a Developer so that such Developer and its contractors and subcontractors use good faith efforts to employ (i) fifty percent (50%) of its construction and permanent workforce hires by trade and by hours from persons described in (1) – (8), in order of priority below, and (ii) twenty five percent (25%) of the total workforce (calculated by person-hours) from persons described in (1) – (4), in order of priority below. The requirements of clauses (i) and (ii) are not additive; the hiring of SFHA residents counts toward the fifty percent (50%) goal.

1. Alice Griffith residents (named on lease);
2. SFHA residents within 94124;
3. SFHA residents in 94134 and 94107;
4. SFHA residents in other zip codes;
5. BVHP Residents;
6. residents of the 94134 and 94107 zip code areas;
7. residents of other existing Agency redevelopment project areas, and
8. San Francisco Residents.

4. CITYBUILD. The “CBO” under the BVHP ECP for construction of the Covered Work is hereby modified to be CityBuild.

5. CNI CONTRACTING REQUIREMENTS. In constructing the Alice Griffith Replacement Projects, each Alice Griffith Phase Developer will also be subject to the CNI Contracting Requirements. The CNI Contracting Requirements include compliance with the BVHP ECP as well as the further goals of having: 1) Authority residents constitute a minimum of twenty five percent (25%) of the workforce, calculated by person hours; 2) thirty percent (30%) of new hires in each construction trade be low-income; and 3) MBE/WBE firms and businesses providing economic opportunities to lower-income neighborhood residents be awarded twenty percent (20%) of contracts. For purposes of the foregoing: (i) a “Minority Business Enterprise” or “MBE” is a business that is both owned and controlled by minorities; this means that there must be not less than 51 percent minority ownership of the business, and the minority ownership must control the management and daily operations of the business; and (ii) a “Women Business Enterprise” or “WBE” means a business that is both owned and controlled by women; this means that there must be not less than 51 percent women ownership of the business, and the women ownership must control the management and daily operations of the business.

SECTION IV. ROLES AND RESPONSIBILITIES

1. AGENCY. The Agency will serve as the primary agency to collect employment data under the BVHP ECP with respect to the Covered Work and will share such data with the other Parties. In addition, the Agency will be responsible for contract compliance in accordance with the BVHP ECP with respect to the Covered Work. The Agency is
specifically responsible for workforce construction data collection and enforcement of the
BVHP ECP with respect to the Covered Work. The Agency shall further be responsible
for contract compliance in accordance with the CNI Contracting Requirements, together
with related data collection (which shall be made available to HUD directly or through
other Parties or MBS as requested in order to meet corresponding HUD compliance or
reporting obligations).

2. SFHA. SFHA will confirm residency in a public housing development and ensure
qualified residents are referred to CityBuild for employment opportunities with respect to
the Covered Work. SFHA will also provide resident data to the Agency to track resident
employment with respect to the Covered Work.

3. MOHCD. MOHCD will not have any workforce related role.

4. OEWD. OEWD, through CityBuild, will serve as the lead for referrals and placements
with respect to the Covered Work, as outlined above, and will assist with data collection
and reporting in furtherance of compliance with the CNI Requirements.

SECTION V. COUNTERPARTS, FACSIMILE COPIES. This MOU shall be executed
simultaneously or in counterparts, each of which shall be deemed an original, but all of which
together shall constitute one and the same agreement. This MOU shall be effective upon
transmission by any Party to the other Parties of a fully signed facsimile copy of the MOU, so
long as a copy of the MOU signed by the transmitting Party is delivered to the other Parties
within five (5) days thereafter.

SECTION VI. MASTER DEVELOPER ACKNOWLEDGEMENT. By its signature
below, Master Developer acknowledges and agrees to this MOU. Master Developer and
Vertical Developers of the Other Vertical Improvements are an intended third party
beneficiary of this MOU. The Parties shall not amend or terminate this MOU without the
written consent of Master Developer and shall not amend or terminate this MOU in any
manner that will adversely affect any Vertical Developer of any Other Vertical Improvements
without the written consent of all such adversely affected entities. Upon assignment of
Master Developer’s rights and obligations under and in accordance with the CP/HPS2 with
respect to all or any portion of the Alice Griffith Site (but not including an assignment to a
Vertical Developer as such), the term “Master Developer” shall automatically be amended to
be such assignee to the extent of such assignment.

SECTION VII. HOUSING DEVELOPER ACKNOWLEDGEMENT. By its signature
below, Housing Developer acknowledges and agrees to this MOU. Housing Developer and
each Alice Griffith Phase Developer is an intended third party beneficiary of this MOU. The
Parties shall not amend or terminate this MOU in any manner that will adversely affect
Housing Developer or any Alice Griffith Developer without the written consent of all such
adversely affected entities.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]
IN WITNESS WHEREOF, the parties hereto have caused this MOU to be duly executed as of the Effective Date.

**AGENCY:**

Approved as to Form:

DENNIS J. HERRERA,
City Attorney,
as counsel to the Agency

By: ______________
Heidi J. Gewertz
Deputy City Attorney

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, a public body, corporate and politic, of the State of California

By: ______________
Name: Tiffany Bohee
Title: Executive Director

**SFHA:**

Approved as to Form:

By: ______________
Dianne Jackson McLean
Goldfarb & Lipman LLP
Special Legal Counsel

HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO, a public body, corporate and politic, of the State of California

By: ______________
Name: Barbara T. Smith
Title: Acting Executive Director

**MOHCD:**

DENNIS J. HERRERA,
City Attorney,
as counsel to the Agency

By: ______________
Heidi J. Gewertz
Deputy City Attorney

CITY AND COUNTY OF SAN FRANCISCO, a charter city of the State of California, acting by and through its MAYOR’S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT

By: ______________
Name: Olson Lee
Title: Director
OEWD:

DENNIS J. HERRERA, City Attorney, as counsel to the Agency

CITY AND COUNTY OF SAN FRANCISCO, a charter city of the State of California, acting by and through its OFFICE OF WORKFORCE AND ECONOMIC DEVELOPMENT

By: Heidi J. Gewertz
    Deputy City Attorney

By: Name: Todd Rufo
    Title: Director

ACKNOWLEDGED AND AGREED

MASTER DEVELOPER:

CP DEVELOPMENT CO., LP, a Delaware limited partnership

By: CP/HPS Development Co. GP, LLC, a Delaware limited liability company, its General Partner

By: Kofi Bonner
    Title: President

HOUSING DEVELOPER

DOUBLE ROCK VENTURES, LLC, a Delaware limited liability company

By: Double Rock MBS Member, Inc., a Missouri corporation, its Sole Member

By: Name: 
    Title: Vice President
EXHIBIT A-1
Depiction of Alice Griffith Site
[ATTACHED]
EXHIBIT A-2
Legal Description of Alice Griffith Site

[ATTACHED]

[INSERT LEGAL DESCRIPTION FROM EXHIBIT A-1 – A-4 of MDA; NOTE THAT AGENCY PROPERTY DESCRIPTION IS OVER-INCLUSIVE; PROVIDE]

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SAN FRANCISCO, COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

BEGINNING at the point of intersection of the Southwesterly line of Carroll Avenue with the Easterly line of Hawes (NOTE: for the purpose of this description the Southwesterly line of Carroll Avenue is taken to be South 54°28'21" East and all bearings mentioned herein are related thereto); thence South 54°28'21" East along said Southwesterly line of Carroll Avenue 1003.917 feet to a point distant thereon Southeasterly 339.917 feet from the Southeasterly line of Griffith Street, said point also being on the Westerly line of Salt Marsh and Tide Lands, as established by the Board of Tide Land Commissioners under the Act of March 30, 1868; thence South 42°45'30" West along said Westerly line 194.770 feet to the Westerly line of the right of way for the Southern Pacific and Western Pacific Railroad Companies, 200 feet wide as fixed and designated by the Board of Tides Land Commissioners under the Act of March 30, 1868, as said right of way is shown on Block Map No. 9, exhibiting the dimensions of lots and blocks as subdivided and shown on the map prepared by the Board of Tide Land Commissioners in accordance with provisions of Section 4 of said Act, on file in the office of the Surveyor General of the State of California; thence South 2°58'18" East 8.667 feet to the Northeasterly line of Donner Avenue, distant thereon 320 feet 9-1/2 inches Southwesterly from the Southeasterly line of Griffith Street; thence South 35°31'39" West 40.0000 feet to the center line of said Donner Avenue; thence South 54°28'21" East along said centerline 31.771 to the Westerly line of said 200 foot right-of-way; thence South 2°55'54" East 51.082 to the Southwesterly line of Donner Avenue, distant thereon 215 feet 6 inches Northwesterly from the Northwesterly line of Fitch Street; thence South 2°57'26" East 255.500 feet to the Northeasterly line of Egbert Avenue, distant thereon 56 feet 8 inches Northwesterly from the Northwesterly line of Fitch Street; thence South 35°31'39" West 40.044 feet to the center line of Egbert Avenue; thence South 54°28'21" East along said center line of Egbert Avenue 31.835 feet to the Westerly line of said 200 feet right of way; thence South 2°57'26" East 39.905 feet to the Northwesterly line of Fitch Street, distant thereon 8.809 feet Northwesterly from the Southwesterly line of Egbert Avenue; thence running along said Northwesterly line of Fitch Street South 35°31'35" West 388.809 feet to a line parallel with and perpendicularly distant Southwesterly 100.00 feet from the Southwesterly line of Fitzgerald Avenue; thence North 54°28'21" West along said parallel line 1264.00 feet to said Southeasterly line of Hawes Street; thence North 35°31'39 East along said line of Hawes Street 940.88 feet to the point of beginning.

LEGAL USA W # 79490079.8
EXCEPTING THEREFROM the parcel of land as described in the deed to the City and County of San Francisco recorded July 20, 1955, in Official Records, Book 6658 at page 572, in the Office of the Recorder of the City and County of San Francisco, State of California. APN: Lot 020, Block 4884.

AND EXCEPTING THEREFROM, the parcel of land as described in the deed to the Redevelopment Agency of the City and County of San Francisco recorded June 18, 2008, in the Official Records as Instrument Document-2008-I599648-00, Reel J665, Image 0181 in the Office of the Recorder of the City and County of San Francisco, State of California.
EXHIBIT X-A

Bayview Hunters Point Employment and Contracting Policy

[ ATTACHED ]
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I. PURPOSE

A. Purpose

1. Pursuant to California Community Redevelopment Law ("CRL") and consistent with long standing practice, the San Francisco Redevelopment Agency ("Agency") hereby adopts this Employment and Contracting Policy to ensure training and employment opportunities for lower-income residents in the Bayview Hunters Point ("BVHP") Redevelopment Project Area, including residents in the 94124 zip code, subject to the criteria set forth below.

2. In adopting the BVHP Redevelopment Plan, the Agency and the City and County of San Francisco ("City") have made a commitment to vigorous equal opportunity and diversity in employment. Thus, the Agency has proposed programs to encourage local hiring and contracting by the private sector engaged in development in the Project Area.

3. This BVHP Employment and Contracting Policy is designed to ensure that Agency Action Projects and private Significant Projects (which do not receive Agency assistance), provide employment opportunities for lower-income BVHP Residents and San Francisco Residents in the areas of construction, professional services, and permanent jobs. This Policy will supplement and not supplant the existing Agency employment and contracting policies found in the Agency’s Equal Opportunity Program and the Agency Purchasing Policy, which are briefly summarized in Section X. The Employment and Contracting Policy seeks to provide economic benefits to existing BVHP Residents and San Francisco Residents from redevelopment activities within the Project Area. BVHP Residents have disproportionately lower income levels. As part of this policy, residents will be referred by the CBOs (defined below) that serve San Francisco lower-income residents. Therefore, the BVHP residential preference fulfills the purpose of providing economic opportunity to lower-income residents.

4. This Employment and Contracting Policy meets or exceeds the requirements of the City of San Francisco’s Administrative Code Chapter 83 (First Source policy) and CityBuild Program. Thus, entering into and complying with the terms of an Employment and Contracting Policy Agreement will satisfy the requirements of the City’s First Source Policy. It is also intended to satisfy the requirements of Health and Safety Code Section 33422.3 which states that for any contract over $100,000, the Agency may set specific percentages by craft or trade for the employment of available project area residents.

5. The Agency is committed to facilitating Project Sponsor, Contractor and Employer access to and the hiring of qualified BVHP and San Francisco Residents. To further this goal, the Agency will continue to contract with CBOs to provide education and referral programs and services which will allow BVHP and San Francisco Residents to be considered for employment.

6. The Agency and the Planning Department of the City and County of San Francisco ("Planning") entered into a delegation agreement as of September 19, 2006 (the "Delegation Agreement"). Per the Delegation Agreement, Planning shall not approve a Significant Project in the Project Area unless the Project Sponsor has entered into an Employment and Contracting Agreement(s) with the Agency. Ongoing compliance with such Agreements(s) shall become a condition of the permit.

7. This Employment and Contracting Policy shall be effective on or after ______, 2007 ("Effective Date").

Adopted Resolution No. 1 11-20-07
8. The Agency and the PAC shall review the effectiveness of the new Employment and Contracting Policy after one (1) year of implementation.

II. HIRING GOALS

A. Construction Workforce Hiring Goal
1. The Employment and Contracting Policy has a goal that fifty percent (50%) of construction workforce hires for each trade be qualified BVHP Residents and then San Francisco Residents with First Consideration to BVHP Residents. This goal is expressed as a percentage of each Contractor’s total hours of employment and training by trade on the project. The procedure for meeting the construction workforce goal is set forth in Section VII.

B. Permanent / Temporary Workforce Goal
1. The Employment and Contracting Policy has a goal that fifty percent (50%) of permanent / temporary workforce hires be qualified BVHP Residents and then San Francisco Residents with First Consideration given to BVHP Residents. The procedure for meeting the permanent / temporary workforce goal is set forth in Section IX.

C. Trainee Goals
1. The Employment and Contracting Policy requires that all design professionals (architects, engineers, planners, and environmental consultants) on contracts over $100,000, hire qualified BVHP Residents and then San Francisco Residents with First Consideration given to BVHP Residents as trainees. The trainee hiring goal for architects, engineers and other design professionals is based upon the total amount of the design professional’s contract as follows:

<table>
<thead>
<tr>
<th>Trainees</th>
<th>Design Professional Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>$0 - $99,000</td>
</tr>
<tr>
<td>1</td>
<td>$100,000 - $249,999</td>
</tr>
<tr>
<td>2</td>
<td>$250,000 - $499,999</td>
</tr>
<tr>
<td>3</td>
<td>$500,000 - $999,999</td>
</tr>
<tr>
<td>4</td>
<td>$1,000,000 - $1,499,999</td>
</tr>
<tr>
<td>5</td>
<td>$1,500,000 - $1,999,999</td>
</tr>
<tr>
<td>6</td>
<td>$2,000,000 - $4,999,999</td>
</tr>
<tr>
<td>7</td>
<td>$5,000,000 - $7,999,999</td>
</tr>
<tr>
<td>8</td>
<td>$8,000,000 - or more</td>
</tr>
</tbody>
</table>

2. The procedure for meeting the trainee hiring goal is set forth in Section VIII.

III. DEFINITIONS

1. Agency-Action Project means, as applicable, the Agency’s funding (including conduit bond financing), acquisition, disposition, or development of property through a Development and Disposition Agreement (“DDA”), Owner Participation Agreement (“OPA”), loan agreement, grant agreement or other transactional and/or funding documents between a Project Sponsor and the Agency, provided however, that the Agency’s Model Block Program is excluded from this definition, as it will contain its own local hiring and contracting requirements.
2. **Agency Compliance Officer** means the Agency’s Contract Compliance Specialist assigned to oversee the Project Sponsor’s compliance with the requirements of the Employment and Contracting Policy Agreement.

3. **Agreement** means an Employment and Contracting Agreement entered into between the Agency and the Project Sponsor pursuant to this Employment and Contracting Policy.

4. **Arbitration Parties** means the Agency, Project Sponsor, Contractors, Employers and all persons who attend the arbitration hearing pursuant to Section XII, as well as those persons and Project Sponsors who are subject to a default award provided that all of the requirements in Section XII (11) have been met.

5. **BVHP Resident** means, for the purposes of this Employment and Contracting Policy only, any person who resides in the BVHP Project Area or within the 94124 zip code as it is defined on the Effective Date.

6. **CBO** means any community based organization that provides training, education and referral services to BVHP Residents, including but not limited to:
   - Young Community Developers, Inc., 1715 Yosemite Avenue, San Francisco, CA 94124, (415) 822-3491;
   - Mission Hiring Hall, 3042 – 16th Street, San Francisco, CA 94103, (415) 626-1919 (Construction jobs only);
   - South of Market Employment Center, 288 – 7th Street, San Francisco, CA 94103, (415) 865-2105 (Permanent Jobs only) and
   - Ella Hill Hutch Community Center, 1050 McAllister Street, San Francisco, CA 94115, (415) 921-6276

7. **City** means the City and County of San Francisco.

8. **Commercial Project** means (for purposes of this Employment and Contracting Policy only): (1) any building permit application for a commercial activity over 25,000 square feet in floor area and involving new construction, an addition, or alteration which results in over $2,000,000 in improvements as stated on the City’s building permit application (including any tenant improvements covered by said building permit), or (2) any application which requires discretionary action by the City’s Planning Commission relating to a commercial activity over 25,000 square feet including, but not limited to conditional use project authorization under San Francisco Planning Code section 309, and office development under San Francisco Planning Code Sections 320, et seq.

9. **Contractor** means any person(s), firm, partnership, corporation (whether for profit or nonprofit), or combination thereof, who is a general contractor, subcontractor (regardless of tier) or consultant working on: (i) an Agency Action Project, (ii) a Significant Project in the Project Area, or (iii) a development project when the Project Sponsor has voluntarily subscribed to this Employment and Contracting Policy.

10. **Delegation Agreement** means the delegation agreement between the Agency and Planning dated September 19, 2006 as such agreement may be amended from time to time.

11. **Employer** means any person(s), firm, partnership, corporation (whether for profit or nonprofit), or combination thereof, who owns or operates a retail or commercial business which is part of: (i) an Agency Action Project, (ii) a Significant Project in the Project Area, or (iii) a
development project when the Project Sponsor has voluntarily subscribed to this Employment and Contracting Policy.

12. **Employment and Contracting Agreement or (“Agreement”)** means the written agreement entered into between the Project Sponsor and the Agency which details the particular requirements the Project Sponsor must meet in order to be in compliance with this Employment and Contracting Policy.

13. **First Consideration** means that a Project Sponsor, Contractor and/or Employer shall give first consideration to qualified BVHP Residents in accordance with Section VII.A. (6) - (8) of this Employment and Contracting Policy and then to San Francisco residents for hiring opportunities in the areas of construction workforce, permanent / temporary workforce and trainee hires prior to offering the hiring opportunity to other applicants.

14. **Housing Project** means (for purposes of this Employment and Contracting Policy only) new construction, an addition, a conversion, or substantial rehabilitation that results in the creation or addition of ten or more residential units.

15. **PAC** means the Bayview Hunters Point Project Area Committee.

16. **Planning** means the Planning Department and/or the Planning Commission of the City and County of San Francisco.

17. **Position** means a permanent / temporary position not related to construction or construction trades.

18. **Project Area** means the Bayview Hunters Point Project Areas as delineated in the Bayview Hunters Point Redevelopment Plan, adopted June 1, 2006 and recorded June 23, 2006, (Document Number 2006I199495) as it may be amended from time to time.

19. **Project Sponsor** means the developer of commercial space or new housing units defined herein as a Significant Project in the Project Area.

20. **San Francisco Resident** means any person who resides in the City and County of San Francisco.

21. **Significant Project** means, for purposes of this Employment and Contracting Policy only, a Commercial Project or Housing Project as defined in this Employment and Contracting Policy.

IV. **APPLICATION OF POLICY BY PROJECT TYPE**

A. **Agency Action Projects**

1. The Employment and Contracting Policy is mandatory for Agency Action Projects. Agency Action Projects will require the Project Sponsor to execute an Employment and Contracting Agreement with the Agency as a condition of approval. The construction workforce goal, permanent / temporary workforce goal and the trainee hiring goal for professional services contracts all apply to this type of project.

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1 Page 24 contains a BVHP Employment and Contracting Policy Matrix which also gives an overview of the application of the policy by project type.
2. Additionally, the Agency’s Small Business Enterprise (“SBE”) Program, as amended from time to time, will apply when Project Sponsors on Agency Action Projects contracts for professional / personal services related to the project, such as planning studies, building and/or landscape design, economic or feasibility studies, community outreach services, printing or graphic production. The SBE participation goal is a good faith effort that 50% of the subcontracting opportunities go to Agency certified SBEs with First Consideration given to SBEs within the Project Area.

3. In addition to the local hiring and small business contracting programs listed above, Project Sponsors will be required to comply with the Agency’s Equal Opportunity Program which include:
   - Nondiscrimination in Contracts and Equal Benefits Policy
   - Minimum Compensation Policy
   - Health Care Accountability Policy
   - Agency Prevailing Wage Policy (Labor Standards)

4. The Agency’s Equal Opportunity Program is described briefly in Section X.

5. The requirements of the Employment and Contracting Policy and the Agency’s Equal Opportunity Policies will be incorporated into an Agreement. The Agency’s Executive Director will review and approve the Agreement on behalf of the Agency. Adherence to the Agreement shall be monitored by the Agency’s Contract Compliance Division. Agency staff shall periodically report to the BVHP PAC and the Agency Commission on the compliance status of Agency Action Projects.

B. Private Significant Projects

1. The Employment and Contracting Policy is mandatory for private Significant Projects (not requiring Agency assistance) in the Project Area that exceed the following thresholds:
   - **Housing Projects**: new construction, an addition, a conversion, or substantial rehabilitation that results in the creation or addition of ten or more residential units; or
   - **Commercial Projects**: (1) any building permit application for a commercial activity over 25,000 square feet in floor area and involving new construction, an addition, or alteration which results in over $2,000,000 in improvements as stated on the City’s building permit application (including any tenant improvements covered by said building permit); or (2) any application which requires discretionary action by the City's Planning Commission relating to a commercial activity over 25,000 square feet including, but not limited to conditional use project authorization under San Francisco Planning Code section 309, and office development under San Francisco Planning Code Sections 320, et seq.

2. Private Significant Projects shall be entitled by Planning as set forth in the Delegation Agreement and will require the Project Sponsor to execute an Employment and Contracting Agreement with the Agency as a condition of approval. The construction workforce
goal, permanent / temporary workforce goal and the trainee hiring goal for professional services contracts all apply to this type of project.

3. In addition to the hiring program, Project Sponsors will be encouraged to subscribe voluntarily to the Agency’s Equal Opportunity Program which include:

   - Small Business Enterprise Program
   - Nondiscrimination in Contracts and Equal Benefits Policy
   - Minimum Compensation Policy
   - Health Care Accountability Policy
   - Prevailing Wage Provisions (Labor Standards)

4. The Agency’s Equal Opportunity Program is described briefly in Section X.

5. The mandatory programs and the programs which the Project Sponsor has voluntarily subscribed to, if any, will be incorporated into an Agreement and at that point become mandatory. The Agency’s Executive Director will review and approve the Agreement on behalf of the Agency. Adherence to the Agreement shall be monitored by the Agency’s Contract Compliance Division. Agency staff shall periodically report to the BVHP PAC and the Agency Commission on the compliance status of private Significant Projects.

C. CityBuild and Public Improvements

1. While not part of the Employment and Contracting Policy, the CityBuild workforce initiative applies to all public infrastructure and other public improvements projects that the City funds in the Project Area. CityBuild is an initiative of the Mayor’s Office of Economic and Workforce Development, in partnership with other City departments, that utilizes City-sponsored construction as a vehicle to deliver training and employment opportunities to San Francisco residents. When the Agency is providing additional funding for a City funded public project, Agency staff shall work with CityBuild and the lead City department to consider implementation of elements of the Agency Employment and Contracting Policy as well as the Equal Opportunity Program.

2. The purpose of CityBuild is to ensure equal employment opportunities for San Francisco residents of all backgrounds and genders in construction workforce activities provided under City-sponsored construction projects. CityBuild establishes a goal of 50% participation for San Francisco residents in each trade for total hours worked on a project. CityBuild creates a single, responsible and accountable entity, Mayor’s Office of Economic and Workforce Development, to direct construction employment and training efforts across projects and departments and develops trained, committed men and women to become the construction workforce of the future.

3. The Agency’s Equal Opportunity Program is described briefly in Section X.

D. Small Private Projects

1. The Employment and Contracting Policy does not mandate local hiring or contracting for purely private projects that fall below the threshold of Significant Projects.
However, Project Sponsors will be encouraged to subscribe voluntarily to the following Agency’s Equal Opportunity Programs and other policies which include:

- BVHP Employment and Contracting Policy
- Small Business Enterprise Policy
- Nondiscrimination in Contracts and Equal Benefits Policy
- Minimum Compensation Policy
- Health Care Accountability Policy
- Agency Prevailing Wage Policy (Labor Standards)

2. The Agency’s Equal Opportunity Program is described briefly in Section X.

V. TERM

1. The term for meeting the obligations under the Employment and Contracting Policy (“Term”) shall be as follows:

   For Construction Workforce – From the date of the Employment and Contracting Agreement until two (2) years thereafter or the expiration of the building permit for the project, whichever is later.

   For Trainee Hiring – From the date of the Employment and Contracting Agreement until two (2) years thereafter or the expiration of the building permit for the project, whichever is later.

   For Permanent / Temporary Workforce – Up to ten (10) years from the date of the temporary certificate of occupancy per building, as determined through good faith negotiations between the Project Sponsor and the Agency based upon the anticipated number of permanent and/or temporary positions created by the Project.

VI. APPLICABLE COMMUNITY REDEVELOPMENT LAWS

1. The Employment and Contracting Policy is designed to further the objectives of the Community Redevelopment Law that redevelopment project areas support local businesses and lower-income BVHP Residents in the revitalization efforts of the Agency. Specifically, the Community Redevelopment law (which is codified in the California Health and Safety Code) states:

   33422.1. Preference in Awarding Contracts to Local Businesses.

   To the greatest extent feasible, contracts for work to be performed in connection with any redevelopment project shall be awarded to business concerns which are located in, or owned in the substantial part by persons residing in, the project area.

   33422.3. Agency Specification of Workmen to be Lower-Income Project Area Residents for Certain Contracts.

   To insure training and employment opportunities for lower-income project area residents, the agency may specify in the call for bids for any contract over one hundred thousand dollars ($100,000) for work to be performed in connection with any redevelopment project that project area...
residents, if available, shall be employed for a specified percentage of each craft or type of workmen needed to execute the contract or work.

**33423. Prevailing Wage Rates Required.**

Before awarding any contract for such work to be done in a project, the agency shall ascertain the general prevailing rate of per diem wages in the locality in which the work is to be performed, for each craft or type of workman needed to execute the contract or work, and shall specify in the call for bids for the contract and in the contract such rate and the general prevailing rate for regular holiday and overtime work in the locality, for each craft or type of workman needed to execute the contract.

**33424. Payment of Prevailing Wages.**

The contractor to whom the contract is awarded and any subcontractor under him shall pay not less than the specified prevailing rate of wages to all workmen employed in the execution of the contract.

**33425. Penalty for Noncompliance with Prevailing Wages.**

As a penalty to the agency which awarded the contract, the contractor shall forfeit ten dollars ($10) for each calendar day or portion thereof for each workman paid less than the stipulated prevailing rates for any public work done under the contract by him or by any subcontractor under him. A stipulation to this effect shall be included in the contract.

**33426. Record of Wages.**

Each contractor and subcontractor shall keep an accurate record showing the name, occupation, and actual per diem wages paid to each workman employed by him in connection with the work. The record shall be kept open at all reasonable hours to the inspection of the agency.

**VII. CONSTRUCTION WORKFORCE HIRES**

**A. Procedures For Construction Workforce Hires**

1. **Compliance with the Policy**

   The Project Sponsor agrees and will require each Contractor and all subcontractors to use its good faith efforts to employ 50% of its construction workforce hires by trade and by hours from qualified BVHP Residents and then San Francisco Residents with First Consideration to BVHP Residents. Project Sponsors and Contractors will be deemed in compliance with this Employment and Contracting Policy by meeting or exceeding the goal or by taking the following steps in good faith towards compliance.

2. **Execute Employment and Contracting Agreement**

   The Project Sponsor shall execute an Agreement which details the requirements of the Employment and Contracting Policy, as well as the Agency’s Equal Opportunity Program, if

---

2 The same procedure for construction workforce hires applies to all Project Sponsors regardless of whether the project is an Agency Action, private Significant Project, or small Private Project when the Project Sponsor has voluntarily subscribed to the Employment and Contracting Policy.
applicable. The Project Sponsor shall incorporate by reference or attach the Agreement to its contract with the general contractor. The general contractor shall do the same in its contracts with its subcontractors. Thus, each Contractor will be obligated to comply with the terms of the Agreement. The Project Sponsor and/or Contractors shall retain the executed Agreements and make them available to the Agency Compliance Officer upon request.

3. **Submission of Labor Force Projections and Other Data**
   
The general contractor shall submit, to the extent available, labor force projections to the Compliance Officer within two (2) weeks of award.

4. **Submit Subcontractor Information Form**
   
The general contractor shall submit to the Compliance Officer the Subcontractor Information Forms, twenty-four (24) hours prior to the preconstruction meeting. The Subcontractor Information Forms are available from the Compliance Officer upon request.

5. **Preconstruction Meeting**
   
The general contractor shall hold a preconstruction meeting which shall be attended by the Compliance Officer, the CBO assigned to the proposed project, all prime contractor(s) and all subcontractor(s). The preconstruction meeting shall be scheduled between two (2) days and thirty (30) days prior to the start of construction at a time and place convenient to all attendees. The purpose of the meeting is to discuss: the hiring goals, workforce composition, role of the CBOs, worker referral process, certified payroll reporting, procedure for termination and replacement of workers covered by this policy and to explore any anticipated problems in complying with the Employment and Contracting Policy. All questions regarding how this Employment and Contracting Policy applies to the Project Sponsor, general contractor, subcontractors and consultants should be answered at this meeting. Failure to hold or attend at least one (1) preconstruction meeting will be a breach of this Employment and Contracting Policy that may result in the Agency ordering a suspension of work until the breach has been cured. Suspension under this provision is not subject to arbitration.

6. **Submit Construction Worker Request Form**
   
   For the Term of the Agreement, each time the Project Sponsor or Contractor seeks to hire workers for the construction or rehabilitation of improvements, they must first submit, by fax, email or hand delivery, an executed construction worker request form to the CBO. Preferably this request will be submitted at least two (2) business days before the workers are needed. However, requests with less than two (2) business days notice will be accepted. The construction worker request form will indicate generally: the number of workers needed, duration needed, required skills or trade and date/time to report. The construction worker request form is available from the CBO or Compliance Officer upon request.

7. **Response from CBO**
   
The CBO shall respond, in writing, via fax, email or hand delivery to each request for construction workers. The response shall state that the CBO was able to satisfy the request in full, in part or was unable to satisfy the request. The CBOs shall look to their own referral lists, as well as confer with other CBOs and CityBuild in an attempt to find qualified BVHP Residents and San...
Francisco Residents. If the CBO is able to satisfy the request in full or in part, it shall direct the qualified BVHP Resident(s) or San Francisco Resident(s) to report to the Contractor on the date and time indicated in the request. If the CBO is unable to satisfy the request, then the CBO shall send a fax or email stating that no qualified BVHP Residents or San Francisco Residents are currently available.

8. **Action by Contractor When Referrals Available**

The Project Sponsor or Contractor whose request has been satisfied in full or in part shall make the final determination of whether the BVHP Residents or San Francisco Residents are qualified for the positions and the ultimate hiring decision. The Agency strongly encourages the Contractor to hire the qualified BVHP Residents or San Francisco Residents referred by the CBO. However, if the Contractor finds the BVHP Residents or San Francisco Residents are not qualified, then the Contractor shall send the BVHP Residents or San Francisco Residents back to the CBO. Before the close of business on the same day, the Contractor shall fax or email a statement addressed to the CBO stating in detail the reason(s) the BVHP Residents or San Francisco Residents were not qualified or the reason(s) for not hiring the BVHP Residents or San Francisco Residents. The CBO shall, within one (1) business day of receipt of the fax or email, send new qualified BVHP Residents or San Francisco Residents that meet the legitimate qualifications set by the Contractor or alternatively, send a fax or email stating that no qualified BVHP Residents or San Francisco Residents are currently available.

9. **Action by Contractor When Referrals Unavailable**

If a Contractor receives a response from the CBO stating that no qualified BVHP Residents or San Francisco Residents are currently available, then the Contractor may hire the number of construction workers requested from the CBO, using its own recruiting methods, giving first consideration to BVHP Residents and then San Francisco Residents. Any additional new construction workforce hires (including the replacement of any terminated workers) must comply with this Employment and Contracting Policy, unless the Contractor has already met or exceeded the goal. The Contractor must keep a copy of the response it receives from the CBO as proof of compliance and submit a copy of each response received to the Agency Compliance Officer upon request.

10. **Action by Contractor When No Response From CBO**

If a Contractor has not received a response to its construction worker request from the CBO within two (2) business days, then the Contractor should immediately advise the Agency Compliance Officer by phone, fax or email. The Agency Compliance Officer or his/her designee shall cause a response to be sent to the Contractor within two (2) business days of being notified. If the Contractor does not receive a response from the CBO within four (4) business days (the original two (2) business days plus the additional two (2) business days), then the Contractor may hire the number of construction workers requested from the CBO, using its own recruiting methods, giving first consideration to BVHP Residents and then San Francisco Residents. Any construction workforce hires (including the replacement of any terminated workers) must comply with this Employment and Contracting Policy, unless the Contractor has already met or exceeded the goal. The Contractor must keep a copy of the response it receives from the CBO as proof of compliance and submit a copy of each response received to the Agency Compliance Officer upon request. This Employment and Contracting Policy is intended to provide qualified BVHP and San Francisco
Residents with employment opportunities without causing undue delay in hiring needed construction workers.

11. **Action by Contractor When No Response From Union**

The Contractor should immediately advise the Agency Compliance Officer by phone, fax or email when the Contractor has sent a qualified BVHP Resident or San Francisco Resident to a union hall for referral in accordance with a collective bargaining agreement and the union did not refer the qualified BVHP or San Francisco Resident back for employment or when the union referral process impedes the Contractor’s ability to meet its obligations under this policy. Conflicts between this Employment and Contracting Policy and any collective bargaining agreements will be resolved pursuant to Section XI (4).

12. **Hiring Apprentices**

A Contractor may meet part of the Construction Workforce Goal by hiring apprentices. However, hiring an apprentice does not satisfy or waive the trainee hiring obligation, if any, for design professionals. Unless otherwise permitted by law, apprentices must be trained pursuant to training programs approved by the U.S. Department of Labor, Employment and Training Administration, Bureau of Apprenticeship and Training or the California Department of Industrial Relations, Division of Apprenticeship Standards. Credit towards compliance will only be given for paid apprentices actually working on the project. No credit is available for apprentices while receiving class room training. Under no circumstances shall the ratio of apprentices to journeymen in a particular trade or craft exceed 1:5.

13. **Termination and Replacement of Referrals**

If at any time it becomes necessary to terminate for cause a construction worker who was hired under this Employment and Contracting Policy, the Contractor shall notify the CBO in writing via fax or email and submit a report of termination pursuant to Section VII (B)(4). If the Contractor intends to fill the vacant position, then the Contractor shall follow the process set forth in this Employment and Contracting Policy beginning at Section VII (A)(6).

**B. Reporting Requirements For Construction Workforce**

1. **Submission of Certified Payroll Reports**

Each Contractor subject to this Employment and Contracting Policy shall submit to the Agency a certified payroll report for the preceding work week on each of its employees. The Project Sponsor is ultimately responsible for the submission of these reports by the Contractors. The certified payroll report is due to the Agency by noon each Wednesday. To facilitate compliance, the Agency uses the online LCP Tracker system (www.lcptracker.com) for submission of certified payroll reports. This system is available at no cost to the Contractor and LCP Tracker is compatible with all major computer payroll systems. Training and educational materials for LCP Tracker are available at no cost online and through the Compliance Officer. Contractors are required to report certified payroll using the LCP Tracker system at www.lcptracker.com. However, a waiver shall be granted pursuant to Section XI (10) to any Contractors who do not have a computer, online access or who use a computer payroll system that is incompatible with LCP Tracker.

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2. Contents of Certified Payroll Reports

If certified payroll records are submitted via the LCP Tracker system, the required data points are already listed. If certified payroll records are submitted in paper form, the records shall be organized in an easily understandable format and contain all the following information: the name, address, telephone number, residency (Bayview Hunters Point, another redevelopment project area, San Francisco or other), last four (4) digits of the worker’s Social Security number, gender, ethnicity (see codes in Section VII (B)(8)), construction trade (see codes in Section VII (B)(8)), classification (e.g., mechanic, apprentice, trainee, helper or laborer), union affiliation (if any), dates of changes in status, daily and weekly number of hours worked, hourly wage rates (including rates of contributions for costs anticipated for fringe benefits or cash equivalents thereof), deductions made and actual wages paid. The foregoing notwithstanding, the reporting of hourly wage rates, deductions and actual wages paid are not required for Significant Projects unless the Project Sponsor has voluntarily subscribed to the Agency’s Prevailing Wage Policy or the payment of prevailing wages is otherwise required by law. To the degree that existing certified payroll records satisfy these requirements, the Contractor shall not be required to maintain separate records.

3. Additional Information

In order to prevent unlawful discrimination in the selection, hiring and termination of employees on the basis of race, ethnicity, gender or any other basis prohibited by law and to identify and correct such unlawful practices, the Agency will monitor and collect information on the ethnicity and gender of each construction worker and apprentice. If an identifiable pattern of apparent discrimination is revealed by this additional information, it will be treated as a breach of this Employment and Contracting Policy and may be addressed as set forth in Section XII, Arbitration of Disputes.

4. Report on Terminations

In the event a BVHP Resident or San Francisco Resident hired pursuant to this Employment and Contracting Policy is terminated for cause, the responsible Contractor shall within two (2) days fax or email a termination report to the CBO with a copy to the Agency Compliance Officer stating in detail: (1) the name of the worker(s) terminated; (2) his/her job title and duties; (3) the reasons and circumstances leading to the termination(s); (4) whether the Contractor replaced the construction worker(s); and (5) whether the replacement worker(s) were BVHP Resident(s) or San Francisco Resident(s).

5. Inspection of Records

The Project Sponsor and each Contractor shall make the records required under this Employment and Contracting Policy available for inspection or copying by authorized representatives of the Agency, and shall permit such representatives to interview construction workers and apprentices during working hours on the job.

6. Failure to Submit Reports

Note: The Project Sponsor is required to provide complete Social Security numbers upon the request of the Agency.
If a Contractor fails or refuses to provide the reports as required it will be treated as a breach of this Employment and Contracting Policy and may be addressed as set forth in Section XII, Arbitration of Disputes.

7. **Submission of Good Faith Effort Documentation**

If the Project Sponsor’s or Contractor’s good faith efforts are at issue, the Contractor shall provide the Agency with the documentation of its efforts to comply with this Employment and Contracting Policy and the Agreement. The Project Sponsor or Contractor must maintain for the duration of the Term, a current file of the names, addresses and telephone numbers of each BVHP Resident or San Francisco Resident applicant referral whether self referral, union referral or CBO referral and what action was taken with respect to each such individual.

8. **Coding Certified Payrolls**

Each Contractor shall include, on the weekly payroll submissions, the code designating each construction worker’s and apprentice’s craft, skill level, protected class status and domicile in accordance with the following tables:

<table>
<thead>
<tr>
<th>CRAFT CODE</th>
<th>DESCRIPTION</th>
<th>CRAFT CODE</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Electrician</td>
<td>22</td>
<td>Carpet, Linoleum and Vinyl Tile Layer</td>
</tr>
<tr>
<td>2</td>
<td>Iron Worker</td>
<td>23</td>
<td>Elevator Constructor</td>
</tr>
<tr>
<td>3</td>
<td>Sheet Metal Worker</td>
<td>24</td>
<td>Cement Mason</td>
</tr>
<tr>
<td>4</td>
<td>Asbestos Worker/Heat &amp; Frost Insulator</td>
<td>25</td>
<td>Laborer or Allied Worker</td>
</tr>
<tr>
<td>5</td>
<td>Plumber, Pipe or Steamfitter</td>
<td>26</td>
<td>Glazier &amp; Glassmaker</td>
</tr>
<tr>
<td>6</td>
<td>Refrigeration</td>
<td>27</td>
<td>Painter, Paperhanger, Taper</td>
</tr>
<tr>
<td>7</td>
<td>Boilermaker</td>
<td>28</td>
<td>Sign Installer</td>
</tr>
<tr>
<td>8</td>
<td>Sprinkler Fitter</td>
<td>29</td>
<td>Scrapper</td>
</tr>
<tr>
<td>9</td>
<td>Brick, Caulk, Marble, Point, Terrazzo</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Hod Carrier</td>
<td>32</td>
<td>Low Voltage Electrician</td>
</tr>
<tr>
<td>11</td>
<td>Terrazzo Finisher</td>
<td>33</td>
<td>Towboat Operator-Marine Engineer</td>
</tr>
<tr>
<td>12</td>
<td>Plasterer</td>
<td>34</td>
<td>Towboat Deckhand-Inland Boat worker</td>
</tr>
<tr>
<td>13</td>
<td>Lather</td>
<td>35</td>
<td>Owner/Operator - Truck</td>
</tr>
<tr>
<td>14</td>
<td>Carpenter or Drywall Hanger</td>
<td>36</td>
<td>Owner/Operator - Heavy Equipment</td>
</tr>
<tr>
<td>15</td>
<td>Mill Worker or Cabinetmaker</td>
<td>37</td>
<td>Upholsterer</td>
</tr>
<tr>
<td>16</td>
<td>Millwright</td>
<td>38</td>
<td>Teamster, Construction</td>
</tr>
<tr>
<td>17</td>
<td>Roofer</td>
<td>39</td>
<td>Janitor</td>
</tr>
<tr>
<td>18</td>
<td>Pile Driver</td>
<td>40</td>
<td>Environmental Control System Installer</td>
</tr>
<tr>
<td>19</td>
<td>Surveyor/Operating Engineer</td>
<td>41</td>
<td>Window Cleaner</td>
</tr>
<tr>
<td>20</td>
<td>Tile (Ceramic)/Marble Finisher</td>
<td>89</td>
<td>Security Guard</td>
</tr>
</tbody>
</table>

**ETHNICITY CODE | DESCRIPTION**
VIII. TRAINEE HIRES

A. Procedures For Trainee Hires

1. Compliance with the Policy

For architects, engineers and other design professionals only, there is a trainee hiring goal as set forth in Section II (C) above. These design professionals will be deemed in compliance with this Employment and Contracting Policy by meeting or exceeding the trainee hiring goal or by take the following steps in good faith towards compliance.

2. Execute Employment and Contracting Agreement

The Project Sponsor shall execute an Agreement which details the requirements of the Employment and Contracting Policy, as well as the Agency’s Equal Opportunity Program, if applicable. The Project Sponsor shall incorporate by reference or attach the Agreement to its contract with the architects, engineers and other design professionals. Thus, each design professional will be obligated to comply with the terms of the Agreement. The Project Sponsor

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Footnote: The same procedure for trainee hires applies to all design professionals regardless of whether the project is an Agency Action, private Significant Project, or small Private Project when the Project Sponsor has voluntarily subscribed to the Employment and Contracting Policy.

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and/or the design professionals shall retain the executed Agreements and make them available to
the Agency Compliance Officer upon request.

3. **Contact Educational Institutions**

   The Agency works with the City, as well as educational institutional within the City, to
   provide a pool of student referrals to assist design professionals in meeting the trainee hiring goal.
   Within thirty (30) days of execution of the Agreement, the Agency Compliance Officer shall
   contact each design professionals and provide it with the name, address and telephone number of a
   point of contact at the City, **City College or other educational institutions in the Bay Area** who
   have a current list of students who are BVHP Residents or San Francisco Residents and are
   available for hire as trainees. Each design professional shall call the City or educational
   institution(s) and request referrals for the required trainee positions. The request will indicate
generally: (1) the number of trainees sought; (2) the required skills set (keeping in mind that these
are trainee positions); (3) a brief description of job duties; (4) the duration of the trainee period; and
(5) any other information that would be helpful or necessary for the educational institution to make
the referral. The minimum duration of assignment is part-time for one semester. However, design
professionals are strongly encouraged to offer longer trainee employment periods to allow a more
meaningful learning experience. (For example, a half-time or full-time assignment over the
summer.) Although the initial contact shall be made by phone, the educational institution(s) may
require the design professionals to send a confirming letter or fill out a form which the educational
institution will provide. Each design professional is required to timely provide all of the
information requested by the City or educational institution(s) in order to get the referrals.

4. **Response from Educational Institutions**

   Each educational institution may have a different way of referring applicants, such as:
sending resumes directly to the design professional; having the applicant contact the design
professional by phone; require design professionals to conduct on-campus interviews; or some other
method. The timing and method of the response will normally have been discussed with the design
professional during the initial phone request. The design professional is required to follow the
process set by the educational institution(s) in order to get the referrals.

5. **Action by Design Professionals When Referrals Available**

   The design professional shall give First Consideration to BVHP Residents and then to San
Francisco Residents referred by the educational institution(s). The design professional shall
interview each applicant prior to making the decision to hire or not to hire. The design professional
shall make the final determination whether the applicant is qualified for the trainee position and the
ultimate hiring decision. The Agency strongly encourages the design professional to hire a
qualified BVHP Resident or San Francisco Resident referred by the educational institution(s). The
design professional shall notify each BVHP Resident and San Francisco Resident interviewed and
the CBO in writing of the hiring decision.

6. **Action by Design Professionals When Referrals Unavailable**

   If after contacting all of the educational institutions provided by the Agency Compliance
Officer, the design professional is informed that no qualified BVHP residents or San Francisco
Residents are currently available, then the design professional should wait thirty (30) days and
contact the educational institutions a second time to inquire whether qualified San Francisco
Residents are currently available for hire as trainees. If no qualified San Francisco Residents are currently available after the second request, then the design professional has fulfilled its obligation under this Section VIII, provided that the design professional has acted in good faith. The design professional must retain its file on all of the steps it took to comply with this policy and submit a copy of its file to the Agency Compliance Officer upon request.

7. **Action by Design Professional When No Response From Educational Institutions**

If a design professional has not received a response to its request for referrals from any of the educational institutions within five (5) business days after the design professional has fully complied with the procedures, if any, set by the educational institution(s) for obtaining referrals; then the design professional should immediately advise the Agency Compliance Officer by phone, fax or email. The Agency Compliance Officer or his/her designee shall cause the educational institution(s) to respond to the design professional within five (5) business days of the Agency Compliance Officer being notified. If the design professional still has not received a response from the educational institution(s) after this additional five (5) business day period has run, then the design professional has fulfilled its obligation under this Section VIII, provided that the design professional has acted in good faith. Each design professional must retain its file on all of the steps it took to comply with this policy and submit a copy of its file to the Agency Compliance Officer upon request.

8. **Termination of Trainee for Cause**

If at any time during the Term, it becomes necessary to terminate for cause a trainee who was hired under this Employment and Contracting Policy and the design professional has not met the minimum duration requirements under this policy, then the design professional shall hire a new trainee by following the process set forth in Section VIII(A)(3) above.

B. **Reporting Requirements For Trainee Hires**

1. **Annual Reporting**

   Annually, during the Term of the Agreement or the term of the design professional’s contract with the Project Sponsor, whichever is less, the Employer shall fax or email a report to the Agency Compliance Officer stating in detail: (1) the names of the BVHP Resident(s) or San Francisco Resident(s) interviewed in the past year for trainee positions; (2) the date(s) of each interview; (3) the reasons for not hiring the BVHP Residents or San Francisco Residents interviewed; (4) the name, address, gender and racial/ethnic background of the successful candidate for the trainee position; (5) whether the successful candidate is a BVHP or San Francisco Resident; (6) the maximum number of trainees the Employer has had within the last calendar year; and (7) the number of BVHP Residents and San Francisco Residents hired within the last calendar year.

2. **Report on Terminations**

   In the event a BVHP Resident or San Francisco Resident hired pursuant to this Employment and Contracting Policy is terminated for cause, the responsible design professional shall within five (5) days fax or email a termination report to the Agency Compliance Officer stating in detail: (1) the name of the trainee(s) terminated; (2) his/her job title and duties; (3) the reasons and
circumstances leading to the termination(s); (4) whether the design professional replaced the trainee(s); and (5) whether the new trainee(s) are BVHP Resident(s) or San Francisco Resident(s).

IX. PERMANENT / TEMPORARY WORKFORCE POLICY

A. Permanent / Temporary Workforce Hires

1. Policy Statement

Due to the wide variety of development, both public and private, that occurs in the City and is anticipated to occur in the Project Area as redevelopment commences, it is difficult to develop a single hiring requirement or procedure that is appropriate in all situations. The Agency seeks to ensure that BVHP Residents have the opportunity to share in the permanent and temporary jobs that come from redevelopment in the Project Area. At the same time, the Agency seeks to assist Employers in meeting workforce demands for Significant Projects within the Project Area. The Agency has adopted a flexible approach to achieve these goals. The Employment and Contracting Policy sets an overall goal of 50% for permanent / temporary workforce hires but allows flexibility to tailor the remaining key terms of the Agreement to fit the specific project.

2. Compliance with the Policy

The Project Sponsor agrees and will require each Employer to use its good faith efforts to employ 50% of its permanent / temporary workforce from qualified BVHP Residents and then San Francisco Residents with First Consideration to BVHP Residents. Project Sponsors and Employers will be deemed in compliance with this Employment and Contracting Policy by meeting or exceeding the goal or by documenting the good faith efforts as set forth in the Agreement.

3. Negotiate and Execute Employment and Contracting Agreement

The Project Sponsor shall negotiate in good faith with the Agency’s Contract Compliance staff to reach agreement on: (a) the Term of the Agreement; (b) the job titles or type of positions subject to this hiring obligation; (c) procedures for fulfilling the hiring obligation or meeting the good faith efforts; and (d) reporting requirements. These negotiations will be based upon the anticipated number of permanent and/or temporary positions created by the project. The executed Agreement will set forth the mutually agreed upon details, as well as the requirements of the Agency’s Equal Opportunity Program, if applicable. The Project Sponsor shall incorporate by reference or attach the Agreement to its contract with the Employer. The Project Sponsor and/or Employer shall retain the executed Agreement and make it available to the Agency Compliance Officer upon request.

4. Review of Permanent / Temporary Workforce Policy

Working with the PAC, the CBOs and the City’s workforce development systems, the Agency will review the Permanent / Temporary Workforce Policy and will revise the procedures

5 The same procedure for permanent / temporary workforce hires applies to all Project Sponsors regardless of whether the project is an Agency Action, private Significant Project, or small Private Project when the Project Sponsor has voluntarily subscribed to the Employment and Contracting Policy.

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and goals as necessary to ensure that BVHP and San Francisco Residents are given First Consideration for these job opportunities.

X. AGENCY EQUAL OPPORTUNITY PROGRAM

A. Compliance with Agency’s Equal Opportunity Program

Compliance with some or all of the Agency’s Equal Opportunity Program may be mandatory or voluntary depending on whether the development is an Agency Action Project, private Significant Project, CityBuild / public improvement project or a small Private Project. The components of the Agency’s Equal Opportunity Program are described briefly below for reference. The full policies and procedures associated with these programs are available from the Agency’s Contract Compliance Division.

1. Small Business Enterprise Program

The Agency’s Small Business Enterprise (“SBE”) Program was adopted by Agency Resolution No. 133-2004 on November 16, 2004, as part of the Agency’s Interim Purchasing Policy and Procedures, and may be amended from time to time. The SBE Program provides for first consideration in awarding subcontracts and sub-consulting opportunities to Agency certified local small business enterprises. The SBE Program is designed to help ensure that SBEs have a fair opportunity to compete for and participate in contracts related to Agency- Action Projects and other projects that are subject to the SBE Program. SBEs are divided into three groups: (1) Project Area SBEs, (2) Local SBEs (outside an Agency project or survey area, but within San Francisco), and (3) all other SBEs (outside of San Francisco). If subject to the SBE Program, the Project Sponsor and its Contractors and Employers must make good faith efforts to achieve the goal of 50% SBE participation for professional / personal services, and construction contracts. The SBE Program sets a contracting goal and thus is different from the Employment and Contracting Policy which sets hiring goals. The Project Sponsor’s obligations under the SBE Program will be incorporated into a SBE Agreement (“SBE Agreement”). The Agency Executive Director will review and approve the SBE Agreement on behalf of the Agency. The Agency’s Compliance Officer will ensure compliance with the requirements and will report periodically to the BVHP PAC and the Agency Commission on compliance matters.

2. Nondiscrimination in Contracts and Equal Benefits Policy

The Agency’s Nondiscrimination in Contracts and Equal Benefits Policy was adopted by Agency Resolution No. 175-97 on September 9, 1997 and may be amended from time to time. The Nondiscrimination in Contracts and Equal Benefits Policy prohibits discrimination in contracting and which includes a prohibition on discrimination in providing benefits between employees with spouses and employees with domestic partners. This policy requires the Project Sponsor to agree not to discriminate against or segregate any person, or group of persons, on account of race, color, religion, creed, national origin or ancestry, sex, gender identity, age, marital or domestic partner status, sexual orientation or disability (including HIV or AIDS status). This policy also requires that employee benefits be equally available to domestic partners as they are to spouses.

3. Minimum Compensation Policy and Health Care Accountability Policies
The Agency’s Minimum Compensation Policy ("MCP") and Health Care Accountability Policy ("HCAP") were adopted by Agency Resolution 168-2001 on September 25, 2001 and may be amended from time to time. MCP requires that all “Covered Employees,” as defined therein, receive a minimum level of compensation. HCAP requires offering health plan benefits to Covered Employees or to make payments to the City and County of San Francisco’s Department of Public Health, or to participate in a health benefits program developed by the City and County of San Francisco’s Director of Health.

4. **Agency’s Prevailing Wage Policy**

The Agency’s Prevailing Wage Policy (Labor Standards) was adopted by Agency Resolution No. 327-85 on November 12, 1985 and may be amended from time to time. The Agency’s Prevailing Wage Policy applies to projects: (i) covered under Labor Code Section 1720 et seq., (ii) that are Agency-Action Projects) or (iii) for which the Project Sponsor has voluntarily subscribed to this requirement. The Agency’s Prevailing Wage Policy references the State’s Labor Standards and the prevailing wage, benefits, eligibility, etc. are all calculated using the State’s standards. In many instances, both the California Labor Code and the Agency’s Prevailing Wage Policy will apply.

### XI. EMPLOYMENT AND CONTRACTING POLICY - ADDITIONAL PROVISIONS

Project Sponsors, Contractors and Employers that are subject to this Employment and Contracting Policy (including those who have voluntarily subscribed to this policy) are subject to the following additional provisions.

1. **Designate a Point of Contact**

Each Project Sponsor, Contractor and Employer shall designate a responsible representative, manager or agent to monitor all employment-related activity under this Employment and Contracting Policy and to be the primary point of contact for issues arising under this policy.

2. **No Retaliation**

No person hired pursuant to this policy shall be discharged or in any other manner discriminated against by the Project Sponsor, Contractor or Employer because such person has filed any complaint or instituted or caused to be instituted any proceeding under or relating to enforcement of this Employment and Contracting Policy.

3. **No Discrimination**

There shall be no discrimination against or segregation of any person, or group of persons, on account of race, color, religion, creed, national origin or ancestry, sex, gender identity, age, marital or domestic partner status, sexual orientation or disability (including HIV or AIDS status). The Project Sponsor, Contractors and Employers will ensure that applicants are employed, and that persons are treated during employment, without regard to their race, color, religion, creed, national origin or ancestry, sex, gender identity, age, marital or domestic partner status, sexual orientation or disability (including HIV or AIDS status) or other protected class status. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or
recruitment advertising; layoff or termination; rates of pay or other forms of compensation; selection for training, including apprenticeship; and provision of any services or accommodations.

4. **Collective Bargaining Exclusion**

Notwithstanding anything to the contrary in this Employment and Contracting Policy, if an Agreement conflicts with an existing labor agreement or collective bargaining agreement to which a Project Sponsor, Contractor or Employer is a party, the labor agreement or collective bargaining agreement shall prevail. Nothing in this Employment and Contracting Policy shall be interpreted to interfere with or prohibit existing labor agreements or collective bargaining agreements. However, the Project Sponsor, Contractor or Employer will still be obligated to provide workforce needs information to the CBO prior to hiring and the Employer will be obligated to make good faith efforts to comply with the requirements of its Employment and Contracting Policy Agreement that do not conflict with the collective bargaining agreement.

5. **No Conflict with State or Federal Law**

This Employment and Contracting Policy is to be implemented in a manner that does not conflict with applicable federal or state laws.

6. **Existing Workforce**

Nothing in this Employment and Contracting Policy shall be interpreted in a manner that would require termination of the Project Sponsor’s, Contractor’s or Employer’s existing workers and employees.

7. **Use of Debarred Entities Prohibited**

Neither the Project Sponsor, Contractor nor Employer shall enter into any subcontract with any person or firm that the Project Sponsor, Contractor or Employer knows or should have known is debarred from federal, state or local government contracts.

8. **Incorporation**

Whenever the Project Sponsor, Contractor or Employer subcontracts a portion of the work, it shall set forth verbatim and make binding on each subcontractor the provisions of this Employment and Contracting Policy. That subcontract shall then be deemed a Contractor or Employer for the purposes of this Employment and Contracting Policy and shall be subject to all of the requirements hereto.

9. **Severability**

If any part or provision of this Employment and Contracting Policy or the application thereof to any person or circumstance is held to be invalid, then the remainder of this Employment and Contracting Policy, including the application of such part or provision to other persons or circumstances, shall not be affected thereby and shall continue in full force and effect. To this end, the provisions of this Employment and Contracting Policy are severable.
10. **Waiver**

Any of the Employment and Contracting Policy requirements may be waived by the Agency’s Executive Director, if he/she determines for good cause shown that a specific requirement is not relevant to the particular situation, would cause undue hardship, or that an alternative approach would better meet the goals of the Employment and Contracting Policy.

**XII. ARBITRATION OF DISPUTES**

1. **Arbitration by AAA**

   Any dispute involving the alleged breach or enforcement of an Employment and Contracting Policy Agreement, including but not limited to disputes over qualification of referrals, whether termination was for good cause; and whether the Project Sponsor, Contractor or Employer has complied with this Employment and Contracting Policy Agreement in good faith shall be submitted to arbitration. The arbitration shall be submitted to the American Arbitration Association, San Francisco, California office (“AAA”) which will use the Commercial Rules of the AAA then applicable, but subject to the further revisions thereof. If there is a conflict between the Commercial Rules of the AAA and the arbitration provisions in this Employment and Contracting Policy, this Employment and Contracting Policy shall govern. The arbitration shall take place in the City and County of San Francisco.

2. **Demand for Arbitration**

   The party seeking arbitration shall make a written demand for arbitration (“Demand for Arbitration”). The Demand for Arbitration shall contain at a minimum: (1) a cover letter demanding arbitration under this provision and identifying the entities believed to be involved in the dispute; (2) a copy of the notice of default, if any, sent from one party to the other; and (3) any written response to the notice of default.

3. **Parties’ Participation**

   The Agency, Project Sponsor, Contractor, Employer and all persons or entities affected by the dispute shall be made Arbitration Parties. Any such person or entity not made an Arbitration Party in the Demand for Arbitration may intervene as an Arbitration Party and in turn may name any other such affected person or entity as an Arbitration Party.

4. **Agency Request to AAA**

   Within seven (7) business days after service or receipt of a Demand for Arbitration, the Agency shall transmit to AAA a copy of the Demand for Arbitration and any written response thereto from the Project Sponsor, Contractor and/or Employer. Such material shall be made part of the arbitration record.

5. **Selection of Arbitrator**

   One arbitrator shall arbitrate the dispute. The arbitrator shall be selected from the panel of arbitrators from AAA by the Arbitration Parties in accordance with the AAA rules. The parties shall act diligently in this regard. If the Arbitration Parties fail to agree on an arbitrator within seven (7) business days from the receipt of the panel, AAA shall appoint the arbitrator. A condition to the selection of any arbitrator shall be the arbitrator’s agreement to: (i) submit to all
Arbitration Parties the disclosure statement required under California Code of Civil Procedure Section 1281.9; and (ii) render a decision within thirty (30) days from the date of the conclusion of the arbitration hearing.

6. **Setting of Arbitration Hearing**
   
   A hearing shall be held within ninety (90) days of the date of the filing of the Demand for Arbitration with AAA, unless otherwise agreed by the parties. The arbitrator shall set the date, time and place for the arbitration hearing(s) within the prescribed time periods by giving notice by hand delivery or first class mail to each Arbitration Party.

7. **Discovery**
   
   In arbitration proceedings hereunder, discovery shall be permitted in accordance with Code of Civil Procedure §1283.05 as it may be amended from time to time.

8. **California Law Applies**
   
   California law, including the California Arbitration Act, Code of Civil Procedure §§ 1280 through 1294.2, shall govern all arbitration proceedings in any Employment and Contracting Agreement.

9. **Arbitration Remedies and Sanctions**
   
   The arbitrator may impose only the remedies and sanctions set forth below:
   
   a. Order specific, reasonable actions and procedures, in the form of a temporary restraining order, preliminary injunction or permanent injunction, to mitigate the effects of the non-compliance and/or to bring any non-compliant Arbitration Party into compliance with the Employment and Contracting Policy Agreement.
   
   b. Require any Arbitration Party to refrain from entering into new contracts related to work covered by the Employment and Contracting Policy Agreement, or from granting extensions or other modifications to existing contracts related to services covered by the Employment and Contracting Policy Agreement, other than those minor modifications or extensions necessary to enable compliance with the Employment and Contracting Policy Agreement.
   
   c. Direct any Arbitration Party to cancel, terminate, suspend or cause to be cancelled, terminated or suspended, any contract or portion(s) thereof for failure of any Arbitration Party to comply with any of the requirements in the Employment and Contracting Policy Agreement. Contracts may be continued upon the condition that a program for future compliance is approved by the Agency.
   
   d. If any Arbitration Party is found to be in willful breach of its obligations hereunder, the arbitrator may impose a monetary sanction not to exceed Fifty Thousand Dollars ($50,000.00) or ten percent (10%) of the base amount of the breaching party’s contract, whichever is less, for each such willful breach; provided that, in determining the amount of any monetary sanction to be assessed, the arbitrator shall consider the financial capacity of the breaching party. No monetary sanction shall be imposed pursuant to this paragraph for the first

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willful breach of the Employment and Contracting Policy Agreement unless the breaching party has failed to cure after being provided written notice and a reasonable opportunity to cure. Monetary sanctions may be imposed for subsequent willful breaches by any Arbitration Party whether or not the breach is subsequently cured. For purposes of this paragraph, "willful breach" means a knowing and intentional breach.

e. Direct any Arbitration Party to produce and provide to the Agency any records, data or reports which are necessary to determine if a violation has occurred and/or to monitor the performance of any Arbitration Party.

10. **Arbitrator’s Decision**

   The arbitrator will normally make his or her award within twenty (20) days after the date that the hearing is completed but in no event past thirty (30) days from the conclusion of the arbitration hearing; provided that where a temporary restraining order is sought, the arbitrator shall make his or her award not later than twenty-four (24) hours after the hearing on the motion. The arbitrator shall send the decision by certified or registered mail to each Arbitration Party.

11. **Default Award; No Requirement to Seek an Order Compelling Arbitration**

   The arbitrator may enter a default award against any person or entity who fails to appear at the hearing, provided that: (1) the person or entity received actual notice of the hearing; and (2) the complaining party has a proof of service for the absent person or entity. In order to obtain a default award, the complaining party need not first seek or obtain an order to arbitrate the controversy pursuant to Code of Civil Procedure §1281.2.

12. **Arbitrator Lacks Power to Modify**

   Except as expressly provided above in this Section XII, the arbitrator shall have no power to add to, subtract from, disregard, modify or otherwise alter the terms of the Employment and Contracting Policy Agreement or to negotiate new agreements or provisions between the parties.

13. **Jurisdiction/Entry of Judgment**

   The inquiry of the arbitrator shall be restricted to the particular controversy which gave rise to the Demand for Arbitration. A decision of the arbitrator issued hereunder shall be final and binding upon all Arbitration Parties. The prevailing Arbitration Party (ies) shall be entitled to reimbursement for the arbitrator’s fees and related costs of arbitration. Each Arbitration Party shall pay its own attorneys’ fees, provided however, that attorneys’ fees may be awarded to the prevailing party if the arbitrator finds that the arbitration action was instituted, litigated, or defended in bad faith. Judgment upon the arbitrator’s decision may be entered in any court of competent jurisdiction.
## BVHP EMPLOYMENT AND CONTRACTING POLICY MATRIX

<table>
<thead>
<tr>
<th>Agency-Action Projects</th>
<th>Private Significant Projects</th>
<th>CityBuild &amp; Public Improvements</th>
<th>Small Private Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BVHP Employment and Contracting Policy</strong></td>
<td>Mandatory</td>
<td>Mandatory</td>
<td>Voluntary but Encouraged</td>
</tr>
<tr>
<td><strong>Small Business Enterprise Policy</strong></td>
<td>Mandatory</td>
<td>Voluntary but Encouraged</td>
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<tr>
<td><strong>Nondiscrimination and Equal Benefits Policy</strong></td>
<td>Mandatory</td>
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<td><strong>Minimum Compensation Policy</strong></td>
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<tr>
<td><strong>Healthcare Accountability Policy</strong></td>
<td>Mandatory</td>
<td>Voluntary but Encouraged</td>
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<tr>
<td><strong>Agency’s Prevailing Wage Policy</strong></td>
<td>Mandatory</td>
<td>Voluntary but Encouraged</td>
<td>Voluntary but Encouraged</td>
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6. **Mandatory** means that the Project Sponsor is required to comply with the Agency’s policy. However, each Agency policy has its own threshold and compliance requirements. For example, the Agency’s Minimum Compensation Policy (“MCP”) will apply to all Agency-Action projects but MCP has no compliance requirements for Project Sponsors with less than 25 employees.

7. **Voluntary but Encouraged** means that the Project Sponsor is not required to comply with the Agency’s policy as a condition to developing the project. However, the Agency’s Contract Compliance Department will encourage the Project Sponsor to subscribe voluntarily to these Agency policies. If the Project Sponsor voluntarily agrees to comply with one or more Agency’s policies, then those policies will be added as a condition to the building permit and at that point will become mandatory.

8. Public Improvements and public/private project receiving City funds are subject to the State of California’s prevailing wage requirements per California Labor Code Section 1720 et seq.

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EXHIBIT X-B

Revisions to and Interpretations of BVHP ECP for the Project

1. Revisions and Interpretations. Unless otherwise Approved by Developer and the Agency Director, each in their respective sole and absolute discretion, the following revisions and interpretations to the BVHP ECP shall apply to the DDA:

1.1 References to the PAC shall be changed to the CAC with respect to the application of the BVHP ECP to the Shipyard Site.

1.2 The application of the fifty percent (50%) hiring goals in Section II, A.1. and B.1., Section VII.A.1. and Section IX.A.2. and the trainee goals in Section II.C.1. shall be changed so that they apply to “qualified BVHP Residents, then residents of the 94134 and 94107 zip code areas, then residents of other existing San Francisco redevelopment project areas, and then San Francisco Residents with First Consideration to BVHP Residents.” Any other references in the BVHP ECP to “first consideration to BVHP Residents and then San Francisco Residents” shall be changed to “first consideration to BVHP Residents, then residents of the 94134 and 94107 zip code areas, then residents of other existing San Francisco redevelopment project areas, and then San Francisco Residents.”

1.3 The definition of “Employer” in Section III.11 is deleted and replaced with the following: Employer means any person(s), firm, partnership, corporation, government agency, (whether for profit or nonprofit), or combination thereof, who owns or operates a retail or commercial business with twenty (20) or more employees that conduct the majority of their duties at the Project Site, and shall include retailers, service providers, office workers, property managers, parks and open space managers, and others.

1.4 The definition of “First Consideration” in Section III.13 is deleted and replaced with the following: “First Consideration means that a Project Sponsor, Contractor and/or Employer shall give first consideration to qualified BVHP Residents in accordance with Section VII.A. (6) - (8) of this Employment and Contracting Policy, then to residents of the 94134 and 94107 zip code areas, then residents of other existing San Francisco redevelopment project areas, and then to San Francisco residents for hiring opportunities in the areas of construction workforce, permanent / temporary workforce and trainee hires before offering the hiring opportunity to other applicants.”

1.5 All references to “BVHP Residents and San Francisco Residents” and “BVHP Residents or San Francisco Residents,” in Sections VII, VIII and IX shall be changed to refer to “BVHP Residents, residents of the 94134 and 94107 zip code areas, residents of other existing San Francisco redevelopment projects, and/or San Francisco Residents.”

1.6 The definition of “CBO” (community-based organization) in Section III.6 is deleted and replaced with the following: “CBO means an Agency identified workforce referral entity.”
1.7 The definition of “Contractor” in Section III.9 is deleted and replaced with the following: “Contractor means any person(s), firm, partnership, corporation (whether for profit or nonprofit), or combination thereof, who is a general contractor, subcontractor (regardless of tier) or consultant working on: any part of the Project, including all Infrastructure and Vertical Improvements, and all interior tenant improvements. Contractors shall include, without limitation, all architects, engineers and other design professionals.”

1.8 The definition of “Project Sponsor” in Section III.19 is deleted and replaced with the following: “Project Sponsor means Developer, a Transferee or a Vertical Developer, as applicable.”

1.9 All aspects of the Project shall be deemed to be either an Agency Action Project subject to Section IV.A (Agency Action Projects) or a City Build and Public Improvement subject to Section IV.C (CityBuild and Public Improvements), as applicable. Each Project Sponsor shall enter into an Employment and Contracting Agreement on or before Commencement of the Infrastructure or Vertical Improvement, as applicable.

1.10 All references to the “LCP Tracker system” in Section VII.B.1 are replaced with “the PRS”.

1.11 A new definition is inserted, as follows: “PRS means a web-based software used to collect, verify and manage prevailing wage certified payrolls and related labor compliance documentation.”

1.12 Worker request forms under Section VII.A.6 shall be submitted via the PRS.
EXHIBIT J
Tenant Screening Criteria Policy and Tenant Selection Plan Policy

The screening criteria and considerations outlined below encourage providers to “screen in” rather than “screen out” applicants who have a criminal record. These requirements are also designed to satisfy the requirements of San Francisco Police Code Article 49, Sections 4901-4920. This policy describes a minimum level of leniency; providers are encouraged to adopt less restrictive policies and processes whenever appropriate. For example, providers may opt not to review or consider applicant criminal records at all.

Screening Criteria

- Housing providers shall not automatically bar applicants who have a criminal record\(^1\) in recognition of the fact that past offenses do not necessarily predict future behavior, and many applicants with a criminal record are unlikely to re-offend.
- Housing providers shall not consider:
  - arrests that did not result in convictions, except for an open arrest warrant;
  - convictions that have been expunged or dismissed under Cal. Penal Code § 1203.4 or 1203.4a;\(^2\)
  - juvenile adjudications.
- Housing providers shall consider:
  - the individual circumstances of each applicant; and
  - the relationship between the offense, and
    - (1) the safety and security of other tenants, staff and/or the property; and
    - (2) mitigating circumstances such as those listed below.
  - only those offenses that occurred in the prior 7 years, except in exceptional situations, which must be documented and justified, such as where the housing provider staff is aware that the applicant engaged in violent criminal activity against staff, residents or community members and/or that the applicant intentionally submitted an application with materially false information regarding criminal activity.
  - mitigating factors, including, but not limited to:
    - (1) the seriousness of the offense;
    - (2) the age and/or circumstances of the applicant at the time of the offense;
    - (3) evidence of rehabilitation, such as employment, participation in a job training program, continuing education, participation in a drug or alcohol treatment program, or letters of support from a parole or probation officer.

\(^1\) The policy recognizes that some housing may be subject to mandatory laws that require the exclusion of an applicant based upon certain types of criminal activity.

\(^2\) The purpose of the statute is allow a petitioner to request a dismissal of the criminal accusations, a change in plea or setting aside of a verdict and to seek to have certain criminal records sealed or expunged and a release “from all penalties and disabilities resulting from the offense.”
employer, teacher, social worker, medical professional, or community leader;

- (4) if the offense is related to acts of domestic violence committed against the applicant;
- (5) if the offense was related to a person’s disability.

Exhibit J
Tenant Selection Plan Policy

This policy is in addition to the obligations to comply with applicable federal, state and local civil rights laws, including laws pertaining to reasonable accommodation and limited English proficiency (LEP), and the applicable provision of the Violence Against Women Act, Pub. Law 109-62 (January 5, 2006), as amended.

Application Process

- Application Materials. The housing provider’s written and/or electronic application materials should:
  - outline the screening criteria that the housing provider will use;
  - provide space(s) for the applicant to explain any conviction, eviction, tenancy issues or credit concerns and present evidence that he or she will be a suitable tenant;
  - outline how an applicant may request a modification of the admission process and/or a change in admission policies or practices as a reasonable accommodation;
  - be written in language that is clear and readily understandable.
- First Interview. In accordance with the housing provider policies, each applicant with the minimum eligibility requirements for housing unit shall be offered the opportunity for an interview.
- Second Interview. Before issuing a denial, the housing provider should consider offering a second interview to resolve issues and inconsistencies, gather additional information, and assist as much as possible with a determination to admit the applicant.
- Confidentiality. All information provided will be kept confidential and be used only by the housing provider, the referring agency and the funding agency for the purpose of assisting and evaluating the applicant in the admission process.
- Delays in the Process. If delays have occurred or are likely to occur in the application and screening process or the process exceeds the housing provider’s normal timeline for application and screening, the housing provider must immediately inform the referring agency and the funding agency, of the status of the application, the reason for the delay and the anticipated time it will take to complete the application process.
- Problems with the Referring Agency. If at any point the housing provider has difficulty reaching or getting a response from the applicant and referring agency, the housing provider must immediately contact the referring agency, if possible, and the funding agency, DPH or HSA.

• **Limited English Proficiency Policy.** Throughout the application process, the housing provider must comply with the language access requirements for applicants with limited English proficiency.

**Reasonable Accommodation and Modification Policy**

**Reasonable Accommodation:** The application process should provide information about how an applicant may make a reasonable accommodation request. At any stage in the admission process, an applicant may request a reasonable accommodation, if the applicant has a disability and as a result of the disability needs a modification of the provider’s rules, policies or practices, including a change in the way that the housing provider communicates with or provides information to the applicant that would give the applicant an equal chance to be selected by the housing provider to live in the unit.

**Reasonable Modification:** Applicant may request a reasonable modification if he or she has a disability and as a result of the disability needs:

- a physical change to the room or housing unit that would give the applicant an equal chance to live at the development and use the housing facilities or take part in programs on site;
- a physical change in some other part of the housing site that would give the applicant an equal chance to live at the development and use the housing facilities or take part in programs on site.

**Response to Request:** The housing provider shall respond to a request for reasonable accommodation or modification within ten (10) business days. The response may be to grant, deny, or modify the request, or seek additional information in writing or by a meeting with the applicant. The housing provider will work with the applicant and referring agency to determine if there are ways to accommodate the applicant.

The housing provider shall grant the request if the provider determines that:

- the applicant has a disability;
- reasonable accommodation or modification is necessary because of the disability; and
- the request is reasonable (i.e., does not impose an undue financial or administrative burden or fundamentally alter the nature of the housing program.)

If the reasonable accommodation request is denied, the rejection must explain the reasons in writing. If the denial of the reasonable accommodation request results in the applicant being denied admission to the unit, the provisions of the section on Notice of Denial and Appeal Process apply.

**Notice of Denial and Appeal Process**

- The housing provider shall:
  - promptly send a written and electronic notice (to the addresses provided) to each applicant denied admission with a written and/or electronic copy to the referring agency and the funding agency. The notice should:
    - list all the reasons for the rejection, including the particular conviction or convictions that led to the decision in cases where past criminal offenses were a reason for rejection;
• explain how the applicant can request an in person appeal to contest the decision;
• state that an applicant with a disability is entitled to request a reasonable accommodation to participate in the appeal;
• inform the applicant that he or she is entitled to bring an advocate or attorney to the in person appeal;
• provide referral information for local legal services and housing rights organizations;
• describe the evidence that the applicant can present at the appeal;
  o give applicants denied admission a date within which to file the appeal, which shall be at least ten (10) business days from the date of the notice;
  o unless an extension is agreed to by the applicant and the housing provider, hold the appeal within ten (10) business days of the request for the appeal;
  o confine the subject of the appeal to the reason for denial listed in the notice;
  o give the applicant a chance to present documents and/or witnesses showing that he or she will be a suitable tenant;
  o have an impartial supervisor or manager from the housing provider, but who is not the person who made the initial decision or a subordinate of the person who made the initial decision, conduct the appeal;
  o within 5 business days of the in person appeal, provide the applicant with a written decision that states the reason for the decision and the evidence relied upon. A copy of the written decision must be sent (electronically or otherwise) to the referring agency and the funding agency.

• If the rejection is based on a criminal background check obtained from a tenant screening agency, the Fair Credit Reporting Act and the Investigative Consumer Reporting Agencies Act impose additional notice requirements.\(^4\)

FIRST AMENDMENT TO THE LOAN AGREEMENT
Tax Increment Funds
Alice Griffith Replacement Projects Phase 2

THIS FIRST AMENDMENT TO THE LOAN AGREEMENT ("First Amendment") is entered into as of ____________, by and between the SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, a public body, organized and existing under the laws of the State of California, hereafter referred to as the Office of Community Investment and Infrastructure, ("OCII"), and Double Rock Ventures, LLC, a California limited liability company ("Borrower").

RECITALS

A. In furtherance of the objectives of the California Community Redevelopment Law (Health and Safety Code, section 33000 et seq. the "CRL"), the former San Francisco Redevelopment Agency ("Former Agency") would undertake programs for the reconstruction and construction to improve blighted areas in the City and County of San Francisco (the "City").

B. In accordance with the CRL, the City, acting through its Board of Supervisors, approved a Redevelopment Plan for the Bayview Hunters Point Redevelopment Project Area (the "Project Area") by Ordinance No. 113-06, adopted on May 16, 2006. In cooperation with the City, OCII is responsible for implementing the Bayview Hunters Point Redevelopment Plan (the "Redevelopment Plan").

C. Under California State Assembly Bill No. 1X26 (Chapter 5, Statutes of 2011-12, first Extraordinary Session) ("AB 26"), as amended by California State Assembly Bill No. 1484 ("AB 1484") (together the "Dissolution Laws") the Former Agency dissolved as a matter of law on February 1, 2012. On October 2, 2012 the San Francisco Board of Supervisors, acting as legislative body of OCII as the successor to the Agency, passed Ordinance 215-12, which outlined the rights and responsibilities of OCII as the Agency's successor agency, including but not limited to certain retained existing enforceable obligations for the development of affordable housing. Accordingly, under Ordinance 215-12 and Dissolution Law, OCII has the obligation and authority to enter into this Agreement to allow for the development of the Alice Griffith Replacement Project as further discussed below in Recital D below.

D. The Hunters Point Shipyard/Candlestick Point Project (the "Shipyard Development") is one of San Francisco's three critical redevelopment legacy projects that OCII must continue to implement under the Dissolution Law. The Shipyard Development is divided into two related parts, called Phase 1 and Phase 2, each with a separate disposition and development agreement. The disposition and development agreements, together with a number of related binding agreements attached to or referenced in the text of the disposition and development agreement, establish a comprehensive set of enforceable obligations that collectively govern the completion of the Shipyard Development. The disposition and development agreements are binding contractual agreements that provide for the transfer of land from OCII to developers, the developers' and OCII's rights and obligations relating to the construction of specified improvements, and the financing mechanisms for completing these projects. Phase 1 covers
approximately 75 acres and Phase 2 is significantly larger, covering over 700 acres at the Shipyard and at the adjacent Candlestick Point. The Alice Griffith Replacement Project is a key component of Phase 2 of the Shipyard Development. All 256 public housing units currently on site will be replaced (“Public Housing Replacement Units”) and 248 new affordable units (“Additional Affordable Units”) will be added on seven blocks that are a combination of vacant lots and existing Alice Griffith parcels (“Development” or “AG”).

E. In connection with the Candlestick Point and Phase 2 of Hunters Point Shipyard project, the Former Agency and CP Development Co., LP (“CP Dev Co”) entered into a Disposition and Development Agreement (Candlestick Point and Phase 2 of the Hunters Point Shipyard), dated June 3, 2010 (the “DDA”). The DDA includes a Below Market-Rate Housing Plan (“Housing Plan”). The Housing Plan defines the roles and responsibilities of the Former Agency and CP Dev Co regarding the development of up to 10,500 housing units, an important part of which is the revitalization of the Alice Griffith public housing development as a mixed-income, service-enriched community, developed according to the principles of the City’s HOPE SF Program. On December 14, 2012 the California Department of Finance (“DOF”) recognized the DDA as an Enforceable Obligation under the Dissolution Law. The Dissolution Law, in particular California Health and Safety Code Section 34177, provides that OCII is required to (1) perform obligations required pursuant to any Enforceable Obligation, and (2) continue to oversee development of properties until the contracted work has been completed.

F. Based on the requirements of the DDA, McCormack Baron Salazar (“MBS”) was selected by CP Dev Co to be the Alice Griffith Developer based upon their extensive experience revitalizing public housing across the country. Additional development team members include the San Francisco Housing Authority (“SFHA”) and Urban Strategies, Inc., which will be implementing the social services program at AG. The Borrower is the development entity for the overall redevelopment of Alice Griffith Public Housing and is an affiliate of MBS. Each financing phase of development will have a separate development entity affiliate of MBS. The current public housing site is bordered roughly by Hawes, Carroll, and Gilman Streets and vacant land owned by the State Parks Department and OCII (Exhibit B). AG will include the adjacent State and OCII lands and be comprised of Blocks 1, 2, 4, 5, 8, 9, and 14 (as shown in Exhibit B). Block 4 is the subject of this document (the “Site”). Block 4 is “AG Phase 2”.

G. The Below-Market Rate Housing Plan, which is Exhibit E of the DDA, requires that CP Dev Co provide a per unit subsidy to the AG vertical development equal to $90,000 per Public Housing Replacement Unit, and $70,000 per Additional Affordable Unit (“Master Developer Subsidy”). Exhibit E also requires that OCII provide a base subsidy of $62,017,200 in tax increment gap financing to be divided among the five phases based on development needs per phase. For each phase of AG and according to a formula in Exhibit 5, OCII and CP Dev Co will provide the proportion of the contributions described above that is proportionate to that phase.

H. If after maximizing all available and appropriate sources other than CP Dev Co and OCII, the total development cost (“TDC”) for any phase exceeds the TDC initially projected in the DDA, then the excess of the TDC will be considered a cost overrun (“Cost Overrun”). If there are Cost Overruns in any phase, then CP Dev Co must cover the proportion of Cost
Overruns attributable to the Public Housing Replacement Units and OCII must cover the Cost
Overruns attributable to the Additional Affordable Units. OCII is responsible for funding any
gaps in projected tax credit equity and/or Affordable Housing Program funds below what was
projected at the time the DDA was executed. Conversely, additional funding sources
unanticipated at the time of the DDA reduces OCII’s obligation (e.g. the portion of HUD’s CNI
Grant described in Recital J for housing development at AG). Therefore, OCII’s base subsidy,
one the CNI funds are incorporated into the development budget, is $40,667,200. The
respective OCII and Master Developer subsidies must be provided at or prior to the close of
construction financing of each phase, pursuant to Section 5.4 (a) and (c) of the Housing Plan in
the DDA.

I. The Former Agency and Borrower entered into a Tax Increment Loan Agreement for
$3,000,000 for master planning and initial predevelopment work for the first phases of AG on
March 29, 2011. Of this loan $1,916,750 was allocated to predevelopment of the first two
phases of the AG, in the amount of $958,375 for each Phase I and Phase II. The remaining
balance of $1,083,250 has been allocated to site-wide master planning.

J. In August 2011, MBS as lead applicant and SFHA as co-applicant were awarded a
U.S. Department of Housing and Urban Development (“HUD”) Choice Neighborhoods Initiative
Implementation (“CNI”) Grant in the amount of $30,500,000, of which $21,500,000 is to be used
for housing development at AG. The CNI program supports locally driven strategies to address
struggling neighborhoods with distressed public or HUD-assisted housing through a
comprehensive approach to neighborhood transformation. Local leaders, residents, and
stakeholders, such as public housing authorities, cities, schools, police, business owners,
nonprofits, and private developers, come together to create and implement a plan that transforms
distressed HUD housing and addresses the challenges in the surrounding neighborhood. The
program is designed to catalyze critical improvements in neighborhood assets, including vacant
property, housing, services and schools. The CNI funding comes with a variety of deadlines and
deliverables, the most important of which is a statutory obligation that grants funds be expended
and units delivered by September 2016 for the portion of the funds associated with Phases 1 and
2 and September 2017 for the portion of the funds to be used for Phase 3. Therefore, CNI funds
and associated funding deadlines will apply to the first three phases of AG.

K. On September 23, 2013 the Oversight Board of the City and County of San Francisco
approved an expenditure of up to $18,310,070 for funding for the Development including the
Project (as defined in Recital K below) through Item No. 161 of the Recognized Obligation
Payment Schedule for the period of January 1, 2014 through June 30, 2014 (“ROPS 13-14B”),
and the Funding Amount consists of a portion of the $7,856,717 in reserves approved by DOF
shown on that Item. The reserves for Item 161 consist of funds approved by DOF to be retained
through the Low and Moderate Income Housing Funds Due Diligence Reserve for the Alice
Griffith Replacement Project. The California Department of Finance provided final approval of
the expenditure for Item No. 239 through its letter dated December 17, 2013.

L. Borrower requested funds in the amount of $2,603,863, in predevelopment funding
(“Funds or the “Funding Amount”) for AG Phase 2 (the “Project”). This amount, combined with
$958,375 in predevelopment funds described in Recital H, totals $3,562,238. On December 20,
2013 the Citywide Affordable Housing Loan Committee ("Loan Committee") approved this request for funding and on April 1, 2014, OCII Commission approved the Borrower’s request for predevelopment funds for the Project.

M. Borrower requested additional gap funds in the amount of $18,331,013 for a total aggregate amount not to exceed $21,893,251 ("Funds or the "Funding Amount") for the Project. On May 16, 2014 the Loan Committee approved this request for funding and on June 15, 2014, OCII Commission approved the Borrower’s request for gap funds for the Project.

N. The Funding Amount consists of OCII funds and Master Developer Subsidy per the requirements of the Housing Plan in the DDA as described in Recital G above and shown in the following table:

<table>
<thead>
<tr>
<th></th>
<th>OCII</th>
<th>Master Developer Subsidy (&quot;MDS&quot;)</th>
<th>Total Funds Approved/Requested</th>
</tr>
</thead>
<tbody>
<tr>
<td>Predevelopment</td>
<td>$3,562,238</td>
<td>$0</td>
<td>$3,562,238</td>
</tr>
<tr>
<td>(approved April 1, 2014)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gap (approved June 17, 2014)</td>
<td>$3,699,043</td>
<td>$14,631,970</td>
<td>$18,331,013</td>
</tr>
<tr>
<td>Total</td>
<td>$7,261,281</td>
<td>$14,631,970</td>
<td>$21,893,251</td>
</tr>
</tbody>
</table>

O. The portion of the OCII and Master Developer subsidies that are a part of the base contribution and the portion attributable to Cost Overruns as required by the DDA for current phase of work and described in Recital G above is shown in the following table:

<table>
<thead>
<tr>
<th>OCII Permanent Sources</th>
<th>OCII</th>
<th>Total OCII Funding</th>
<th>Master Developer Subsidy &quot;Cost Overruns&quot;</th>
</tr>
</thead>
<tbody>
<tr>
<td>OCII Funding Base</td>
<td>$2,797,550</td>
<td>$7,261,281</td>
<td>$4,463,731</td>
</tr>
<tr>
<td>OCII Funding &quot;Cost Overruns&quot;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$7,261,281</td>
<td>$7,141,970</td>
<td></td>
</tr>
</tbody>
</table>

P. Subsequent to the execution of this Agreement and Prior to the Loan Closing Date this Agreement will be assigned to AG Phase 2, L.P., a California limited partnership.

Q. Upon completion of the Project, OCII intends to transfer the affordable housing loan obligation, asset, and ground lease to MOHCD as the designated Successor Housing Agency of the City and County of San Francisco under Board Resolution 11-12, as required by Dissolution Law. The transfer will occur subsequent to recordation of the notice of completion and all MOHCD asset management requirements will apply.

R. The Master Developer has requested to provide an irrevocable Letter of Credit ("LOC") as security for the "Cost Overruns" portion of their subsidy, and to provide the actual
subsidy at a later time, closer to the date that the funds will be used to pay for Project costs; and,

S. OCII has agreed to this request in concept, subject to terms outlined in an LOC term sheet (“LOC Term Sheet”) and subject to approval of the final LOC and related documents; and,

T. This request requires a First Amendment to the Phase 2 Loan Agreement to modify the sources, and to incorporate the terms outlined in the LOC Term Sheet; and,

U. The First Amendment also incorporates several administrative changes to ensure consistency among Project documents that do not change the terms of the Loan Agreement; and

V. OCII wishes to make a First Amendment to the Loan Agreement (the “Loan”) with the Borrower. On December 16, 2014, the Commission approved this First Amendment through Resolution No. ____-2014.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein and other good and valuable consideration, OCII and Borrower agree as follows:

AGREEMENT

1. Amendments to the Loan Agreement

(a) The definition of Surplus Cash is to be added. “Surplus Cash” means Project Income remaining after payment of Project Expenses and Project Fees. The amount of Surplus Cash must be based on figures contained in audited financial statements. Distributions of Surplus Cash shall not exceed the amount of unrestricted cash at end of Borrower’s fiscal year.

(b) The first and second bullet in Section 3.5 of the Loan Agreement shall be deleted in its entirety and replaced with the following:

• To pay any outstanding Developer Fees, then up to one-third (1/3) of remaining Surplus Cash shall be paid to the Borrower as an incentive management fee in an amount not to exceed Five Hundred Dollars ($500) per unit per year, up to a maximum of Fifty Thousand Dollars ($50,000) per year.

• The remaining portion of Surplus Cash, shall be allocated as follows:

  (i) To SFHA: The lesser of (a) the annual residual Ground Rent, or (b) one-third (1/3) of the available Surplus Cash;

  (ii) To OCII/MOHCD: The lesser of (a) payments due on any outstanding loans from OCII or MOHCD; or (b) the remaining available Surplus Cash. The amounts shall be allocated
proportionally toward payment of outstanding principal and accrued but unpaid interest on the outstanding loans from OCII and MOHCD.

(c) Section 4.3 (c) of the Loan Agreement shall be deleted in its entirety and replaced with the following:

As a condition of Loan closing, OCII must be in receipt of the Master Developer Subsidy, which is included in the Funding Amount, pursuant to Section 5.4 (a) and (c) of the Below Market Rate Housing Plan component of the DDA with CP Dev Co which states that the Base Amount of Master Developer Subsidy must be provided “on the date of the closing of the construction loan” for the applicable phase. An irrevocable bank Letter of Credit may be provided for the “Cost Overruns” portion of the Master Developer Subsidy subject to the terms and conditions attached hereto as Exhibit A. After the Loan Closing Date, OCII shall be responsible for advancing the full Funding Amount (including amounts derived from or calculated by reference to the Master Developer Subsidy) as and when due to Borrower pursuant to the terms of this Agreement and expressly agrees that the Borrower will not, after such time, bear any risk associated with the timing or amount of Master Developer Subsidy available to OCII.

(d) Section 7.3 (a) of the Loan Agreement shall be deleted in its entirety and replaced with the following:

Maximum Rent charged to each Qualified Tenant may not exceed the amounts set forth in Exhibit A, provided that maximum Rent for Qualified Tenants for Units for which Section 8 or RAD assistance is available is the payment standard established by SFHA and HUD or other Governmental Agency with jurisdiction over the rental subsidy program.

(e) Exhibit E Bayview Hunters Point Employment and Contracting Policy shall be deleted and replaced with the attached Exhibit E Bayview Hunters Point Employment and Contracting Policy and Workforce Memorandum of Understanding.

(f) Exhibit J- Tenant Selection Plan Policy shall be deleted and replaced with the attached Exhibit J- Tenant Screening Criteria Policy and Tenant Selection Plan Policy.

2. Representations and Warranties.

(a) All of the representations and warranties made by Borrower to OCII in the Loan Agreement continue to be true and complete as of the date of this First Amendment.

(b) No event has occurred and is continuing that constitutes an event of default or potential event of default under the Loan Agreement.
3. Miscellaneous.

(a) No reference to this First Amendment is necessary in any instrument or document at any time referring to the Loan Agreement. Any reference to such documents shall be deemed a reference to such documents as amended by this First Amendment.

(b) Except as amended by this First Amendment, the Loan Agreement shall remain unmodified and in full force and effect. In the event of any conflict between the terms of the Loan Agreement and the provisions of this First Amendment, this First Amendment shall control.

(c) This First Amendment may be executed in multiple counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument.

(d) The terms, covenants and conditions contained in this First Amendment shall bind and inure to the benefit of Borrower and OCII and, except as otherwise provided herein, their personal representatives and successors and assigns.

(e) OCII and Borrower hereto agree to execute such further instruments and to take such further actions as may be reasonably required to carry out the intent of this First Amendment.

(f) Nothing contained in this First Amendment, nor any act of OCII, may be interpreted or construed as creating the relationship of third party beneficiary, limited or general partnership, joint venture, employer and employee, or principal and agent between the OCII and/or Borrower or Borrower's agents, employees or contractors.
IN WITNESS WHEREOF, the parties hereto have executed this First Amendment at San Francisco, California as of the date first written above.

OCII:
Office of Community Investment
And Infrastructure, Successor Agency
to the Redevelopment Agency of the
City and County of San Francisco,
a public body, organized and existing
under the laws of the State of
California

By: __________________________
Tiffany Bohee
Executive Director

BORROWER:
Double Rock Ventures, LLC, a Delaware limited liability company
By: Double Rock MBS Member, Inc., a Missouri corporation, its Sole Member

By: __________________________
Kevin J. McCormack, President

APPROVED AS TO FORM:

DENNIS J. HERRERA
City Attorney

By: __________________________
Heidi J. Gewertz
Deputy City Attorney
EXHIBIT A

LETTER OF CREDIT TERM SHEET
INTERAGENCY MEMORANDUM OF UNDERSTANDING
(ALICE GRIFFITH REPLACEMENT PROJECTS)

AMONG

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, COMMONLY KNOWN AS THE OFFICE OF COMMUNITY INVESTMENT AND INFRASTRUCTURE

HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO,

MAYOR’S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT

AND

OFFICE OF ECONOMIC AND WORKFORCE DEVELOPMENT
INTERAGENCY MEMORANDUM OF UNDERSTANDING
(ALICE GRIFFITH REPLACEMENT PROJECTS)

This INTERAGENCY MEMORANDUM OF UNDERSTANDING (ALICE GRIFFITH REPLACEMENT PROJECTS) (as amended from time to time in accordance with the terms hereof, this “MOU”) is entered into as of ____ __, 2014 (the “Effective Date”) by and among the Successor Agency to the Redevelopment Agency of the City and County of San Francisco, a public body organized and existing under the laws of the State of California and commonly known as of the Effective Date as the Office of Community Investment and Infrastructure (the “Agency”), the Housing Authority of the City and County of San Francisco, a public body, corporate and politic (“SFHA”), and the City and County of San Francisco, a charter city of the State of California (the “City”), acting by and through its Mayor’s Office of Housing and Community Development (“MOHCD”) and its Office of Economic and Workforce Development (“OEWD”). The Agency, SFHA, MOHCD and OEWD are sometimes referred to herein, individually, as a “Party” and, collectively, as the “Parties”.

SECTION I. PURPOSE

1. SFHA, the City, and the Agency are parties to that certain Memorandum of Understanding for the Proposed Redevelopment of Alice Griffith Public Housing dated as of July 8, 2010, which sets forth the parties’ thereto desire to cooperate in the planning of the proposed redevelopment of the Alice Griffith public housing development (“Alice Griffith”), located at 207 Cameron Way in San Francisco, California. Adjacent to Alice Griffith is certain real property owned by the Agency and the Port of San Francisco, and Alice Griffith surrounds certain real property owned by the City. All such property, as generally depicted in Exhibit A-1. The Parties acknowledge and agree that the Agency and SFHA are as of the Effective Date in the process of undertaking certain land conveyances and acquisitions within such real property, and such real property is in the process of being further subdivided in accordance with the City’s subdivision code. Following such subdivision, the Authority and the Agency, with the approval of Master Developer and Housing Developer, shall attach the legal description of such real property hereto as Exhibit A-2. Such real property is referred to herein as the “Alice Griffith Site”.

2. The Agency and CP Development Co., LP, a Delaware limited partnership (“Master Developer”), are parties to that certain Disposition and Development Agreement (Candlestick Point and Hunters Point Shipyard), dated for reference purposes as of June 3, 2010 (as amended and as may be further amended from time to time, the “CP/HPS2 DDA”). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the CP/HPS2 DDA.

3. The CP/HPS2 DDA contemplates the transformation of the Alice Griffith Site into approximately one thousand one hundred twenty (1,126) new units of housing, including the one-for-one replacement of each of the existing two hundred fifty six (256) units at
Alice Griffith as of the Effective Date. The CP/HPS2 DDA contemplates such replacement units being constructed as part of the multi-phased, five hundred four (504) unit Alice Griffith Replacement Projects, which are planned to include two hundred fifty six (256) Alice Griffith Replacement Units and two hundred forty eight (248) Affordable Units targeted to households earning no more than sixty percent (60%) of Area Median Income, all as more particularly described therein.

4. The CP/HPS2 DDA contemplates formation of an Alice Griffith Developer that would facilitate construction of the Alice Griffith Replacement Projects, with such formation being under an arrangement between Master Developer and a Qualified Housing Developer approved by the Agency. On or about October 23, 2012, the Agency approved Double Rock Ventures, LLC, a Delaware limited liability company (the “Housing Developer”), as such Alice Griffith Developer, and McCormack Baron Salazar, Inc., a Missouri corporation (“MBS”), as a Qualified Housing Developer.

5. SFHA, Master Developer and MBS entered into that certain Exclusive Negotiating Rights Agreement dated as of October 14, 2010, as amended, providing, among other things, Master Developer and MBS the exclusive rights to negotiate with SFHA for the potential redevelopment of the Alice Griffith Replacement Projects. Master Developer and MBS assigned all of their respective rights and interests under the ENRA to Housing Developer.

6. The Alice Griffith Replacement Projects will be constructed in phases, with each phase to be constructed and owned by a separate entity (each, an “Alice Griffith Phase Developer”) that will be established by and controlled by MBS and/or Housing Developer (subject to certain approval rights of and obligations to the Parties and Master Developer).

7. Under the CP/HPS2 DDA, Master Developer is responsible for the master development of the Alice Griffith Site, including by undertaking certain work necessary to permit construction of new homes and other improvements with the Alice Griffith Site, all as more particularly described therein. Such work includes creating separate legal parcels in accordance with the CP/HPS Subdivision Code, grading and soil compacting such parcels, constructing necessary supporting infrastructure, including parks and open space, and otherwise preparing Alice Griffith Lots on which the Alice Griffith Replacement Projects will be developed (as more particularly described in the CP/HPS2 DDA as Infrastructure, the “Alice Griffith Infrastructure”). In addition, under the CP/HPS2 DDA, Master Developer will convey certain other real property within the Alice Griffith Site to Vertical Developers for the development of new homes and other improvements, all as more particularly described in the CP/HPS2 DDA as Vertical Improvements (the “Other Vertical Improvements”).

8. The term “Developer” as used herein shall mean: (i) with respect to the Alice Griffith Infrastructure, Master Developer; (ii) with respect to the Alice Griffith Replacement Projects, the applicable Alice Griffith Phase Developer; and (iii) with respect to the Other Vertical Improvements, the applicable Vertical Developer.
9. SFHA and MBS were awarded a Choice Neighborhoods Initiative Implementation Grant ("CNI Grant") from the United States Department of Housing and Urban Development ("HUD") to provide financial assistance to the Alice Griffith Replacement Projects; subject to the certain conditions as provided in the CNI Grant Agreement, including compliance with section 3 of the Housing and Urban Development Act of 1968, as amended (12 USC§1701, and regulations set forth in 24 CFR part 135) (the "Section 3 Requirements"). Pursuant to the terms of the CNI Grant application and the resulting grant agreement, SFHA and MBS made specific commitments to HUD regarding the Section 3 Requirements as well as other hiring and contracting matters (as they may be amended pursuant to the terms of the CNI Grant agreement, the "CNI Contracting Requirements").

10. Under Resolution No. 4967 adopted by the SFHA Board of Commissioners on February 22, 2001 ("Resolution 4967"), SFHA established, among other matters, a goal that contractors, in conjunction with their subcontractors, hire SFHA residents such that SFHA residents constitute a minimum of twenty five percent (25%) of the total workforce (calculated by person-hours) on all contracts covered by Resolution 4967.

11. Under the CP/HPS2 DDA, Master Developer is required to comply with certain Agency policies, including the Bayview Hunters Point Employment and Contracting Policy, adopted by the Agency Commission on December 4, 2007 under resolution number 127-2007 and as revised under the CP/HPS2 DDA (as amended from time to time in accordance with the CP/HPS2 DDA, the "BVHP ECP"). The BVHP ECP establishes a goal that fifty percent (50%) of construction and permanent workforce hires for each trade be qualified BVHP Residents and requires Master Developer and its contractors and subcontractors to use good faith efforts to cause fifty percent (50%) of its construction and permanent workforce hours by trade be performed by qualified BVHP Residents, then residents of the 94123 and 94107 zip code areas, then residents of other existing Agency redevelopment project areas, and then San Francisco Residents with First Consideration to BVHP Residents (all as defined and more particularly described in the BVHP ECP). Alice Griffith residents and other public housing residents are BVHP Residents and are thus given First Consideration under the BVHP ECP.

12. The primary purpose of this MOU is to clarify and define the roles, responsibilities, goals and procedures of each Party in relation to certain of the City’s community and public benefits policies and the Agency Policies as described in the CP/HPS DDA with respect to workforce hiring for the (i) construction of the Alice Griffith Infrastructure by Master Developer, (ii) construction of the Alice Griffith Replacement Projects by Alice Griffith Phase Developers, and (iii) construction of Other Vertical Improvements by Vertical Developers (collectively, the "Covered Work").

SECTION II. AGREEMENTS AMONG PARTICIPATING PARTIES

1. DEVELOPER COMPLIANCE
a. **MASTER DEVELOPER AND VERTICAL DEVELOPERS.** SFHA has determined that the Alice Griffith Infrastructure and the Other Vertical Improvements are not subject to Section 3 Requirements due to the fact that no federal funds, including the CNI Grant, will be used directly or indirectly in the construction of the foregoing, and therefore Master Developer and Vertical Developers will not be required to comply with the Section 3 Requirements in connection with the foregoing. In undertaking the construction of the Alice Griffith Infrastructure, compliance by Master Developer, and in undertaking the construction of the Other Vertical Improvements, compliance by the applicable Vertical Developer, with all of the requirements contained in the BVHP ECP (as revised under Section III of this MOU) will relieve Master Developer and such Vertical Developers, respectively, from all other workforce or contracting requirements, programs and policies of SFHA and the City and, except as otherwise required by the CP/HPS2 DDA, of the Agency.

b. **ALICE GRIFFITH PHASE DEVELOPER.** SFHA has determined that the Alice Griffith Replacement Projects are subject to compliance with the Section 3 Requirements, and therefore each Alice Griffith Phase Developer will be required to comply with the Section 3 Requirements. In undertaking the construction of the Alice Griffith Replacement Projects, compliance by the applicable Alice Griffith Phase Developer with all of the requirements contained in the BVHP ECP (as revised under Section III of this MOU) and with the Section 3 Requirements will relieve such Alice Griffith Phase Developer from all other workforce or contracting requirements, programs and policies of SFHA, the City and the Agency. The Authority and the City have determined that compliance with the modifications set forth in Section III.2 of this MOU will identify Section 3 eligible residents.

2. CONSTRUCTION WORKFORCE

a. The rules of the BVHP ECP will govern construction workforce hiring and placement for the Covered Work, with a residency modification to accommodate provisions in Resolution 4967. These modifications are set forth in Section III of this MOU.

b. The Agency will monitor and enforce the BVHP ECP.

c. The Agency will provide access to payroll data provided under the BVHP ECP to all other Parties through an electronic certified payroll system (e.g., Elations).

d. To ensure an efficient work referral system, OEWD’s CityBuild Program ("CityBuild") will serve as the lead and initial point of contact among the applicable Developer, its contractors and subcontractors and the BVHP
community for construction worker placement with respect to Covered Work undertaken by or on behalf of such Developer.

e Each Developer’s contractors and/or subcontractors will also submit to the Agency copies of all correspondence to/from CityBuild, SFHA, and/or trade unions requesting resident workers and will attach these documents to their Certified Payroll Reports or otherwise make such information available on request of the Agency (which will make such information available to the other Parties upon request).

3. PROFESSIONAL SERVICES TRAINEE REQUIREMENTS

a The rules of the BVHP ECP will govern trainee hiring and placement for the Covered Work, with a residency modification to accommodate provisions of the Section 3 Requirements and Resolution 4967, as applicable. These modifications are set forth in Section III of this MOU.

b The Agency will monitor and enforce the BVHP ECP.

c To ensure an efficient work referral system, CityBuild will serve as the lead and initial point of contact among the applicable Developer, its consultants and subconsultants and the BVHP community for trainee placement with respect to Covered Work undertaken by or on behalf of such Developer.

4. PERMANENT WORKFORCE

a The rules of the BVHP ECP will govern permanent workforce hiring and placement with a residency modification to accommodate provisions in the Section 3 Requirements and Resolution 4967, as applicable. These modifications are set forth in Section III of this MOU.

b Pursuant to the Section 3 Requirements, at least thirty percent (30%) of the permanent, full-time employees hired should be Section 3 residents. After a Section 3 employee has been employed for three (3) years, the employee may no longer be counted as a Section 3 employee to meet the thirty percent (30%) requirement. This requires Alice Griffith Phase Developer or its contractors or subcontractors to continue hiring Section 3 residents when employment opportunities are available, as more particularly set forth in Section III.2.b of this MOU.

c The Agency will monitor and enforce the BVHP ECP.

d The Agency will provide access to payroll data provided under the BVHP ECP to all other Parties through an electronic certified payroll system (e.g., Elations).
To ensure an efficient work referral system, City Build will serve as the lead and initial point of contact among each Vertical Developer and Alice Griffith Phase Developer, their respective contractors/subcontractors and the BVHP community and businesses for permanent workforce placement with respect to Covered Work undertaken by or on behalf of such Developer.

Each Vertical Developer's and Alice Griffith Phase Developer's contractors and/or subcontractors will submit a permanent workforce report provided by the Agency. Each such Developer shall submit to the Agency copies of all correspondence to/from CityBuild, SFHA, and/or trade unions requesting resident workers to ensure that permanent employment placement occurs according to the priorities set forth in Section III of this MOU.

SECTION III. BVHP ECP MODIFICATIONS

The BVHP ECP is hereby modified as follows in this Section III with respect to the Covered Work.

1. 25% WORKFORCE RESIDENT GOAL. In addition to the goal established in the BVHP ECP that fifty percent (50%) of construction workforce hires for each trade be qualified BVHP Residents, with respect to the Covered Work undertaken by a Developer, the hiring goals set forth in section II.A.1 of the BVHP ECP hereby include a goal that Authority residents constitute a minimum of twenty five percent (25%) of the total workforce (calculated by person-hours). This goal is not additional; the hiring of SFHA residents counts toward the existing fifty percent (50%) goal.

2. PERMANENT WORKFORCE HIRING GOALS.

a VERTICAL DEVELOPERS. [VERTICAL DEVELOPER PERMANENT WORKFORCE MODIFICATIONS TO COME CONSISTENT WITH BVHP ECP]

b ALICE GRIFFITH PHASE DEVELOPERS. In addition to the goals established in the BVHP ECP that fifty percent (50%) of permanent/temporary workforce hires be qualified BVHP Residents, with respect to the Alice Griffith Replacement Projects undertaken by an Alice Griffith Phase Developer, the hiring goals set forth in section II.B.1 of the BVHP ECP hereby include a goal that at least thirty percent (30%) of the permanent, full-time employees hired be Section 3 residents. After a Section 3 employee has been employed for three (3) years, the employee may no longer be counted as a Section 3 employee to meet the thirty percent (30%) requirement. This requires such Alice Griffith Phase Developer and/or its successors and assigns to continue hiring Section 3 residents when employment opportunities are available.
3. **EMPLOYMENT PLACEMENT PRIORITY.** The application of the good faith efforts requirements set forth in section VII.A.1 of the BVHP ECP are hereby changed with respect to the Covered Work undertaken by a Developer so that such Developer and its contractors and subcontractors use good faith efforts to employ (i) fifty percent (50%) of its construction and permanent workforce hires by trade and by hours from persons described in (1) – (8), in order of priority below, and (ii) twenty five percent (25%) of the total workforce (calculated by person-hours) from persons described in (1) – (4), in order of priority below. The requirements of clauses (i) and (ii) are not additive; the hiring of SFHA residents counts toward the fifty percent (50%) goal.

1. Alice Griffith residents (named on lease);
2. SFHA residents within 94124;
3. SFHA residents in 94134 and 94107;
4. SFHA residents in other zip codes;
5. BVHP Residents;
6. residents of the 94134 and 94107 zip code areas;
7. residents of other existing Agency redevelopment project areas, and
8. San Francisco Residents.

4. **CITYBUILD.** The “CBO” under the BVHP ECP for construction of the Covered Work is hereby modified to be CityBuild.

5. **CNI CONTRACTING REQUIREMENTS.** In constructing the Alice Griffith Replacement Projects, each Alice Griffith Phase Developer will also be subject to the CNI Contracting Requirements. The CNI Contracting Requirements include compliance with the BVHP ECP as well as the further goals of having: 1) Authority residents constitute a minimum of twenty five percent (25%) of the workforce, calculated by person hours; 2) thirty percent (30%) of new hires in each construction trade be low-income; and 3) MBE/WBE firms and businesses providing economic opportunities to lower-income neighborhood residents be awarded twenty percent (20%) of contracts. For purposes of the foregoing: (i) a “Minority Business Enterprise” or “MBE” is a business that is both owned and controlled by minorities; this means that there must be not less than 51 percent minority ownership of the business, and the minority ownership must control the management and daily operations of the business; and (ii) a “Women Business Enterprise” or “WBE” means a business that is both owned and controlled by women; this means that there must be not less than 51 percent women ownership of the business, and the women ownership must control the management and daily operations of the business.

**SECTION IV. ROLES AND RESPONSIBILITIES**

1. **AGENCY.** The Agency will serve as the primary agency to collect employment data under the BVHP ECP with respect to the Covered Work and will share such data with the other Parties. In addition, the Agency will be responsible for contract compliance in accordance with the BVHP ECP with respect to the Covered Work. The Agency is
specifically responsible for workforce construction data collection and enforcement of the BVHP ECP with respect to the Covered Work. The Agency shall further be responsible for contract compliance in accordance with the CNI Contracting Requirements, together with related data collection (which shall be made available to HUD directly or through other Parties or MBS as requested in order to meet corresponding HUD compliance or reporting obligations).

2. **SFHA.** SFHA will confirm residency in a public housing development and ensure qualified residents are referred to CityBuild for employment opportunities with respect to the Covered Work. SFHA will also provide resident data to the Agency to track resident employment with respect to the Covered Work.

3. **MOHCD.** MOHCD will not have any workforce related role.

4. **OEWD.** OEWD, through CityBuild, will serve as the lead for referrals and placements with respect to the Covered Work, as outlined above, and will assist with data collection and reporting in furtherance of compliance with the CNI Requirements.

**SECTION V. COUNTERPARTS, FACSIMILE COPIES.** This MOU shall be executed simultaneously or in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. This MOU shall be effective upon transmission by any Party to the other Parties of a fully signed facsimile copy of the MOU, so long as a copy of the MOU signed by the transmitting Party is delivered to the other Parties within five (5) days thereafter.

**SECTION VI. MASTER DEVELOPER ACKNOWLEDGEMENT.** By its signature below, Master Developer acknowledges and agrees to this MOU. Master Developer and Vertical Developers of the Other Vertical Improvements are an intended third party beneficiary of this MOU. The Parties shall not amend or terminate this MOU without the written consent of Master Developer and shall not amend or terminate this MOU in any manner that will adversely affect any Vertical Developer of any Other Vertical Improvements without the written consent of all such adversely affected entities. Upon assignment of Master Developer’s rights and obligations under and in accordance with the CP/HPS2 with respect to all or any portion of the Alice Griffith Site (but not including an assignment to a Vertical Developer as such), the term “Master Developer” shall automatically be amended to be such assignee to the extent of such assignment.

**SECTION VII. HOUSING DEVELOPER ACKNOWLEDGEMENT.** By its signature below, Housing Developer acknowledges and agrees to this MOU. Housing Developer and each Alice Griffith Phase Developer is an intended third party beneficiary of this MOU. The Parties shall not amend or terminate this MOU in any manner that will adversely affect Housing Developer or any Alice Griffith Developer without the written consent of all such adversely affected entities.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]
IN WITNESS WHEREOF, the parties hereto have caused this MOU to be duly executed as of the Effective Date.

AGENCY:

Approved as to Form:

DENNIS J. HERRERA,  SUCCESSOR AGENCY TO THE
City Attorney,  REDEVELOPMENT AGENCY OF THE CITY AND
as counsel to the Agency  COUNTY OF SAN FRANCISCO,

By:  By:  Name: Tiffany Bohee
Heidi J. Gewertz  Title: Executive Director
Deputy City Attorney

SFHA:

Approved as to Form:

By:  By:
Dianne Jackson McLean  Name: Barbara T. Smith
Goldfarb & Lipman LLP  Title: Acting Executive Director
Special Legal Counsel

MOHCD:

DENNIS J. HERRERA,  CITY AND COUNTY OF SAN FRANCISCO,
City Attorney,  a charter city of the State of California, acting by and
as counsel to the Agency  through its MAYOR’S OFFICE OF HOUSING AND
COMMUNITY DEVELOPMENT

By:  By:
Heidi J. Gewertz  Name: Olson Lee
Deputy City Attorney  Title: Director
OEWD:

DENNIS J. HERRERA,
City Attorney,
as counsel to the Agency

CITY AND COUNTY OF SAN FRANCISCO,
a charter city of the State of California, acting by and through its OFFICE OF WORKFORCE AND ECONOMIC DEVELOPMENT

By: Heidi J. Gewertz
Deputy City Attorney

By: Todd Rufo
Name: Todd Rufo
Title: Director

ACKNOWLEDGED AND AGREED

MASTER DEVELOPER:

CP DEVELOPMENT CO., LP,
a Delaware limited partnership

By: CP/HPS Development Co. GP, LLC,
a Delaware limited liability company,
its General Partner

By: Kofi Bonner
Name: Kofi Bonner
Title: President

HOUSING DEVELOPER

DOUBLE ROCK VENTURES, LLC,
a Delaware limited liability company

By: Double Rock MBS Member, Inc.,
a Missouri corporation,
its Sole Member

By: 
Name: 
Title: Vice President
EXHIBIT A-1

Depiction of Alice Griffith Site

[ATTACHED]
EXHIBIT A-2
Legal Description of Alice Griffith Site

[ATTACHED]

[INSERT LEGAL DESCRIPTION FROM EXHIBIT A-1 - A-4 of MDA; NOTE THAT AGENCY PROPERTY DESCRIPTION IS OVER-INCLUSIVE; PROVIDE]

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SAN FRANCISCO, COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

BEGINNING at the point of intersection of the Southwesterly line of Carroll Avenue with the Easterly line of Hawes (NOTE: for the purpose of this description the Southwesterly line of Carroll Avenue is taken to be South 54°28'21" East and all bearings mentioned herein are related thereto); thence South 54°28'21" East along said Southwesterly line of Carroll Avenue 1003.917 feet to a point distant thereon Southeasterly 339.917 feet from the Southeasterly line of Griffith Street, said point also being on the Westerly line of Salt Marsh and Tide Lands, as established by the Board of Tide Land Commissioners under the Act of March 30, 1868; thence South 42°45'30" West along said Westerly line 194.770 feet to the Westerly line of the right of way for the Southern Pacific and Western Pacific Railroad Companies, 200 feet wide as fixed and designated by the Board of Tides Land Commissioners under the Act of March 30, 1868, as said right of way is shown on Block Map No. 9, exhibiting the dimensions of lots and blocks as subdivided and shown on the map prepared by the Board of Tide Land Commissioners in accordance with provisions of Section 4 of said Act, on file in the office of the Surveyor General of the State of California; thence South 2°58'18" East 8.667 feet to the Northeasterly line of Donner Avenue, distant thereon 320 feet 9-1/2 inches Southeasterly from the Southeasterly line of Griffith Street; thence South 35°31'39" West 40.0000 feet to the center line of said Donner Avenue; thence South 54°28'21" East along said centerline 31.771 to the Westerly line of said 200 foot right-of-way; thence South 2°55'54" East 51.082 to the Southwesterly line of Donner Avenue, distant thereon 215 feet 6 inches Northwesterly from the Northwesterly line of Fitch Street; thence South 2°57'26" East 255.500 feet to the Northeasterly line of Egbert Avenue, distant thereon 56 feet 8 inches Northwesterly from the Northwesterly line of Fitch Street; thence South 35°31'39" West 40.044 feet to the center line of Egbert Avenue; thence South 54°28'21" East along said center line of Egbert Avenue 31.835 feet to the Westerly line of said 200 feet right of way; thence South 2°57'26" East 39.905 feet to the Northwesterly line of Fitch Street, distant thereon 8.809 feet Northeast from the Southwesterly line of Egbert Avenue; thence running along said Northwesterly line of Fitch Street South 35°31'35" West 388.809 feet to a line parallel with and perpendicular to the Southwesterly line of Fitzgerald Avenue; thence North 54°28'21" West along said parallel line 1264.00 feet to said Southeasterly line of Hawes Street; thence North 35°31'39 East along said line of Hawes Street 940.88 feet to the point of beginning.
EXCEPTING THEREFROM the parcel of land as described in the deed to the City and County of San Francisco recorded July 20, 1955, in Official Records, Book 6658 at page 572, in the Office of the Recorder of the City and County of San Francisco, State of California. APN: Lot 020, Block 4884.

AND EXCEPTING THEREFROM, the parcel of land as described in the deed to the Redevelopment Agency of the City and County of San Francisco recorded June 18, 2008, in the Official Records as Instrument Document-2008-I599648-00, Reel J665, Image 0181 in the Office of the Recorder of the City and County of San Francisco, State of California.
EXHIBIT X-A

Bayview Hunters Point Employment and Contracting Policy

[ ATTACHED ]
Exhibit A

Redevelopment Agency of the City and County of San Francisco

BAYVIEW HUNTERS POINT EMPLOYMENT AND CONTRACTING POLICY

Adopted __________, 2007
Resolution No. _____-2007
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I. PURPOSE

A. **Purpose**

1. Pursuant to California Community Redevelopment Law (“CRL”) and consistent with long standing practice, the San Francisco Redevelopment Agency (“Agency”) hereby adopts this Employment and Contracting Policy to ensure training and employment opportunities for lower-income residents in the Bayview Hunters Point (“BVHP”) Redevelopment Project Area, including residents in the 94124 zip code, subject to the criteria set forth below.

2. In adopting the BVHP Redevelopment Plan, the Agency and the City and County of San Francisco (“City”) have made a commitment to vigorous equal opportunity and diversity in employment. Thus, the Agency has proposed programs to encourage local hiring and contracting by the private sector engaged in development in the Project Area.

3. This BVHP Employment and Contracting Policy is designed to ensure that Agency Action Projects and private Significant Projects (which do not receive Agency assistance), provide employment opportunities for lower-income BVHP Residents and San Francisco Residents in the areas of construction, professional services, and permanent jobs. This Policy will supplement and not supplant the existing Agency employment and contracting policies found in the Agency’s Equal Opportunity Program and the Agency Purchasing Policy, which are briefly summarized in Section X. The Employment and Contracting Policy seeks to provide economic benefits to existing BVHP Residents and San Francisco Residents from redevelopment activities within the Project Area. BVHP Residents have disproportionately lower income levels. As part of this policy, residents will be referred by the CBOs (defined below) that serve San Francisco lower-income residents. Therefore, the BVHP residential preference fulfills the purpose of providing economic opportunity to lower-income residents.

4. This Employment and Contracting Policy meets or exceeds the requirements of the City of San Francisco’s Administrative Code Chapter 83 (First Source policy) and CityBuild Program. Thus, entering into and complying with the terms of an Employment and Contracting Policy Agreement will satisfy the requirements of the City’s First Source Policy. It is also intended to satisfy the requirements of Health and Safety Code Section 33422.3 which states that for any contract over $100,000, the Agency may set specific percentages by craft or trade for the employment of available project area residents.

5. The Agency is committed to facilitating Project Sponsor, Contractor and Employer access to and the hiring of qualified BVHP and San Francisco Residents. To further this goal, the Agency will continue to contract with CBOs to provide education and referral programs and services which will allow BVHP and San Francisco Residents to be considered for employment.

6. The Agency and the Planning Department of the City and County of San Francisco (“Planning”) entered into a delegation agreement as of September 19, 2006 (the “Delegation Agreement”). Per the Delegation Agreement, Planning shall not approve a Significant Project in the Project Area unless the Project Sponsor has entered into an Employment and Contracting Agreement(s) with the Agency. Ongoing compliance with such Agreements(s) shall become a condition of the permit.

7. This Employment and Contracting Policy shall be effective on or after ______, 2007 (“Effective Date”).

Adopted Resolution No. 1 11-20-07
8. The Agency and the PAC shall review the effectiveness of the new Employment and Contracting Policy after one (1) year of implementation.

II. HIRING GOALS

A. Construction Workforce Hiring Goal

1. The Employment and Contracting Policy has a goal that fifty percent (50%) of construction workforce hires for each trade be qualified BVHP Residents and then San Francisco Residents with First Consideration to BVHP Residents. This goal is expressed as a percentage of each Contractor’s total hours of employment and training by trade on the project. The procedure for meeting the construction workforce goal is set forth in Section VII.

B. Permanent / Temporary Workforce Goal

1. The Employment and Contracting Policy has a goal that fifty percent (50%) of permanent / temporary workforce hires be qualified BVHP Residents and then San Francisco Residents with First Consideration given to BVHP Residents. The procedure for meeting the permanent / temporary workforce goal is set forth in Section IX.

C. Trainee Goals

1. The Employment and Contracting Policy requires that all design professionals (architects, engineers, planners, and environmental consultants) on contracts over $100,000, hire qualified BVHP Residents and then San Francisco Residents with First Consideration given to BVHP Residents as trainees. The trainee hiring goal for architects, engineers and other design professionals is based upon the total amount of the design professional’s contract as follows:

<table>
<thead>
<tr>
<th>Trainees</th>
<th>Design Professional Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>$0 - $99,000</td>
</tr>
<tr>
<td>1</td>
<td>$100,000 - $249,999</td>
</tr>
<tr>
<td>2</td>
<td>$250,000 - $499,999</td>
</tr>
<tr>
<td>3</td>
<td>$500,000 - $999,999</td>
</tr>
<tr>
<td>4</td>
<td>$1,000,000 - $1,499,999</td>
</tr>
<tr>
<td>5</td>
<td>$1,500,000 - $1,999,999</td>
</tr>
<tr>
<td>6</td>
<td>$2,000,000 - $4,999,999</td>
</tr>
<tr>
<td>7</td>
<td>$5,000,000 - $7,999,999</td>
</tr>
<tr>
<td>8</td>
<td>$8,000,000 - or more</td>
</tr>
</tbody>
</table>

2. The procedure for meeting the trainee hiring goal is set forth in Section VIII.

III. DEFINITIONS

1. Agency-Action Project means, as applicable, the Agency’s funding (including conduit bond financing), acquisition, disposition, or development of property through a Development and Disposition Agreement (“DDA”), Owner Participation Agreement (“OPA”), loan agreement, grant agreement or other transactional and/or funding documents between a Project Sponsor and the Agency, provided however, that the Agency’s Model Block Program is excluded from this definition, as it will contain its own local hiring and contracting requirements.
2. **Agency Compliance Officer** means the Agency’s Contract Compliance Specialist assigned to oversee the Project Sponsor’s compliance with the requirements of the Employment and Contracting Policy Agreement.

3. **Agreement** means an Employment and Contracting Agreement entered into between the Agency and the Project Sponsor pursuant to this Employment and Contracting Policy.

4. **Arbitration Parties** means the Agency, Project Sponsor, Contractors, Employers and all persons who attend the arbitration hearing pursuant to Section XII, as well as those persons and Project Sponsors who are subject to a default award provided that all of the requirements in Section XII (11) have been met.

5. **BVHP Resident** means, for the purposes of this Employment and Contracting Policy only, any person who resides in the BVHP Project Area or within the 94124 zip code as it is defined on the Effective Date.

6. **CBO** means any community based organization that provides training, education and referral services to BVHP Residents, including but not limited to:
   - Young Community Developers, Inc., 1715 Yosemite Avenue, San Francisco, CA 94124, (415) 822-3491;
   - Mission Hiring Hall, 3042 – 16th Street, San Francisco, CA 94103, (415) 626-1919 (Construction jobs only);
   - South of Market Employment Center, 288 – 7th Street, San Francisco, CA 94103, (415) 865-2105 (Permanent Jobs only) and
   - Ella Hill Hutch Community Center, 1050 McAllister Street, San Francisco, CA 94115, (415) 921-6276

7. **City** means the City and County of San Francisco.

8. **Commercial Project** means (for purposes of this Employment and Contracting Policy only): (1) any building permit application for a commercial activity over 25,000 square feet in floor area and involving new construction, an addition, or alteration which results in over $2,000,000 in improvements as stated on the City’s building permit application (including any tenant improvements covered by said building permit), or (2) any application which requires discretionary action by the City’s Planning Commission relating to a commercial activity over 25,000 square feet including, but not limited to conditional use project authorization under San Francisco Planning Code section 309, and office development under San Francisco Planning Code Sections 320, et seq.

9. **Contractor** means any person(s), firm, partnership, corporation (whether for profit or nonprofit), or combination thereof, who is a general contractor, subcontractor (regardless of tier) or consultant working on: (i) an Agency Action Project, (ii) a Significant Project in the Project Area, or (iii) a development project when the Project Sponsor has voluntarily subscribed to this Employment and Contracting Policy.

10. **Delegation Agreement** means the delegation agreement between the Agency and Planning dated September 19, 2006 as such agreement may be amended from time to time.

11. **Employer** means any person(s), firm, partnership, corporation (whether for profit or nonprofit), or combination thereof, who owns or operates a retail or commercial business which is part of: (i) an Agency Action Project, (ii) a Significant Project in the Project Area, or (iii) a
development project when the Project Sponsor has voluntarily subscribed to this Employment and Contracting Policy.

12. **Employment and Contracting Agreement** or (“Agreement”) means the written agreement entered into between the Project Sponsor and the Agency which details the particular requirements the Project Sponsor must meet in order to be in compliance with this Employment and Contracting Policy.

13. **First Consideration** means that a Project Sponsor, Contractor and/or Employer shall give first consideration to qualified BVHP Residents in accordance with Section VII.A. (6) - (8) of this Employment and Contracting Policy and then to San Francisco residents for hiring opportunities in the areas of construction workforce, permanent / temporary workforce and trainee hires prior to offering the hiring opportunity to other applicants.

14. **Housing Project** means (for purposes of this Employment and Contracting Policy only) new construction, an addition, a conversion, or substantial rehabilitation that results in the creation or addition of ten or more residential units.

15. **PAC** means the Bayview Hunters Point Project Area Committee.

16. **Planning** means the Planning Department and/or the Planning Commission of the City and County of San Francisco.

17. **Position** means a permanent / temporary position not related to construction or construction trades.

18. **Project Area** means the Bayview Hunters Point Project Areas as delineated in the Bayview Hunters Point Redevelopment Plan, adopted June 1, 2006 and recorded June 23, 2006, (Document Number 2006I199495) as it may be amended from time to time.

19. **Project Sponsor** means the developer of commercial space or new housing units defined herein as a Significant Project in the Project Area.

20. **San Francisco Resident** means any person who resides in the City and County of San Francisco.

21. **Significant Project** means, for purposes of this Employment and Contracting Policy only, a Commercial Project or Housing Project as defined in this Employment and Contracting Policy.

### IV. APPLICATION OF POLICY BY PROJECT TYPE

#### A. **Agency Action Projects**

1. The Employment and Contracting Policy is mandatory for Agency Action Projects. Agency Action Projects will require the Project Sponsor to execute an Employment and Contracting Agreement with the Agency as a condition of approval. The construction workforce goal, permanent / temporary workforce goal and the trainee hiring goal for professional services contracts all apply to this type of project.

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Page 24 contains a BVHP Employment and Contracting Policy Matrix which also gives an overview of the application of the policy by project type.
2. Additionally, the Agency’s Small Business Enterprise (“SBE”) Program, as amended from time to time, will apply when Project Sponsors on Agency Action Projects contracts for professional / personal services related to the project, such as planning studies, building and/or landscape design, economic or feasibility studies, community outreach services, printing or graphic production. The SBE participation goal is a good faith effort that 50% of the subcontracting opportunities go to Agency certified SBEs with First Consideration given to SBEs within the Project Area.

3. In addition to the local hiring and small business contracting programs listed above, Project Sponsors will be required to comply with the Agency’s Equal Opportunity Program which include:
   - Nondiscrimination in Contracts and Equal Benefits Policy
   - Minimum Compensation Policy
   - Health Care Accountability Policy
   - Agency Prevailing Wage Policy (Labor Standards)

4. The Agency’s Equal Opportunity Program is described briefly in Section X.

5. The requirements of the Employment and Contracting Policy and the Agency’s Equal Opportunity Policies will be incorporated into an Agreement. The Agency’s Executive Director will review and approve the Agreement on behalf of the Agency. Adherence to the Agreement shall be monitored by the Agency’s Contract Compliance Division. Agency staff shall periodically report to the BVHP PAC and the Agency Commission on the compliance status of Agency Action Projects.

B. Private Significant Projects

1. The Employment and Contracting Policy is mandatory for private Significant Projects (not requiring Agency assistance) in the Project Area that exceed the following thresholds:

   - **Housing Projects**: new construction, an addition, a conversion, or substantial rehabilitation that results in the creation or addition of ten or more residential units;
   - **Commercial Projects**: (1) any building permit application for a commercial activity over 25,000 square feet in floor area and involving new construction, an addition, or alteration which results in over $2,000,000 in improvements as stated on the City’s building permit application (including any tenant improvements covered by said building permit); or (2) any application which requires discretionary action by the City's Planning Commission relating to a commercial activity over 25,000 square feet including, but not limited to conditional use project authorization under San Francisco Planning Code section 309, and office development under San Francisco Planning Code Sections 320, et seq.

2. Private Significant Projects shall be entitled by Planning as set forth in the Delegation Agreement and will require the Project Sponsor to execute an Employment and Contracting Agreement with the Agency as a condition of approval. The construction workforce
goal, permanent / temporary workforce goal and the trainee hiring goal for professional services contracts all apply to this type of project.

3. In addition to the hiring program, Project Sponsors will be encouraged to subscribe voluntarily to the Agency’s Equal Opportunity Program which include:
   - Small Business Enterprise Program
   - Nondiscrimination in Contracts and Equal Benefits Policy
   - Minimum Compensation Policy
   - Health Care Accountability Policy
   - Prevailing Wage Provisions (Labor Standards)

4. The Agency’s Equal Opportunity Program is described briefly in Section X.

5. The mandatory programs and the programs which the Project Sponsor has voluntarily subscribed to, if any, will be incorporated into an Agreement and at that point become mandatory. The Agency’s Executive Director will review and approve the Agreement on behalf of the Agency. Adherence to the Agreement shall be monitored by the Agency’s Contract Compliance Division. Agency staff shall periodically report to the BVHP PAC and the Agency Commission on the compliance status of private Significant Projects.

C. **CityBuild and Public Improvements**

1. While not part of the Employment and Contracting Policy, the CityBuild workforce initiative applies to all public infrastructure and other public improvements projects that the City funds in the Project Area. CityBuild is an initiative of the Mayor’s Office of Economic and Workforce Development, in partnership with other City departments, that utilizes City-sponsored construction as a vehicle to deliver training and employment opportunities to San Francisco residents. When the Agency is providing additional funding for a City funded public project, Agency staff shall work with CityBuild and the lead City department to consider implementation of elements of the Agency Employment and Contracting Policy as well as the Equal Opportunity Program.

2. The purpose of CityBuild is to ensure equal employment opportunities for San Francisco residents of all backgrounds and genders in construction workforce activities provided under City-sponsored construction projects. CityBuild establishes a goal of 50% participation for San Francisco residents in each trade for total hours worked on a project. CityBuild creates a single, responsible and accountable entity, Mayor’s Office of Economic and Workforce Development, to direct construction employment and training efforts across projects and departments and develops trained, committed men and women to become the construction workforce of the future.

3. The Agency’s Equal Opportunity Program is described briefly in Section X.

D. **Small Private Projects**

1. The Employment and Contracting Policy does not mandate local hiring or contracting for purely private projects that fall below the threshold of Significant Projects.
However, Project Sponsors will be encouraged to subscribe voluntarily to the following Agency’s Equal Opportunity Programs and other policies which include:

- BVHP Employment and Contracting Policy
- Small Business Enterprise Policy
- Nondiscrimination in Contracts and Equal Benefits Policy
- Minimum Compensation Policy
- Health Care Accountability Policy
- Agency Prevailing Wage Policy (Labor Standards)

2. The Agency’s Equal Opportunity Program is described briefly in Section X.

V. TERM

1. The term for meeting the obligations under the Employment and Contracting Policy ("Term") shall be as follows:

   For Construction Workforce – From the date of the Employment and Contracting Agreement until two (2) years thereafter or the expiration of the building permit for the project, whichever is later.

   For Trainee Hiring – From the date of the Employment and Contracting Agreement until two (2) years thereafter or the expiration of the building permit for the project, whichever is later.

   For Permanent / Temporary Workforce – Up to ten (10) years from the date of the temporary certificate of occupancy per building, as determined through good faith negotiations between the Project Sponsor and the Agency based upon the anticipated number of permanent and/or temporary positions created by the Project.

VI. APPLICABLE COMMUNITY REDEVELOPMENT LAWS

1. The Employment and Contracting Policy is designed to further the objectives of the Community Redevelopment Law that redevelopment project areas support local businesses and lower-income BVHP Residents in the revitalization efforts of the Agency. Specifically, the Community Redevelopment law (which is codified in the California Health and Safety Code) states:

   33422.1. Preference in Awarding Contracts to Local Businesses.

   To the greatest extent feasible, contracts for work to be performed in connection with any redevelopment project shall be awarded to business concerns which are located in, or owned in the substantial part by persons residing in, the project area.

   33422.3. Agency Specification of Workmen to be Lower-Income Project Area Residents for Certain Contracts.

   To insure training and employment opportunities for lower-income project area residents, the agency may specify in the call for bids for any contract over one hundred thousand dollars ($100,000) for work to be performed in connection with any redevelopment project that project area
residents, if available, shall be employed for a specified percentage of each craft or type of workmen needed to execute the contract or work.

33423. Prevailing Wage Rates Required.

Before awarding any contract for such work to be done in a project, the agency shall ascertain the general prevailing rate of per diem wages in the locality in which the work is to be performed, for each craft or type of workman needed to execute the contract or work, and shall specify in the call for bids for the contract and in the contract such rate and the general prevailing rate for regular holiday and overtime work in the locality, for each craft or type of workman needed to execute the contract.

33424. Payment of Prevailing Wages.

The contractor to whom the contract is awarded and any subcontractor under him shall pay not less than the specified prevailing rate of wages to all workmen employed in the execution of the contract.

33425. Penalty for Noncompliance with Prevailing Wages.

As a penalty to the agency which awarded the contract, the contractor shall forfeit ten dollars ($10) for each calendar day or portion thereof for each workman paid less than the stipulated prevailing rates for any public work done under the contract by him or by any subcontractor under him. A stipulation to this effect shall be included in the contract.

33426. Record of Wages.

Each contractor and subcontractor shall keep an accurate record showing the name, occupation, and actual per diem wages paid to each workman employed by him in connection with the work. The record shall be kept open at all reasonable hours to the inspection of the agency.

VII. CONSTRUCTION WORKFORCE HIRES

A. Procedures For Construction Workforce Hires

1. Compliance with the Policy

The Project Sponsor agrees and will require each Contractor and all subcontractors to use its good faith efforts to employ 50% of its construction workforce hires by trade and by hours from qualified BVHP Residents and then San Francisco Residents with First Consideration to BVHP Residents. Project Sponsors and Contractors will be deemed in compliance with this Employment and Contracting Policy by meeting or exceeding the goal or by taking the following steps in good faith towards compliance.

2. Execute Employment and Contracting Agreement

The Project Sponsor shall execute an Agreement which details the requirements of the Employment and Contracting Policy, as well as the Agency’s Equal Opportunity Program, if

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2 The same procedure for construction workforce hires applies to all Project Sponsors regardless of whether the project is an Agency Action, private Significant Project, or small Private Project when the Project Sponsor has voluntarily subscribed to the Employment and Contracting Policy.
applicable. The Project Sponsor shall incorporate by reference or attach the Agreement to its contract with the general contractor. The general contractor shall do the same in its contracts with its subcontractors. Thus, each Contractor will be obligated to comply with the terms of the Agreement. The Project Sponsor and/or Contractors shall retain the executed Agreements and make them available to the Agency Compliance Officer upon request.

3. **Submission of Labor Force Projections and Other Data**

   The general contractor shall submit, to the extent available, labor force projections to the Compliance Officer within two (2) weeks of award.

4. **Submit Subcontractor Information Form**

   The general contractor shall submit to the Compliance Officer the Subcontractor Information Forms, twenty-four (24) hours prior to the preconstruction meeting. The Subcontractor Information Forms are available from the Compliance Officer upon request.

5. **Preconstruction Meeting**

   The general contractor shall hold a preconstruction meeting which shall be attended by the Compliance Officer, the CBO assigned to the proposed project, all prime contractor(s) and all subcontractor(s). The preconstruction meeting shall be scheduled between two (2) days and thirty (30) days prior to the start of construction at a time and place convenient to all attendees. The purpose of the meeting is to discuss: the hiring goals, workforce composition, role of the CBOs, worker referral process, certified payroll reporting, procedure for termination and replacement of workers covered by this policy and to explore any anticipated problems in complying with the Employment and Contracting Policy. All questions regarding how this Employment and Contracting Policy applies to the Project Sponsor, general contractor, subcontractors and consultants should be answered at this meeting. Failure to hold or attend at least one (1) preconstruction meeting will be a breach of this Employment and Contracting Policy that may result in the Agency ordering a suspension of work until the breach has been cured. Suspension under this provision is not subject to arbitration.

6. **Submit Construction Worker Request Form**

   For the Term of the Agreement, each time the Project Sponsor or Contractor seeks to hire workers for the construction or rehabilitation of improvements, they must first submit, by fax, email or hand delivery, an executed construction worker request form to the CBO. Preferably this request will be submitted at least two (2) business days before the workers are needed. However, requests with less than two (2) business days notice will be accepted. The construction worker request form will indicate generally: the number of workers needed, duration needed, required skills or trade and date/time to report. The construction worker request form is available from the CBO or Compliance Officer upon request.

7. **Response from CBO**

   The CBO shall respond, in writing, via fax, email or hand delivery to each request for construction workers. The response shall state that the CBO was able to satisfy the request in full, in part or was unable to satisfy the request. The CBOs shall look to their own referral lists, as well as confer with other CBOs and CityBuild in an attempt to find qualified BVHP Residents and San
Francisco Residents. If the CBO is able to satisfy the request in full or in part, it shall direct the qualified BVHP Resident(s) or San Francisco Resident(s) to report to the Contractor on the date and time indicated in the request. If the CBO is unable to satisfy the request, then the CBO shall send a fax or email stating that no qualified BVHP Residents or San Francisco Residents are currently available.

8. **Action by Contractor When Referrals Available**

The Project Sponsor or Contractor whose request has been satisfied in full or in part shall make the final determination of whether the BVHP Residents or San Francisco Residents are qualified for the positions and the ultimate hiring decision. The Agency strongly encourages the Contractor to hire the qualified BVHP Residents or San Francisco Residents referred by the CBO. However, if the Contractor finds the BVHP Residents or San Francisco Residents are not qualified, then the Contractor shall send the BVHP Residents or San Francisco Residents back to the CBO. Before the close of business on the same day, the Contractor shall fax or email a statement addressed to the CBO stating in detail the reason(s) the BVHP Residents or San Francisco Residents were not qualified or the reason(s) for not hiring the BVHP Residents or San Francisco Residents. The CBO shall, within one (1) business day of receipt of the fax or email, send new qualified BVHP Residents or San Francisco Residents that meet the legitimate qualifications set by the Contractor or alternatively, send a fax or email stating that no qualified BVHP Residents or San Francisco Residents are currently available.

9. **Action by Contractor When Referrals Unavailable**

If a Contractor receives a response from the CBO stating that no qualified BVHP Residents or San Francisco Residents are currently available, then the Contractor may hire the number of construction workers requested from the CBO, using its own recruiting methods, giving first consideration to BVHP Residents and then San Francisco Residents. Any additional new construction workforce hires (including the replacement of any terminated workers) must comply with this Employment and Contracting Policy, unless the Contractor has already met or exceeded the goal. The Contractor must keep a copy of the response it receives from the CBO as proof of compliance and submit a copy of each response received to the Agency Compliance Officer upon request.

10. **Action by Contractor When No Response From CBO**

If a Contractor has not received a response to its construction worker request from the CBO within two (2) business days, then the Contractor should immediately advise the Agency Compliance Officer by phone, fax or email. The Agency Compliance Officer or his/her designee shall cause a response to be sent to the Contractor within two (2) business days of being notified. If the Contractor does not receive a response from the CBO within four (4) business days (the original two (2) business days plus the additional two (2) business days), then the Contractor may hire the number of construction workers requested from the CBO, using its own recruiting methods, giving first consideration to BVHP Residents and then San Francisco Residents. Any construction workforce hires (including the replacement of any terminated workers) must comply with this Employment and Contracting Policy, unless the Contractor has already met or exceeded the goal. The Contractor must keep a copy of the response it receives from the CBO as proof of compliance and submit a copy of each response received to the Agency Compliance Officer upon request. This Employment and Contracting Policy is intended to provide qualified BVHP and San Francisco
Residents with employment opportunities without causing undue delay in hiring needed construction workers.

11. Action by Contractor When No Response From Union

The Contractor should immediately advise the Agency Compliance Officer by phone, fax or email when the Contractor has sent a qualified BVHP Resident or San Francisco Resident to a union hall for referral in accordance with a collective bargaining agreement and the union did not refer the qualified BVHP or San Francisco Resident back for employment or when the union referral process impedes the Contractor’s ability to meet its obligations under this policy. Conflicts between this Employment and Contracting Policy and any collective bargaining agreements will be resolved pursuant to Section XI (4).

12. Hiring Apprentices

A Contractor may meet part of the Construction Workforce Goal by hiring apprentices. However, hiring an apprentice does not satisfy or waive the trainee hiring obligation, if any, for design professionals. Unless otherwise permitted by law, apprentices must be trained pursuant to training programs approved by the U.S. Department of Labor, Employment and Training Administration, Bureau of Apprenticeship and Training or the California Department of Industrial Relations, Division of Apprenticeship Standards. Credit towards compliance will only be given for paid apprentices actually working on the project. No credit is available for apprentices while receiving classroom training. Under no circumstances shall the ratio of apprentices to journeymen in a particular trade or craft exceed 1:5.

13. Termination and Replacement of Referrals

If at any time it becomes necessary to terminate for cause a construction worker who was hired under this Employment and Contracting Policy, the Contractor shall notify the CBO in writing via fax or email and submit a report of termination pursuant to Section VII (B)(4). If the Contractor intends to fill the vacant position, then the Contractor shall follow the process set forth in this Employment and Contracting Policy beginning at Section VII (A)(6).

B. Reporting Requirements For Construction Workforce

1. Submission of Certified Payroll Reports

Each Contractor subject to this Employment and Contracting Policy shall submit to the Agency a certified payroll report for the preceding work week on each of its employees. The Project Sponsor is ultimately responsible for the submission of these reports by the Contractors. The certified payroll report is due to the Agency by noon each Wednesday. To facilitate compliance, the Agency uses the online LCP Tracker system (www.lcptracker.com) for submission of certified payroll reports. This system is available at no cost to the Contractor and LCP Tracker is compatible with all major computer payroll systems. Training and educational materials for LCP Tracker are available at no cost online and through the Compliance Officer. Contractors are required to report certified payroll using the LCP Tracker system at www.lcptracker.com. However, a waiver shall be granted pursuant to Section XI (10) to any Contractors who do not have a computer, online access or who use a computer payroll system that is incompatible with LCP Tracker.
2. **Contents of Certified Payroll Reports**

   If certified payroll records are submitted via the LCP Tracker system, the required data points are already listed. If certified payroll records are submitted in paper form, the records shall be organized in an easily understandable format and contain all the following information: the name, address, telephone number, residency (Bayview Hunters Point, another redevelopment project area, San Francisco or other), last four (4) digits of the worker’s Social Security number\(^3\), gender, ethnicity (see codes in Section VII (B)(8)), construction trade (see codes in Section VII (B)(8)), classification (e.g., mechanic, apprentice, trainee, helper or laborer), union affiliation (if any), dates of changes in status, daily and weekly number of hours worked, hourly wage rates (including rates of contributions for costs anticipated for fringe benefits or cash equivalents thereof), deductions made and actual wages paid. The foregoing notwithstanding, the reporting of hourly wage rates, deductions and actual wages paid are not required for Significant Projects unless the Project Sponsor has voluntarily subscribed to the Agency’s Prevailing Wage Policy or the payment of prevailing wages is otherwise required by law. To the degree that existing certified payroll records satisfy these requirements, the Contractor shall not be required to maintain separate records.

3. **Additional Information**

   In order to prevent unlawful discrimination in the selection, hiring and termination of employees on the basis of race, ethnicity, gender or any other basis prohibited by law and to identify and correct such unlawful practices, the Agency will monitor and collect information on the ethnicity and gender of each construction worker and apprentice. If an identifiable pattern of apparent discrimination is revealed by this additional information, it will be treated as a breach of this Employment and Contracting Policy and may be addressed as set forth in Section XII, Arbitration of Disputes.

4. **Report on Terminations**

   In the event a BVHP Resident or San Francisco Resident hired pursuant to this Employment and Contracting Policy is terminated for cause, the responsible Contractor shall within two (2) days fax or email a termination report to the CBO with a copy to the Agency Compliance Officer stating in detail: (1) the name of the worker(s) terminated; (2) his/her job title and duties; (3) the reasons and circumstances leading to the termination(s); (4) whether the Contractor replaced the construction worker(s); and (5) whether the replacement worker(s) were BVHP Resident(s) or San Francisco Resident(s).

5. **Inspection of Records**

   The Project Sponsor and each Contractor shall make the records required under this Employment and Contracting Policy available for inspection or copying by authorized representatives of the Agency, and shall permit such representatives to interview construction workers and apprentices during working hours on the job.

6. **Failure to Submit Reports**

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\(^3\) Note: The Project Sponsor is required to provide complete Social Security numbers upon the request of the Agency.
If a Contractor fails or refuses to provide the reports as required it will be treated as a breach of this Employment and Contracting Policy and may be addressed as set forth in Section XII, Arbitration of Disputes.

7. **Submission of Good Faith Effort Documentation**

If the Project Sponsor’s or Contractor’s good faith efforts are at issue, the Contractor shall provide the Agency with the documentation of its efforts to comply with this Employment and Contracting Policy and the Agreement. The Project Sponsor or Contractor must maintain for the duration of the Term, a current file of the names, addresses and telephone numbers of each BVHP Resident or San Francisco Resident applicant referral whether self referral, union referral or CBO referral and what action was taken with respect to each such individual.

8. **Coding Certified Payrolls**

Each Contractor shall include, on the weekly payroll submissions, the code designating each construction worker’s and apprentice’s craft, skill level, protected class status and domicile in accordance with the following tables:

<table>
<thead>
<tr>
<th>CRAFT CODE</th>
<th>DESCRIPTION</th>
<th>CRAFT CODE</th>
<th>DESCRIPTION</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Electrician</td>
<td>22</td>
<td>Carpet, Linoleum and Vinyl Tile Layer</td>
</tr>
<tr>
<td>2</td>
<td>Iron Worker</td>
<td>23</td>
<td>Elevator Constructor</td>
</tr>
<tr>
<td>3</td>
<td>Sheet Metal Worker</td>
<td>24</td>
<td>Cement Mason</td>
</tr>
<tr>
<td>4</td>
<td>Asbestos Worker/Heat &amp; Frost Insulator</td>
<td>25</td>
<td>Laborer or Allied Worker</td>
</tr>
<tr>
<td>5</td>
<td>Plumber, Pipe or Steamfitter</td>
<td>26</td>
<td>Glazier &amp; Glassmaker</td>
</tr>
<tr>
<td>6</td>
<td>Refrigeration</td>
<td>27</td>
<td>Painter, Paperhanger, Taper</td>
</tr>
<tr>
<td>7</td>
<td>Boilermaker</td>
<td>28</td>
<td>Sign Installer</td>
</tr>
<tr>
<td>8</td>
<td>Sprinkler Fitter</td>
<td>29</td>
<td>Scrapper</td>
</tr>
<tr>
<td>9</td>
<td>Brick, Caulk, Marble, Point, Terrazzo</td>
<td>32</td>
<td>Low Voltage Electrician</td>
</tr>
<tr>
<td>10</td>
<td>Hod Carrier</td>
<td>33</td>
<td>Towboat Operator-Marine Engineer</td>
</tr>
<tr>
<td>11</td>
<td>Terrazzo Finisher</td>
<td>34</td>
<td>Towboat Deckhand-Inland Boat worker</td>
</tr>
<tr>
<td>12</td>
<td>Plasterer</td>
<td>35</td>
<td>Owner/Operator - Truck</td>
</tr>
<tr>
<td>13</td>
<td>Lather</td>
<td>36</td>
<td>Owner/Operator - Heavy Equipment</td>
</tr>
<tr>
<td>14</td>
<td>Carpenter or Drywall Hanger</td>
<td>37</td>
<td>Upholsterer</td>
</tr>
<tr>
<td>15</td>
<td>Mill Worker or Cabinetmaker</td>
<td>38</td>
<td>Teamster, Construction</td>
</tr>
<tr>
<td>16</td>
<td>Millwright</td>
<td>39</td>
<td>Janitor</td>
</tr>
<tr>
<td>17</td>
<td>Roofer</td>
<td>40</td>
<td>Environmental Control System Installer</td>
</tr>
<tr>
<td>18</td>
<td>Pile Driver</td>
<td>41</td>
<td>Window Cleaner</td>
</tr>
<tr>
<td>19</td>
<td>Surveyor/Operating Engineer</td>
<td>42</td>
<td>Security Guard</td>
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<table>
<thead>
<tr>
<th>ETHNICITY CODE</th>
<th>DESCRIPTION</th>
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Bayview Hunters Point  
Employment and Contracting Policy  

<table>
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<tr>
<th>B</th>
<th>African American</th>
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<tr>
<td>L</td>
<td>Latino</td>
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<tr>
<td>I</td>
<td>American Indian</td>
</tr>
<tr>
<td>C</td>
<td>Caucasian/White</td>
</tr>
<tr>
<td>A</td>
<td>Asian</td>
</tr>
<tr>
<td>PI</td>
<td>Pacific Islander</td>
</tr>
<tr>
<td>F</td>
<td>Female (all females regardless of ethnicity)</td>
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<table>
<thead>
<tr>
<th>PROJECT AREA CODE</th>
<th>DESCRIPTION</th>
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<tbody>
<tr>
<td>BIT</td>
<td>Bayview Industrial Triangle</td>
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<tr>
<td>BVHP</td>
<td>Bayview Hunters Point</td>
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<tr>
<td>HPSY</td>
<td>Hunters Point Shipyard</td>
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<tr>
<td>IB</td>
<td>India Basin Industrial Park</td>
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<tr>
<td>GG</td>
<td>Golden Gateway</td>
</tr>
<tr>
<td>MBN</td>
<td>Mission Bay (North)</td>
</tr>
<tr>
<td>MBS</td>
<td>Mission Bay (South)</td>
</tr>
<tr>
<td>MM</td>
<td>Mid-Market</td>
</tr>
<tr>
<td>RPSB</td>
<td>Rincon Point/South Beach</td>
</tr>
<tr>
<td>SF</td>
<td>San Francisco (not in any redevelopment project areas)</td>
</tr>
<tr>
<td>SOM</td>
<td>South of Market</td>
</tr>
<tr>
<td>TB</td>
<td>Transbay</td>
</tr>
<tr>
<td>VV</td>
<td>Visitacion Valley</td>
</tr>
<tr>
<td>WA</td>
<td>Western Addition Area A-2</td>
</tr>
<tr>
<td>YBC</td>
<td>Yerba Buena Center</td>
</tr>
</tbody>
</table>

VIII. TRAINEE HIRES

A. Procedures For Trainee Hires

1. Compliance with the Policy

For architects, engineers and other design professionals only, there is a trainee hiring goal as set forth in Section II (C) above. These design professionals will be deemed in compliance with this Employment and Contracting Policy by meeting or exceeding the trainee hiring goal or by take the following steps in good faith towards compliance.

2. Execute Employment and Contracting Agreement

The Project Sponsor shall execute an Agreement which details the requirements of the Employment and Contracting Policy, as well as the Agency’s Equal Opportunity Program, if applicable. The Project Sponsor shall incorporate by reference or attach the Agreement to its contract with the architects, engineers and other design professionals. Thus, each design professional will be obligated to comply with the terms of the Agreement. The Project Sponsor

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4 The same procedure for trainee hires applies to all design professionals regardless of whether the project is an Agency Action, private Significant Project, or small Private Project when the Project Sponsor has voluntarily subscribed to the Employment and Contracting Policy.
and/or the design professionals shall retain the executed Agreements and make them available to the Agency Compliance Officer upon request.

3. **Contact Educational Institutions**

The Agency works with the City, as well as educational institutional within the City, to provide a pool of student referrals to assist design professionals in meeting the trainee hiring goal. Within thirty (30) days of execution of the Agreement, the Agency Compliance Officer shall contact each design professionals and provide it with the name, address and telephone number of a point of contact at the City, City College or other educational institutions in the Bay Area who have a current list of students who are BVHP Residents or San Francisco Residents and are available for hire as trainees. Each design professional shall call the City or educational institution(s) and request referrals for the required trainee positions. The request will indicate generally: (1) the number of trainees sought; (2) the required skills set (keeping in mind that these are trainee positions); (3) a brief description of job duties; (4) the duration of the trainee period; and (5) any other information that would be helpful or necessary for the educational institution to make the referral. The minimum duration of assignment is part-time for one semester. However, design professionals are strongly encouraged to offer longer trainee employment periods to allow a more meaningful learning experience. (For example, a half-time or full-time assignment over the summer.) Although the initial contact shall be made by phone, the educational institution(s) may require the design professionals to send a confirming letter or fill out a form which the educational institution will provide. Each design professional is required to timely provide all of the information requested by the City or educational institution(s) in order to get the referrals.

4. **Response from Educational Institutions**

Each educational institution may have a different way of referring applicants, such as: sending resumes directly to the design professional; having the applicant contact the design professional by phone; require design professionals to conduct on-campus interviews; or some other method. The timing and method of the response will normally have been discussed with the design professional during the initial phone request. The design professional is required to follow the process set by the educational institution(s) in order to get the referrals.

5. **Action by Design Professionals When Referrals Available**

The design professional shall give First Consideration to BVHP Residents and then to San Francisco Residents referred by the educational institution(s). The design professional shall interview each applicant prior to making the decision to hire or not to hire. The design professional shall make the final determination whether the applicant is qualified for the trainee position and the ultimate hiring decision. The Agency strongly encourages the design professional to hire a qualified BVHP Resident or San Francisco Resident referred by the educational institution(s). The design professional shall notify each BVHP Resident and San Francisco Resident interviewed and the CBO in writing of the hiring decision.

6. **Action by Design Professionals When Referrals Unavailable**

If after contacting all of the educational institutions provided by the Agency Compliance Officer, the design professional is informed that no qualified BVHP residents or San Francisco Residents are currently available, then the design professional should wait thirty (30) days and contact the educational institutions a second time to inquire whether qualified San Francisco

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Residents are currently available for hire as trainees. If no qualified San Francisco Residents are currently available after the second request, then the design professional has fulfilled its obligation under this Section VIII, provided that the design professional has acted in good faith. The design professional must retain its file on all of the steps it took to comply with this policy and submit a copy of its file to the Agency Compliance Officer upon request.

7. **Action by Design Professional When No Response From Educational Institutions**

If a design professional has not received a response to its request for referrals from any of the educational institutions within five (5) business days after the design professional has fully complied with the procedures, if any, set by the educational institution(s) for obtaining referrals; then the design professional should immediately advise the Agency Compliance Officer by phone, fax or email. The Agency Compliance Officer or his/her designee shall cause the educational institution(s) to respond to the design professional within five (5) business days of the Agency Compliance Officer being notified. If the design professional still has not received a response from the educational institution(s) after this additional five (5) business day period has run, then the design professional has fulfilled its obligation under this Section VIII, provided that the design professional has acted in good faith. Each design professional must retain its file on all of the steps it took to comply with this policy and submit a copy of its file to the Agency Compliance Officer upon request.

8. **Termination of Trainee for Cause**

If at any time during the Term, it becomes necessary to terminate for cause a trainee who was hired under this Employment and Contracting Policy and the design professional has not met the minimum duration requirements under this policy, then the design professional shall hire a new trainee by following the process set forth in Section VIII(A)(3) above.

**B. Reporting Requirements For Trainee Hires**

1. **Annual Reporting**

Annually, during the Term of the Agreement or the term of the design professional’s contract with the Project Sponsor, whichever is less, the Employer shall fax or email a report to the Agency Compliance Officer stating in detail: (1) the names of the BVHP Resident(s) or San Francisco Resident(s) interviewed in the past year for trainee positions; (2) the date(s) of each interview; (3) the reasons for not hiring the BVHP Residents or San Francisco Residents interviewed; (4) the name, address, gender and racial/ethnic background of the successful candidate for the trainee position; (5) whether the successful candidate is a BVHP or San Francisco Resident; (6) the maximum number of trainees the Employer has had within the last calendar year; and (7) the number of BVHP Residents and San Francisco Residents hired within the last calendar year.

2. **Report on Terminations**

In the event a BVHP Resident or San Francisco Resident hired pursuant to this Employment and Contracting Policy is terminated for cause, the responsible design professional shall within five (5) days fax or email a termination report to the Agency Compliance Officer stating in detail: (1) the name of the trainee(s) terminated; (2) his/her job title and duties; (3) the reasons and
IX. PERMANENT / TEMPORARY WORKFORCE POLICY

A. Permanent / Temporary Workforce Hires

1. Policy Statement

Due to the wide variety of development, both public and private, that occurs in the City and is anticipated to occur in the Project Area as redevelopment commences, it is difficult to develop a single hiring requirement or procedure that is appropriate in all situations. The Agency seeks to ensure that BVHP Residents have the opportunity to share in the permanent and temporary jobs that come from redevelopment in the Project Area. At the same time, the Agency seeks to assist Employers in meeting workforce demands for Significant Projects within the Project Area. The Agency has adopted a flexible approach to achieve these goals. The Employment and Contracting Policy sets an overall goal of 50% for permanent / temporary workforce hires but allows flexibility to tailor the remaining key terms of the Agreement to fit the specific project.

2. Compliance with the Policy

The Project Sponsor agrees and will require each Employer to use its good faith efforts to employ 50% of its permanent / temporary workforce from qualified BVHP Residents and then San Francisco Residents with First Consideration to BVHP Residents. Project Sponsors and Employers will be deemed in compliance with this Employment and Contracting Policy by meeting or exceeding the goal or by documenting the good faith efforts as set forth in the Agreement.

3. Negotiate and Execute Employment and Contracting Agreement

The Project Sponsor shall negotiate in good faith with the Agency’s Contract Compliance staff to reach agreement on: (a) the Term of the Agreement; (b) the job titles or type of positions subject to this hiring obligation; (c) procedures for fulfilling the hiring obligation or meeting the good faith efforts; and (d) reporting requirements. These negotiations will be based upon the anticipated number of permanent and/or temporary positions created by the project. The executed Agreement will set forth the mutually agreed upon details, as well as the requirements of the Agency’s Equal Opportunity Program, if applicable. The Project Sponsor shall incorporate by reference or attach the Agreement to its contract with the Employer. The Project Sponsor and/or Employer shall retain the executed Agreement and make it available to the Agency Compliance Officer upon request.

4. Review of Permanent / Temporary Workforce Policy

Working with the PAC, the CBOs and the City’s workforce development systems, the Agency will review the Permanent / Temporary Workforce Policy and will revise the procedures

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5 The same procedure for permanent / temporary workforce hires applies to all Project Sponsors regardless of whether the project is an Agency Action, private Significant Project, or small Private Project when the Project Sponsor has voluntarily subscribed to the Employment and Contracting Policy.
and goals as necessary to ensure that BVHP and San Francisco Residents are given First Consideration for these job opportunities.

X. AGENCY EQUAL OPPORTUNITY PROGRAM

A. Compliance with Agency’s Equal Opportunity Program

Compliance with some or all of the Agency’s Equal Opportunity Program may be mandatory or voluntary depending on whether the development is an Agency Action Project, private Significant Project, CityBuild / public improvement project or a small Private Project. The components of the Agency’s Equal Opportunity Program are described briefly below for reference. The full policies and procedures associated with these programs are available from the Agency’s Contract Compliance Division.

1. Small Business Enterprise Program

The Agency’s Small Business Enterprise (“SBE”) Program was adopted by Agency Resolution No. 133-2004 on November 16, 2004, as part of the Agency’s Interim Purchasing Policy and Procedures, and may be amended from time to time. The SBE Program provides for first consideration in awarding subcontracts and sub-consulting opportunities to Agency certified local small business enterprises. The SBE Program is designed to help ensure that SBEs have a fair opportunity to compete for and participate in contracts related to Agency Action Projects and other projects that are subject to the SBE Program. SBEs are divided into three groups: (1) Project Area SBEs, (2) Local SBEs (outside an Agency project or survey area, but within San Francisco), and (3) all other SBEs (outside of San Francisco). If subject to the SBE Program, the Project Sponsor and its Contractors and Employers must make good faith efforts to achieve the goal of 50% SBE participation for professional / personal services, and construction contracts. The SBE Program sets a contracting goal and thus is different from the Employment and Contracting Policy which sets hiring goals. The Project Sponsor’s obligations under the SBE Program will be incorporated into a SBE Agreement (“SBE Agreement”). The Agency Executive Director will review and approve the SBE Agreement on behalf of the Agency. The Agency’s Compliance Officer will ensure compliance with the requirements and will report periodically to the BVHP PAC and the Agency Commission on compliance matters.

2. Nondiscrimination in Contracts and Equal Benefits Policy

The Agency’s Nondiscrimination in Contracts and Equal Benefits Policy was adopted by Agency Resolution No. 175-97 on September 9, 1997 and may be amended from time to time. The Nondiscrimination in Contracts and Equal Benefits Policy prohibits discrimination in contracting and which includes a prohibition on discrimination in providing benefits between employees with spouses and employees with domestic partners. This policy requires the Project Sponsor to agree not to discriminate against or segregate any person, or group of persons, on account of race, color, religion, creed, national origin or ancestry, sex, gender identity, age, marital or domestic partner status, sexual orientation or disability (including HIV or AIDS status). This policy also requires that employee benefits be equally available to domestic partners as they are to spouses.

3. Minimum Compensation Policy and Health Care Accountability Policies
The Agency’s Minimum Compensation Policy (“MCP”) and Health Care Accountability Policy (“HCAP”) were adopted by Agency Resolution 168-2001 on September 25, 2001 and may be amended from time to time. MCP requires that all “Covered Employees,” as defined therein, receive a minimum level of compensation. HCAP requires offering health plan benefits to Covered Employees or to make payments to the City and County of San Francisco’s Department of Public Health, or to participate in a health benefits program developed by the City and County of San Francisco’s Director of Health.

4. Agency’s Prevailing Wage Policy

The Agency’s Prevailing Wage Policy (Labor Standards) was adopted by Agency Resolution No. 327-85 on November 12, 1985 and may be amended from time to time. The Agency’s Prevailing Wage Policy applies to projects: (i) covered under Labor Code Section 1720 et seq., (ii) that are Agency-Action Projects or (iii) for which the Project Sponsor has voluntarily subscribed to this requirement. The Agency’s Prevailing Wage Policy references the State’s Labor Standards and the prevailing wage, benefits, eligibility, etc. are all calculated using the State’s standards. In many instances, both the California Labor Code and the Agency’s Prevailing Wage Policy will apply.

XI. EMPLOYMENT AND CONTRACTING POLICY - ADDITIONAL PROVISIONS

Project Sponsors, Contractors and Employers that are subject to this Employment and Contracting Policy (including those who have voluntarily subscribed to this policy) are subject to the following additional provisions.

1. Designate a Point of Contact

Each Project Sponsor, Contractor and Employer shall designate a responsible representative, manager or agent to monitor all employment-related activity under this Employment and Contracting Policy and to be the primary point of contact for issues arising under this policy.

2. No Retaliation

No person hired pursuant to this policy shall be discharged or in any other manner discriminated against by the Project Sponsor, Contractor or Employer because such person has filed any complaint or instituted or caused to be instituted any proceeding under or relating to enforcement of this Employment and Contracting Policy.

3. No Discrimination

There shall be no discrimination against or segregation of any person, or group of persons, on account of race, color, religion, creed, national origin or ancestry, sex, gender identity, age, marital or domestic partner status, sexual orientation or disability (including HIV or AIDS status). The Project Sponsor, Contractors and Employers will ensure that applicants are employed, and that persons are treated during employment, without regard to their race, color, religion, creed, national origin or ancestry, sex, gender identity, age, marital or domestic partner status, sexual orientation or disability (including HIV or AIDS status) or other protected class status. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or
recruitment advertising; layoff or termination; rates of pay or other forms of compensation; selection for training, including apprenticeship; and provision of any services or accommodations.

4. **Collective Bargaining Exclusion**

Notwithstanding anything to the contrary in this Employment and Contracting Policy, if an Agreement conflicts with an existing labor agreement or collective bargaining agreement to which a Project Sponsor, Contractor or Employer is a party, the labor agreement or collective bargaining agreement shall prevail. Nothing in this Employment and Contracting Policy shall be interpreted to interfere with or prohibit existing labor agreements or collective bargaining agreements. However, the Project Sponsor, Contractor or Employer will still be obligated to provide workforce needs information to the CBO prior to hiring and the Employer will be obligated to make good faith efforts to comply with the requirements of its Employment and Contracting Policy Agreement that do not conflict with the collective bargaining agreement.

5. **No Conflict with State or Federal Law**

This Employment and Contracting Policy is to be implemented in a manner that does not conflict with applicable federal or state laws.

6. **Existing Workforce**

Nothing in this Employment and Contracting Policy shall be interpreted in a manner that would require termination of the Project Sponsor’s, Contractor’s or Employer’s existing workers and employees.

7. **Use of Debarred Entities Prohibited**

Neither the Project Sponsor, Contractor nor Employer shall enter into any subcontract with any person or firm that the Project Sponsor, Contractor or Employer knows or should have known is debarred from federal, state or local government contracts.

8. **Incorporation**

Whenever the Project Sponsor, Contractor or Employer subcontracts a portion of the work, it shall set forth verbatim and make binding on each subcontractor the provisions of this Employment and Contracting Policy. That subcontract shall then be deemed a Contractor or Employer for the purposes of this Employment and Contracting Policy and shall be subject to all of the requirements hereto.

9. **Severability**

If any part or provision of this Employment and Contracting Policy or the application thereof to any person or circumstance is held to be invalid, then the remainder of this Employment and Contracting Policy, including the application of such part or provision to other persons or circumstances, shall not be affected thereby and shall continue in full force and effect. To this end, the provisions of this Employment and Contracting Policy are severable.
10. **Waiver**

Any of the Employment and Contracting Policy requirements may be waived by the Agency’s Executive Director, if he/she determines for good cause shown that a specific requirement is not relevant to the particular situation, would cause undue hardship, or that an alternative approach would better meet the goals of the Employment and Contracting Policy.

**XII. ARBITRATION OF DISPUTES**

1. **Arbitration by AAA**

Any dispute involving the alleged breach or enforcement of an Employment and Contracting Policy Agreement, including but not limited to disputes over qualification of referrals, whether termination was for good cause; and whether the Project Sponsor, Contractor or Employer has complied with this Employment and Contracting Policy Agreement in good faith shall be submitted to arbitration. The arbitration shall be submitted to the American Arbitration Association, San Francisco, California office (“AAA”) which will use the Commercial Rules of the AAA then applicable, but subject to the further revisions thereof. If there is a conflict between the Commercial Rules of the AAA and the arbitration provisions in this Employment and Contracting Policy, this Employment and Contracting Policy shall govern. The arbitration shall take place in the City and County of San Francisco.

2. **Demand for Arbitration**

The party seeking arbitration shall make a written demand for arbitration (“Demand for Arbitration”). The Demand for Arbitration shall contain at a minimum: (1) a cover letter demanding arbitration under this provision and identifying the entities believed to be involved in the dispute; (2) a copy of the notice of default, if any, sent from one party to the other; and (3) any written response to the notice of default.

3. **Parties’ Participation**

The Agency, Project Sponsor, Contractor, Employer and all persons or entities affected by the dispute shall be made Arbitration Parties. Any such person or entity not made an Arbitration Party in the Demand for Arbitration may intervene as an Arbitration Party and in turn may name any other such affected person or entity as an Arbitration Party.

4. **Agency Request to AAA**

Within seven (7) business days after service or receipt of a Demand for Arbitration, the Agency shall transmit to AAA a copy of the Demand for Arbitration and any written response thereto from the Project Sponsor, Contractor and/or Employer. Such material shall be made part of the arbitration record.

5. **Selection of Arbitrator**

One arbitrator shall arbitrate the dispute. The arbitrator shall be selected from the panel of arbitrators from AAA by the Arbitration Parties in accordance with the AAA rules. The parties shall act diligently in this regard. If the Arbitration Parties fail to agree on an arbitrator within seven (7) business days from the receipt of the panel, AAA shall appoint the arbitrator. A condition to the selection of any arbitrator shall be the arbitrator’s agreement to: (i) submit to all
Arbitration Parties the disclosure statement required under California Code of Civil Procedure Section 1281.9; and (ii) render a decision within thirty (30) days from the date of the conclusion of the arbitration hearing.

6. **Setting of Arbitration Hearing**

A hearing shall be held within ninety (90) days of the date of the filing of the Demand for Arbitration with AAA, unless otherwise agreed by the parties. The arbitrator shall set the date, time and place for the arbitration hearing(s) within the prescribed time periods by giving notice by hand delivery or first class mail to each Arbitration Party.

7. **Discovery**

In arbitration proceedings hereunder, discovery shall be permitted in accordance with Code of Civil Procedure §1283.05 as it may be amended from time to time.

8. **California Law Applies**

California law, including the California Arbitration Act, Code of Civil Procedure §§ 1280 through 1294.2, shall govern all arbitration proceedings in any Employment and Contracting Agreement.

9. **Arbitration Remedies and Sanctions**

The arbitrator may impose only the remedies and sanctions set forth below:

a. Order specific, reasonable actions and procedures, in the form of a temporary restraining order, preliminary injunction or permanent injunction, to mitigate the effects of the non-compliance and/or to bring any non-compliant Arbitration Party into compliance with the Employment and Contracting Policy Agreement.

b. Require any Arbitration Party to refrain from entering into new contracts related to work covered by the Employment and Contracting Policy Agreement, or from granting extensions or other modifications to existing contracts related to services covered by the Employment and Contracting Policy Agreement, other than those minor modifications or extensions necessary to enable compliance with the Employment and Contracting Policy Agreement.

c. Direct any Arbitration Party to cancel, terminate, suspend or cause to be cancelled, terminated or suspended, any contract or portion(s) thereof for failure of any Arbitration Party to comply with any of the requirements in the Employment and Contracting Policy Agreement. Contracts may be continued upon the condition that a program for future compliance is approved by the Agency.

d. If any Arbitration Party is found to be in willful breach of its obligations hereunder, the arbitrator may impose a monetary sanction not to exceed Fifty Thousand Dollars ($50,000.00) or ten percent (10%) of the base amount of the breaching party’s contract, whichever is less, for each such willful breach; provided that, in determining the amount of any monetary sanction to be assessed, the arbitrator shall consider the financial capacity of the breaching party. No monetary sanction shall be imposed pursuant to this paragraph for the first
willful breach of the Employment and Contracting Policy Agreement unless the breaching party has failed to cure after being provided written notice and a reasonable opportunity to cure. Monetary sanctions may be imposed for subsequent willful breaches by any Arbitration Party whether or not the breach is subsequently cured. For purposes of this paragraph, "willful breach" means a knowing and intentional breach.

e. Direct any Arbitration Party to produce and provide to the Agency any records, data or reports which are necessary to determine if a violation has occurred and/or to monitor the performance of any Arbitration Party.

10. **Arbitrator’s Decision**

The arbitrator will normally make his or her award within twenty (20) days after the date that the hearing is completed but in no event past thirty (30) days from the conclusion of the arbitration hearing; provided that where a temporary restraining order is sought, the arbitrator shall make his or her award not later than twenty-four (24) hours after the hearing on the motion. The arbitrator shall send the decision by certified or registered mail to each Arbitration Party.

11. **Default Award; No Requirement to Seek an Order Compelling Arbitration**

The arbitrator may enter a default award against any person or entity who fails to appear at the hearing, provided that: (1) the person or entity received actual notice of the hearing; and (2) the complaining party has a proof of service for the absent person or entity. In order to obtain a default award, the complaining party need not first seek or obtain an order to arbitrate the controversy pursuant to Code of Civil Procedure §1281.2.

12. **Arbitrator Lacks Power to Modify**

Except as expressly provided above in this Section XII, the arbitrator shall have no power to add to, subtract from, disregard, modify or otherwise alter the terms of the Employment and Contracting Policy Agreement or to negotiate new agreements or provisions between the parties.

13. **Jurisdiction/Entry of Judgment**

The inquiry of the arbitrator shall be restricted to the particular controversy which gave rise to the Demand for Arbitration. A decision of the arbitrator issued hereunder shall be final and binding upon all Arbitration Parties. The prevailing Arbitration Party (ies) shall be entitled to reimbursement for the arbitrator’s fees and related costs of arbitration. Each Arbitration Party shall pay its own attorneys’ fees, provided, however, that attorneys’ fees may be awarded to the prevailing party if the arbitrator finds that the arbitration action was instituted, litigated, or defended in bad faith. Judgment upon the arbitrator’s decision may be entered in any court of competent jurisdiction.
## BVHP Employment and Contracting Policy Matrix

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<tr>
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<th>Agency-Action Projects</th>
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<td>Mandatory</td>
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<td>Agency’s Prevailing Wage Policy</td>
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<td>Voluntary but Encouraged</td>
<td>Voluntary but Encouraged⁸</td>
<td>Voluntary but Encouraged</td>
</tr>
</tbody>
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⁶ **Mandatory** means that the Project Sponsor is required to comply with the Agency’s policy. However, each Agency policy has its own threshold and compliance requirements. For example, the Agency’s Minimum Compensation Policy (“MCP”) will apply to all Agency-Action projects but MCP has no compliance requirements for Project Sponsors with less than 25 employees.

⁷ **Voluntary but Encouraged** means that the Project Sponsor is not required to comply with the Agency’s policy as a condition to developing the project. However, the Agency’s Contract Compliance Department will encourage the Project Sponsor to subscribe voluntarily to these Agency policies. If the Project Sponsor voluntarily agrees to comply with one or more Agency’s policies, then those policies will be added as a condition to the building permit and at that point will become mandatory.

⁸ Public Improvements and public/private project receiving City funds are subject to the State of California’s prevailing wage requirements per California Labor Code Section 1720 et seq.

Adopted Resolution No. 24 11-20-07
Revisions to and Interpretations of BVHP ECP for the Project

1. Revisions and Interpretations. Unless otherwise Approved by Developer and the Agency Director, each in their respective sole and absolute discretion, the following revisions and interpretations to the BVHP ECP shall apply to the DDA:

1.1 References to the PAC shall be changed to the CAC with respect to the application of the BVHP ECP to the Shipyard Site.

1.2 The application of the fifty percent (50%) hiring goals in Section II, A.1. and B.1., Section VII.A.1. and Section IX.A.2. and the trainee goals in Section II.C.1. shall be changed so that they apply to “qualified BVHP Residents, then residents of the 94134 and 94107 zip code areas, then residents of other existing San Francisco redevelopment project areas, and then San Francisco Residents with First Consideration to BVHP Residents.” Any other references in the BVHP ECP to “first consideration to BVHP Residents and then San Francisco Residents” shall be changed to “first consideration to BVHP Residents, then residents of the 94134 and 94107 zip code areas, then residents of other existing San Francisco redevelopment project areas, and then San Francisco Residents.”

1.3 The definition of “Employer” in Section III.11 is deleted and replaced with the following: Employer means any person(s), firm, partnership, corporation, government agency, (whether for profit or nonprofit), or combination thereof, who owns or operates a retail or commercial business with twenty (20) or more employees that conduct the majority of their duties at the Project Site, and shall include retailers, service providers, office workers, property managers, parks and open space managers, and others.

1.4 The definition of “First Consideration” in Section III.13 is deleted and replaced with the following: “First Consideration means that a Project Sponsor, Contractor and/or Employer shall give first consideration to qualified BVHP Residents in accordance with Section VII.A. (6) - (8) of this Employment and Contracting Policy, then to residents of the 94134 and 94107 zip code areas, then residents of other existing San Francisco redevelopment project areas, and then to San Francisco residents for hiring opportunities in the areas of construction workforce, permanent / temporary workforce and trainee hires before offering the hiring opportunity to other applicants.”

1.5 All references to “BVHP Residents and San Francisco Residents” and “BVHP Residents or San Francisco Residents,” in Sections VII, VIII and IX shall be changed to refer to “BVHP Residents, residents of the 94134 and 94107 zip code areas, residents of other existing San Francisco redevelopment projects, and/or San Francisco Residents.”

1.6 The definition of “CBO” (community-based organization) in Section III. 6 is deleted and replaced with the following: “CBO means an Agency identified workforce referral entity.”
1.7 The definition of “Contractor” in Section III. 9 is deleted and replaced with the following: “Contractor means any person(s), firm, partnership, corporation (whether for profit or nonprofit), or combination thereof, who is a general contractor, subcontractor (regardless of tier) or consultant working on: any part of the Project, including all Infrastructure and Vertical Improvements, and all interior tenant improvements. Contractors shall include, without limitation, all architects, engineers and other design professionals.”

1.8 The definition of “Project Sponsor” in Section III.19. is deleted and replaced with the following: “Project Sponsor means Developer, a Transferee or a Vertical Developer, as applicable.”

1.9 All aspects of the Project shall be deemed to be either an Agency Action Project subject to Section IV. A (Agency Action Projects) or a City Build and Public Improvement subject to Section IV. C (CityBuild and Public Improvements), as applicable. Each Project Sponsor shall enter into a Employment and Contracting Agreement on or before Commencement of the Infrastructure or Vertical Improvement, as applicable.

1.10 All references to the “LCP Tracker system” in Section VII.B.1 are replaced with “the PRS”.

1.11 A new definition is inserted, as follows: “PRS means a web-based software used to collect, verify and manage prevailing wage certified payrolls and related labor compliance documentation.”

1.12 Worker request forms under Section VII.A.6 shall be submitted via the PRS.
EXHIBIT J
Tenant Screening Criteria Policy and Tenant Selection Plan Policy

The screening criteria and considerations outlined below encourage providers to “screen in” rather than “screen out” applicants who have a criminal record. These requirements are also designed to satisfy the requirements of San Francisco Police Code Article 49, Sections 4901-4920. This policy describes a minimum level of leniency; providers are encouraged to adopt less restrictive policies and processes whenever appropriate. For example, providers may opt not to review or consider applicant criminal records at all.

Screening Criteria

- Housing providers shall not automatically bar applicants who have a criminal record in recognition of the fact that past offenses do not necessarily predict future behavior, and many applicants with a criminal record are unlikely to re-offend.

- Housing providers shall not consider:
  - arrests that did not result in convictions, except for an open arrest warrant;
  - convictions that have been expunged or dismissed under Cal. Penal Code § 1203.4 or 1203.4a;\(^2\)
  - juvenile adjudications.

- Housing providers shall consider:
  - the individual circumstances of each applicant; and
  - the relationship between the offense, and
    - (1) the safety and security of other tenants, staff and/or the property; and
    - (2) mitigating circumstances such as those listed below.
  - only those offenses that occurred in the prior 7 years, except in exceptional situations, which must be documented and justified, such as where the housing provider staff is aware that the applicant engaged in violent criminal activity against staff, residents or community members and/or that the applicant intentionally submitted an application with materially false information regarding criminal activity.
  - mitigating factors, including, but not limited to:
    - (1) the seriousness of the offense;
    - (2) the age and/or circumstances of the applicant at the time of the offense;
    - (3) evidence of rehabilitation, such as employment, participation in a job training program, continuing education, participation in a drug or alcohol treatment program, or letters of support from a parole or probation officer.

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\(^1\) The policy recognizes that some housing may be subject to mandatory laws that require the exclusion of an applicant based upon certain types of criminal activity.

\(^2\) The purpose of the statute is allow a petitioner to request a dismissal of the criminal accusations, a change in plea or setting aside of a verdict and to seek to have certain criminal records sealed or expunged and a release “from all penalties and disabilities resulting from the offense.”
employer, teacher, social worker, medical professional, or community leader;
- (4) if the offense is related to acts of domestic violence committed against the applicant;
- (5) if the offense was related to a person’s disability.
Tenant Selection Plan Policy

This policy is in addition to the obligations to comply with applicable federal, state and local civil rights laws, including laws pertaining to reasonable accommodation and limited English proficiency (LEP), \(^3\) and the applicable provision of the Violence Against Women Act, Pub. Law 109-62 (January 5, 2006), as amended.

Application Process

- **Application Materials.** The housing provider’s written and/or electronic application materials should:
  - outline the screening criteria that the housing provider will use;
  - provide space(s) for the applicant to explain any conviction, eviction, tenancy issues or credit concerns and present evidence that he or she will be a suitable tenant;
  - outline how an applicant may request a modification of the admission process and/or a change in admission policies or practices as a reasonable accommodation;
  - be written in language that is clear and readily understandable.

- **First Interview.** In accordance with the housing provider policies, each applicant with the minimum eligibility requirements for housing unit shall be offered the opportunity for an interview.

- **Second Interview.** Before issuing a denial, the housing provider should consider offering a second interview to resolve issues and inconsistencies, gather additional information, and assist as much as possible with a determination to admit the applicant.

- **Confidentiality.** All information provided will be kept confidential and be used only by the housing provider, the referring agency and the funding agency for the purpose of assisting and evaluating the applicant in the admission process.

- **Delays in the Process.** If delays have occurred or are likely to occur in the application and screening process or the process exceeds the housing provider’s normal timeline for application and screening, the housing provider must immediately inform the referring agency and the funding agency, of the status of the application, the reason for the delay and the anticipated time it will take to complete the application process.

- **Problems with the Referring Agency.** If at any point the housing provider has difficulty reaching or getting a response from the applicant and referring agency, the housing provider must immediately contact the referring agency, if possible, and the funding agency, DPH or HSA.

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• **Limited English Proficiency Policy.** Throughout the application process, the housing provider must comply with the language access requirements for applicants with limited English proficiency.

**Reasonable Accommodation and Modification Policy**

**Reasonable Accommodation:** The application process should provide information about how an applicant may make a reasonable accommodation request. At any stage in the admission process, an applicant may request a reasonable accommodation, if the applicant has a disability and as a result of the disability needs a modification of the provider’s rules, policies or practices, including a change in the way that the housing provider communicates with or provides information to the applicant that would give the applicant an equal chance to be selected by the housing provider to live in the unit.

**Reasonable Modification:** Applicant may request a reasonable modification if he or she has a disability and as a result of the disability needs:
- a physical change to the room or housing unit that would give the applicant an equal chance to live at the development and use the housing facilities or take part in programs on site;
- a physical change in some other part of the housing site that would give the applicant an equal chance to live at the development and use the housing facilities or take part in programs on site.

**Response to Request:** The housing provider shall respond to a request for reasonable accommodation or modification within ten (10) business days. The response may be to grant, deny, or modify the request, or seek additional information in writing or by a meeting with the applicant. The housing provider will work with the applicant and referring agency to determine if there are ways to accommodate the applicant.

The housing provider shall grant the request if the provider determines that:
- the applicant has a disability;
- reasonable accommodation or modification is necessary because of the disability; and
- the request is reasonable (i.e., does not impose an undue financial or administrative burden or fundamentally alter the nature of the housing program.)

If the reasonable accommodation request is denied, the rejection must explain the reasons in writing. If the denial of the reasonable accommodation request results in the applicant being denied admission to the unit, the provisions of the section on Notice of Denial and Appeal Process apply.

**Notice of Denial and Appeal Process**

• The housing provider shall:
  - promptly send a written and electronic notice (to the addresses provided) to each applicant denied admission with a written and/or electronic copy to the referring agency and the funding agency. The notice should:
    - list all the reasons for the rejection, including the particular conviction or convictions that led to the decision in cases where past criminal offenses were a reason for rejection;
• explain how the applicant can request an in person appeal to contest the decision;
• state that an applicant with a disability is entitled to request a reasonable accommodation to participate in the appeal;
• inform the applicant that he or she is entitled to bring an advocate or attorney to the in person appeal;
• provide referral information for local legal services and housing rights organizations;
• describe the evidence that the applicant can present at the appeal;
  o give applicants denied admission a date within which to file the appeal, which shall be at least ten (10) business days from the date of the notice;
  o unless an extension is agreed to by the applicant and the housing provider, hold the appeal within ten (10) business days of the request for the appeal;
  o confine the subject of the appeal to the reason for denial listed in the notice;
  o give the applicant a chance to present documents and/or witnesses showing that he or she will be a suitable tenant;
  o have an impartial supervisor or manager from the housing provider, but who is not the person who made the initial decision or a subordinate of the person who made the initial decision, conduct the appeal;
  o within 5 business days of the in person appeal, provide the applicant with a written decision that states the reason for the decision and the evidence relied upon. A copy of the written decision must be sent (electronically or otherwise) to the referring agency and the funding agency.

• If the rejection is based on a criminal background check obtained from a tenant screening agency, the Fair Credit Reporting Act and the Investigative Consumer Reporting Agencies Act impose additional notice requirements.\(^4\)

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