MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Tiffany Bohee, Executive Director

SUBJECT: Workshop on the Community Benefits provided through the Hunters Point Shipyards Phase 1 and Candlestick Point/Hunters Point Shipyards Phase 2 Disposition and Development Agreements; Hunters Point Shipyards and Bayview Hunters Point Redevelopment Project Areas

EXECUTIVE SUMMARY

The Office of Community Investment and Infrastructure ("OCII") oversees the implementation of development at Candlestick Point and Hunters Point Shipyards ("HPS/CP"). The development is governed by two separate Disposition and Development Agreements (the "DDAs") entered into between OCII and two Master Developers, both affiliates of Lennar Urban. The Hunters Point Shipyards Phase 1 DDA ("Phase 1 DDA") with HPS Development Co., LP ("Phase 1 Master Developer") governs the Phase 1 project, which includes development of up to 1,600 homes and 26 acres of parks and open space on the Hilltop and Hillside sites. The Candlestick Point and Hunters Point Shipyards Phase 2 DDA ("Phase 2 DDA", together with Phase 1 DDA, "DDAs") with CP Development Co., LP ("Phase 2 Master Developer"), governs the Phase 2 project, which includes development of up to 10,500 homes, 3 million square feet of research and development/office space, 635,000 square feet of regional-serving retail, 250,000 square feet of neighborhood-serving retail, and approximately 325 acres of parks and open space on the remainder of the Hunters Point Shipyard site as well as Candlestick Point. Together, the development of Phase 1 and Phase 2 projects will be referred to as the "Project."

At the request of the Commission on Community Investment and Infrastructure ("Commission"), this memorandum provides an overview and status on the Master Developers’ compliance with community benefits commitments contained in the Phase 1 and Phase 2 DDAs. This memorandum provides a short description of each benefit and a compliance analysis. A table of the Master Developers’ compliance with all the community benefits for each phase is provided in Attachment 1, HPS/CP Community Benefits Compliance Tracker.

Both the Phase 1 and Phase 2 DDAs contain robust Community Benefit commitments to be fulfilled by the Master Developers. For Phase 1, these community benefits are principally set forth in the Phase 1 DDA, the Phase 1 Vertical Disposition and Development Agreements (the "VDDAs") and the Phase 1 Community Benefits Agreement, as amended (the "Phase 1 CBA"). For Phase 2, these community benefits are principally set forth in the Phase 2 DDA, including its Community Benefits Plan (the "Phase 2 CBA" and, together with the Phase 1 CBA, the
“CBAs”). The Phase 1 CBA and the Phase 2 CBA are attached to this memorandum as Attachment 2 and Attachment 3, respectively.

As illustrated in the attached Community Benefits Compliance Tracker (see, Attachment 1), the Master Developer is mostly in compliance with its requirements under the CBAs and has provided an array of benefits to the District 10 neighborhood. Where requirements have not been fully met in recent years, this memorandum addresses the reasons for non-compliance and proposed corrective actions moving forward.

BACKGROUND

Project Overview

The Hunters Point Shipyard and Candlestick Point areas are comprised of approximately 780 acres along the southeast waterfront of San Francisco. This land will be developed and transformed into productive areas for jobs, parks, and housing, including affordable housing, through the public-private partnerships between OCI and the Master Developers established under the DDAs. The Project is being implemented in two phases by affiliated, but separate, Master Developers managed by Lennar Urban under separate DDAs.

The Phase 1 project is entitled for up to 1,600 homes, of which at least 27 percent, and up to 40 percent, will be affordable. Phase 1 is also entitled for 26 acres of parks and open space on the Hilltop and Hillside sites., The Phase 2 project is entitled for up to 10,500 homes, of which approximately 32% of which will be below-market rate housing units, including the rebuilding of the Alice Griffith public housing development consistent with the City’s HOPE SF program, up to 3 million square feet of research and development space, and approximately 352 acres of new and renovated parks. In total, the 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, and new transit infrastructure, and will provide more than $90 million in payments for community benefits.

Phase 1 DDA and associated Community Benefit Agreements

Starting in 1997, with the adoption of the Hunters Point Shipyard Redevelopment Plan, the former San Francisco Redevelopment Agency (“SFRA”) engaged in an intensive community-based planning process that resulted in the execution of a Disposition and Development Agreement for Phase 1 (i.e., the Phase 1 DDA). The Phase 1 DDA was authorized by the SFRA Commission on December 2, 2003 by Resolution No. 179-2003.

The Phase 1 DDA has been amended since its approval in December 2003. The SFRA Commission authorized: 1) on April 5, 2005, by Resolution No. 3-2005, a First Amendment to the Phase 1 DDA; 2) on October 17, 2006, by Resolution No. 141-2006, a Second Amendment to the Phase 1 DDA; 3) on August 5, 2008, by Resolution No. 84-2008, a Third Amendment to the Phase 1 DDA; 4) on August 19, 2008, by Resolution No. 86-2008, a Fourth Amendment to the Phase 1 DDA; and 5) on November 3, 2009 by Resolution No. 125-2009, a Fifth Amendment
to the Phase 1 DDA. The Phase 1 DDA has been further amended under a Sixth Amendment authorized by the OCII Oversight Board on December 10, 2012 by Resolution 15-2012.

On December 14, 2012, the California State Department of Finance ("DOF") issued a Final and Conclusive Determination under California Health and Safety Code § 34177.5 that the Shipyard’s Phase 1 DDA is an enforceable obligations that survived the dissolution of the former Redevelopment Agency.

The Phase 1 DDA includes Parcel A of the Shipyard (i.e. Hilltop and Hillside), and binds Phase 1 Master Developer to construct the infrastructure necessary to support the vertical development of up to 1,600 residential units, of which at least 27 percent, and up to 40 percent, will be affordable, and 26 acres of open space and parks.

Attachment 24B of the Phase 1 DDA in its original form established the scope for certain community benefit programs and required the execution of the Phase 1 CBA as a closing condition for the Parcel A transfer. The Phase 1 CBA was executed on April 4, 2005 and describes 11 programs that are intended to provide training, assistance, and contracting opportunities to community residents and organizations, as well as a Community Builder Program to offer 30 percent of the units to be constructed in Phase 1 to Bayview Hunters Point-based developers and contractors. The Phase 1 CBA was amended on November 3, 2009 by Resolution No. 125-2009 to update the Community Builder Program.

**Phase 2 DDA and associated Community Benefit Agreements**

On June 3, 2010, the SFRA Commission approved the Phase 2 DDA between SFRA and Phase 2 Master Developer by Resolution No. 69-2010. The Phase 2 DDA has been amended under a First Amendment authorized by the OCII Oversight Board on December 10, 2012 by Resolution No. 16-2012. On December 14, 2012, DOF issued a Final and Conclusive Determination under California Health and Safety Code § 34177.5 that the Shipyard’s Phase 2 DDA is an enforceable obligations that survived the dissolution of the former Redevelopment Agency.

The Phase 2 DDA binds the Phase 2 Master Developer to construct the infrastructure necessary to support the development of up to 10,500 homes, of which approximately 32% of which will be below-market rate housing units, including the rebuilding of the Alice Griffith public housing development consistent with the City’s HOPE SF program, up to 885,000 square feet of regional and neighborhood-serving retail space, approximately 3 million square feet of commercial, light industrial, research and development and office space, up to 100,000 square feet of new community uses, including replacement space for the Shipyard artists and a new arts center, and approximately 326 acres of additional and improved public parks and open spaces.

The Phase 2 DDA includes as Exhibit G a Community Benefits Plan (i.e., the Phase 2 CBA). The Phase 2 CBA includes some of the same programs as the Phase 1 CBA and adds new community benefits, which are primarily cash payments.

**Community Benefits Overview**

The CBAs’ goals are to ensure that the local Bayview Hunters Point ("BVHP") community has the opportunity to participate in, and benefit from, the Project. Most community benefits are
captured in the Phase 1 and/or Phase 2 CBAs. However in some instances related benefits are included in other legal agreements, such as other exhibits to the Phase 1 DDA, or required by the Hunters Point Shipyard Redevelopment Plan, as noted below.

The Phase 1 and Phase 2 DDAs also require additional benefits to the community, located outside of Phase 1 and Phase 2 CBA. These benefits include providing affordable housing, the creation and rehabilitation of parks and open space, local hire for construction and end-use jobs, and small business participation. These benefits, while significant, are outside of the scope of this memorandum.

In addition to the Phase 1 and Phase 2 CBAs, Phase 2 Master Developer is party to a separate Core Community Benefits Agreement (“CCBA”) with the Alliance for District 10 (“AD10”). The CCBA provides for an approximately $28 million Community First Housing Fund and an approximately $8 million Workforce Development Fund. The CCBA is a private agreement, and as such, neither OCI nor the City, is a party to the CCBA and cannot enforce its implementation.

Additionally, some community benefits are administered by the Legacy Foundation for Bayview Hunters Point (“Legacy Foundation”), an organization that was created in accordance with the Phase 1 DDA and that, in collaboration with the Mayor’s Hunters Point Citizens Advisory Committee (“CAC”), is charged with analyzing community needs and making recommendations to the Commission on the use of certain funds provided by the Master Developers under the CBAs to the Community Benefits Fund (sometimes referred to as the Legacy Fund), as more particularly described below. The Legacy Foundation is sometimes referred to in the DDAs as the BVHHP Representative Entity. As described below, the Phase 1 Master Developer has provided $1 million to the Community Benefits Fund, and the Phase 2 Master Developer has provided $500,000 in partial fulfillment of the Phase 2 Scholarship Fund. The Legacy Foundation is currently going through a strategic planning process. Once this process is completed (anticipated in early 2016), the Legacy Foundation will provide the Commission with an overview of the organization’s work plan and funding recommendations for the upcoming 3 to 5 years.

This memorandum is organized into 19 sections, each addressing a Phase 1 or Phase 2 Community Benefit. Where Phase 1 community benefits were carried over into Phase 2, they are presented in the same section. The table below provides the structure for the memorandum:

<table>
<thead>
<tr>
<th>Phase 1 Community Benefit and Phase 1 CBA Section or Other Location of Requirement</th>
<th>Phase 2 Community Benefit and Phase 2 CBA Section or Other Location of Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction Assistance Program (Section 3)</td>
<td>Construction Assistance Program (Section 5.2)</td>
</tr>
<tr>
<td>Community Builder Program (Section 4)</td>
<td>Community Builder Program (Section 5.1)</td>
</tr>
<tr>
<td>Interim African Marketplace (Section 5)</td>
<td>Community Facilities Space (Section 3.2)</td>
</tr>
<tr>
<td>Cultural/Historic Recognition Program (Section 6) and 0.5% for Art requirement for Phase 1 (Hunters Point Shipyard)</td>
<td>0.5% for Art requirement for Phase 2 (Hunters Point Shipyard and Bayview Hunters Point Redevelopment Plans)</td>
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<tr>
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<td>Redevelopment Plan</td>
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<tr>
<td>5</td>
<td>Business Incubator Space Program (Section 7)</td>
</tr>
<tr>
<td>6</td>
<td>Home Buyer’s Assistance Program (Section 8)</td>
</tr>
<tr>
<td>7</td>
<td>Job Training and Employee Assistance Program (Section 9)</td>
</tr>
<tr>
<td>8</td>
<td>Local Community Priority Leasing Program (Section 10)</td>
</tr>
<tr>
<td>9</td>
<td>Small Business Assistance Programs (Section 11)</td>
</tr>
<tr>
<td>10</td>
<td>Outreach Program (Section 12)</td>
</tr>
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<tr>
<td>11</td>
<td>Community Facilities Parcels – Phase 1 DDA, Attachment 23</td>
</tr>
<tr>
<td>12</td>
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<td>13</td>
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<td>15</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Community Benefits Fund (Fifth Amendment to Phase 1 DDA)</td>
</tr>
<tr>
<td>17</td>
<td>Status Reports (Section 13)</td>
</tr>
<tr>
<td>18</td>
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A more detailed program-by-program description of community benefits and their status updates is provided in the subsequent pages of this memorandum.

1) Construction Assistance Program (“CAP”)

**Program Description:** The CAP applies to Phase 1 and Phase 2. The Phase 1 program is described in Phase 1 CBA Section 3 and has the following elements:

a) Owner Consolidated Insurance Program (OCIP) that allows interested contractors to sign up for general liability coverage;
b) Surety Bond Program that relieves BVHP Area Contractors from posting surety bonds for work on the Phase 1 Project;
c) Technical Assistance in the form of a Contractor Liaison who assists contractors with navigating through the process of contracting for work for the Phase 1 Project;
d) Financial Assistance in the form of connecting BVHP Area Contractors who are in need of financing with financial institutions; and
e) Mentorship Program to support emerging MBE/WBE construction related BVHP enterprises by teaming them with experienced mentors.

The Phase 2 CAP as outlined in Phase 2 CBA Section 5.2 provides for a $1 million contribution to OCI's Surety Bond Program which will be used to assist BVHP contractors in obtaining insurance and credit support that may be required in order to participate in the development of the Phase 2 Project. The Phase 2 CAP also carries forward the Technical Assistance, Contractor Workshops and Training program with a total financial obligation of $2.5 million over 10 years. The Mentorship Program is limited to Phase 1.

Status Update for Phase 1:
As required, the Master Developer has provided the OCIP and has been waiving Surety Bond requirements for BVHP Area Contractors. With the exception of a limited period of time when construction activities stopped, the Phase 1 Master Developer has contracted with consultants to provide Technical Assistance. Butler Enterprises currently administers the Phase 1 and Phase 2 CAP. Previously, Business Development Inc. and John Scott Consulting administered the Phase 1 CAP.

The Mentorship Protégé program was initially administered by Clear Focus and has been subsequently carried out by Renaissance Entrepreneurship Center since 2010. Since Renaissance Entrepreneurship Center has taken over the program, protégés have been able to secure in contracts with a total value of more than $45,000,000, and have employed more than 180 people, the majority of whom are D10 residents.

Status Update for Phase 2: In 2013, the Phase 2 Master Developer hired Butler Enterprises to develop and implement the Phase 2 CAP out of a site office on the Shipyard (Galvez Ave. at Donahue St.) that is staffed Monday through Friday during regular business hours. The CAP staff includes a contract liaison, a project administrator, a trucking administrator and an outreach and technical assistance liaison. To date, Butler Enterprises has organized 20 workshops or classes on topics such as: access the money, estimating and tracking, project execution, contract administration and similar topics. As part of the Financial Assistance obligation, Butler Enterprises has developed a financial guide for community contractors and has started introducing community contractors to bank representatives.

Under the Phase 2 CBA, as part of the CAP, the Phase 2 Master Developer is required to run program to assist truckers residing or based in BVHP in securing contracts for the trucking services needed to complete the demolition, grading and infrastructure for the Phase 2 Project. The Phase 1 Master Developer also utilizes this program for the development of the Phase 1 Project’s infrastructure and new homes.

The Phase 2 CBA requires the developer to expend $250,000 annually on the CAP program for 10 years. To date, the Phase 2 CAP has been operating for almost two years, during which the Phase 2 Master Developer has expended approximately $265,000, resulting in a shortfall of approximately $235,000. In accordance with the Phase 2 CBA, the Phase 2 Master Developer will either provide the resulting shortfall to the Legacy Foundation, or continue the CAP beyond the 10 year term until the totality of the $2.5 million obligation is satisfied.
In accordance with the Phase 2 CBA payment schedule, an initial surety bond contribution of $250,000 was made by Phase 2 Master Developer 90 days after the first Major Phase Approval by the OCII Commission in January 2014. OCII is working with the City and County of San Francisco ("City") to determine if OCII can participate in the City’s Surety Bond Assistance Program, which provides bonding, financial, and business management assistance to local small businesses. Funds from the community benefits program, including the $250,000 contributed by Phase 2 Master Developer in the spring of 2014, would be used to capitalize bid, performance, and payment bond guarantees of up to 40 percent of a contractor’s bond amount, subject to a maximum dollar limit per contractor to ensure benefits accrue to as many small businesses as possible. If OCII is unable to participate in the City’s Surety Bond Assistance Program, OCII will explore the possibility of establishing a program that is similar to the City’s program.

2) **Community Builder Program**

**Program Description:** As part of the Phase 1 CBA, the Phase 1 Master Developer agreed that 30 percent of market-rate housing lots in Phase 1 would be offered for development in partnership with Community Builders. Community Builders are builders whose business or residence is located in BVHP, or BVHP non-profit groups with the requisite proficiency and experience to develop the project.

Further, in accordance with Section 5.1 of the Phase 2 CBA, the Phase 2 Master Developer agreed to also make available 500 units across a spectrum of affordability levels for development by Community Builders. Additionally, OCII has an obligation to use good faith efforts to involve community partners in the development of at least 300 Agency Affordable Units. Community partners are non-profit organizations that provide services to the residents of the greater southeast interested and qualified to develop, co-develop, or provide social or clinical services to the residents for the Agency Affordable Projects.

The Phase 1 and Phase 2 CBAs provide for Community Builders have to access the program in the following ways:

a) Acquire assigned lots and develop these lots as an Independent Community Builder;

b) Jointly acquire an assigned lot with an affiliate of Master Developer and develop the site as a Joint Venture Community Builder; or

c) Assist a Vertical Developer as a Fee Developer Community Builder without being required to contribute to the costs of the lot purchase or development.

**Status Update for Phase 1:** Community Builder lots have been assigned to eight Community Builders. Community Builder Agreements have been executed for the following Blocks in the Phase 1 Project in accordance with the Community Builder Program:

<table>
<thead>
<tr>
<th>Phase 1 Block Number</th>
<th>Community Builder</th>
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<tbody>
<tr>
<td>Block 53</td>
<td>MDC/C. Churchwell LLC (Rhody McCoy/Dr. Churchwell)</td>
</tr>
<tr>
<td>Block 54</td>
<td>BAMEC Inc. (Thomas Shuen)</td>
</tr>
<tr>
<td>Blocks 48 F and J</td>
<td>Shiloh Full Gospel Church (Bishop George Lee)</td>
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</tbody>
</table>
Phase 1 Master Developer is working to finalize Community Builder Agreements with these Community Builders.

<table>
<thead>
<tr>
<th>Phase 1 Block Number</th>
<th>Community Builder</th>
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<tbody>
<tr>
<td>Block 1</td>
<td>Tabernacle Community Development Corporation</td>
</tr>
<tr>
<td>Block 52</td>
<td>Al Norman/Derek Smith (Marinship)</td>
</tr>
<tr>
<td>Block 48 A</td>
<td>San Francisco Housing Development Corporation</td>
</tr>
<tr>
<td>Block 48 K</td>
<td>The Baines Group</td>
</tr>
<tr>
<td>Block 48 O</td>
<td>Eagle Environment Consulting</td>
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</tbody>
</table>

*Status Update for Phase 2:* No Community Builder Lots have been assigned for the initial Candlestick Point Major Phase. The Phase 2 Master Developer’s 500 unit Community Builder obligation will be fulfilled in future Major Phases on Candlestick and/or the Hunters Point Shipyard.

OCII has engaged community partners on the development of the Alice Griffith Replacement Housing Project (“Alice Griffith”). At completion, Alice Griffith will replace all 256 existing public housing units and provide an additional 248 units of new, affordable housing. To date, construction has started on the first two phases of Alice Griffith, and OCII has engaged community partners for the first three phases. For Phases 1 and 3 of Alice Griffith, San Francisco Housing Development Corporation (“SFHDC”) has partnered with McCormack Baron Salazar (“MBS”). On Phase 2, Tabernacle Community Development Corporation is a development partner with MBS. Together, Phases 1, 2, and 3 of Alice Griffith will provide 306 housing units, of which 207 are public housing replacement units and 99 are new, affordable units.

3) International African Marketplace (“IAM”)  

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

*Status Update for Phase 1:* In 2006 and 2007, Phase 1 Master Developer organized Interim African Marketplace events that spanned several consecutive weekends. In response to community feedback, the event format was changed to focus on one weekend. OCII staff and the Phase 1 Master Developer agreed that Phase 1 Master Developer would satisfy its requirement with respect to the Interim African Marketplace through payment of $180,000 to OCII, which OCII would use to solicit contractors to organize Interim African Marketplace events. OCII organized such events in 2008 and in 2009. Following feedback from the CAC, the IAM was
put on hold after the 2009 event. Recently, due to the requirements of state Dissolution Law, OCI II returned the remaining fund balance of approximately $80,000 to Phase 1 Master Developer, which is holding these funds for future events or planning for the permanent IAM in Phase 2. Phase 1 Master Developer is currently working with the CAC to plan for the future use of these funds.

**Status Update for Phase 2:** There are two planned locations for the IAM in Phase 2:

a) IAM Northside Park. Under the Phase 2 DDA, Phase 2 Master Developer is required to construct a variety of passive and active public open spaces. Part of this open space shall include open space, currently planned to be located in the Northside Park to be built on property adjacent to Block 1, to be used as (i) a venue for musical performances, including performances of gospel, jazz, blues, African and world music and (ii) an occasional outdoor venue that will serve as (1) an African-themed marketplace for the display and sale of arts, crafts, sculptures, fabrics and clothing, and books; and (2) a marketplace for farmer and antique markets, including the sale of fresh, wholesome and healthy foods. The location of Northside Park is scheduled to be conveyed by the Navy to OCI II next year. Under the Phase 2 DDA, Phase 2 Master Developer is scheduled to provide schematic designs for Northside Park in the first Major Phase Application for the Hunters Point portion of the Phase 2 Project. Northside Park, and its associated IAM, is anticipated to be complete by 2021.

b) IAM Candlestick Retail. The Phase 2 CBA requires that a portion of the Community Facilities Space within retail facilities on Candlestick be used for an African-themed, festive setting for the display and sale of arts, crafts, sculptures, fabrics and clothing, and books. Under the Phase 2 CBA, Community Facilities Space is to be made available in “cold-shell” condition, meaning the IAM will be responsible for funding all tenant improvements. The Community Facilities Space is to be provided without a base rent or sales price, but the tenant will be responsible for payment of its proportionate share of pass-through and other charges, including property taxes and assessments, insurance and maintenance and other operating expenses. The Candlestick IAM will be located in a mixed-use development on Block CPS 8a in Sub-Phase CP-04, the final square footage will be determined through schematic design submittals. The block has direct access to Wedge Park Plaza, which may be used by the IAM for events, and will be part of the retail district that includes the Candlestick Retail Center. The Candlestick IAM is planned to be built in conjunction with the Candlestick Retail Center, which is anticipated to open in Spring 2018.

4) **Cultural/Historic Recognition Program (“CHRP”)**

*Program Description:* The Phase 1 CHRP program’s vision was to integrate cultural features throughout the Shipyard and to provide opportunities for local artists to participate in the creation of public art. CHRP elements include the installation of 500 square feet of tiles designed by youth participants a San Francisco Bayview Opera House program and the creation of a walkway with a timeline of events. No funding obligation was included with the CHRP program requirement. Instead, under the Phase 1 CBA, Phase 1 Master Developer was required to engage
a fundraising consultant to pursue government, foundation and private funding to underwrite the creation of the arts program, the public art and the implementation of the CHRP.

Additional public art will be funded from the art fee requirement in the Hunters Point Shipyard and Bayview Hunters Point Redevelopment Plans. In accordance with those requirements, 0.5% of the hard cost of initial construction (excluding costs of infrastructure and tenant improvements) of any new office building in excess of 25,000 square feet constructed within the Project Area is to be used for the installation and maintenance of works of arts in the public realm within the Project Area. Only Phase 2 will include office buildings in excess of 25,000 square feet.

For Phase 2, the Mitigation, Monitoring, and Reporting Program ("MMRP") additionally requires interpretive displays depicting the history of Hunters Point Shipyard to be installed at Heritage Park in Dry Docks Number 2 and 3. For Candlestick, the Signage Master Plan, approved by the Commission on January 7, 2014, requires the Phase 2 Master Developer to provide visual reminders of historic activity in the public realm.

**Status Update for Phase 1:** From March 2005 through December 2006, Lennar contracted with LSM Legacies to conduct planning and fundraising services in furtherance of CHRP. In 2009, the SFRA initiated the "Shipyard Public Art" project by securing nearly $1.5 million of federal grant funds from the U.S. Department of Commerce, Economic Development Administration ("EDA"). The EDA grant was used by SFRA, and subsequently OCII, to commission public art pieces for the Hilltop portion of the Phase 1 Project. Nine public art pieces are in the process of being installed and the project will be completed by November 2015. On October 9, 2015, the San Francisco Chronicle covered the Phase 1 Arts Program in an article "Sculpture suitable for framing at Hunters Point" by Sam Whiting. A copy of their coverage is available here: [http://www.sfchronicle.com/art/article/Sculpture-suitable-for-framing-at-Hunters-Point-6561430.php](http://www.sfchronicle.com/art/article/Sculpture-suitable-for-framing-at-Hunters-Point-6561430.php).

As part of the creation of the Hilltop parks and open space, the required 500 square feet of youth tiles will be installed by Phase 1 Master Developer. Further, a segment of the walkway/timeline will also be located in the Hilltop parks, with the remainder being located in Phase 2.

**Status Update for Phase 2:** No public art fee has been collected to-date, because no new office buildings in excess of 25,000 square feet have been constructed within the Project Area. The Phase 2 Master Developer will provide designs for the Hunters Point Shipyard interpretive displays to OCII during the schematic design review of Heritage Park, which is in the second Major Phase for Hunters Point Shipyard ("2-HP"). For Candlestick, in preparing the final signage, the Phase 2 Master Developer will use existing resources, including the Bayview Library's Oral Histories Project. Final signage will be approved by the Commission through the Schematic Design process.

5) **Business Incubator Space Program ("BISP")**

**Program Description:** In the Phase 1 CBA, the BISP’s goal is to facilitate the growth and development of a variety of businesses at the Shipyard. In furtherance of this vision, Phase 1
Master Developer agreed to provide a business incubator space within Shipyard. The space will be provided in a vertical development that includes retail space developed by an affiliate of Phase 1 Master Developer, and will be provided at cost (without profit), to a BISP facilitator who will develop and manage the business incubator program.

The Phase 2 CBA identifies Building 813 on the Shipyard, an approximately 260,000 gross square foot building, for the use as a center for the incubation of emerging businesses and technologies.

Status Update Phase 1: To date, no retail space has been developed as part of Phase 1. Given the small size of the retail planned in Phase 1 it is anticipated that any incubator space would be provided in Phase 2 of the Shipyard. This is consistent with the CBA requirement.

Status Update Phase 2: On September 16, 2015, OCII acquired Building 813 and the land upon which it is situated, as described in the Phase 2 DDA. Upon the completion of the Developer’s obligation to construct infrastructure to serve the building by no later than 2025, Building 813 will be sold at fair market value, subject to considerations related to the Phase 2 CBA, which specify the property’s use “as a center for the incubation of emerging businesses and technologies, including, but not limited to, clean tech, biotech, green business, arts and digital media.”

6) Home Buyers’ Assistance Program

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

a) Down Payment Assistance
b) First Time Buyer Financing Programs, and
c) Homeownership Counseling Services.

Status Update for Phase 1: The Down Payment Assistance and First Time Buyer Financing Programs are set forth in the VDDAs. Under the VDDAs, the Vertical Developer is to provide information to qualified buyers of Market-Rate Residential Units regarding any 0% down payment options offered by preferred lenders for the Phase 1 Project. In addition, the Vertical Developer is to work with OCII and local community economic development organizations to identify (i) programs that could be the source of “gift” funds that may be used by qualified buyers for two percent (2%) of the required down payment on an Affordable Residential Unit in the Phase 1 Project pursuant to the Affordable Housing Plan, and (ii) programs that could provide other forms of financial assistance for such qualified buyers, and to provide qualified buyers with a list of such programs. Further, the Vertical Developer is to work with its preferred lenders to provide information to qualified home buyers regarding any available fixed-rate financing for low and moderate-income first-time home buyers (individuals who have not owned a home within the past three years).
Down Payment Assistance and First Time Buyer Financing Programs. For the current blocks in Phase 1, there are a number of first time homebuyer programs that are offered by the preferred lenders (UAMC, Wells Fargo, and K&L Capital), including a 97% loan-to-value first time buyer program. The main first time home buyer program that K&L Capital offers is a community mortgage program that is eligible for properties located in a low to moderate income census tracts (the Project is eligible). Three buyers in the first two blocks (Blocks 50 and 51) qualified under this program, which is 5% down and no Private Mortgage Insurance (“PMI”).

Homeownership Counseling Services. Since the beginning of Phase 1, the Phase 1 Master Developer has organized 59 first time homebuyer workshops with a total of nearly 1,200 attendees.

In 2014 and 2015, the Phase 1 Master Developer hosted quarterly workshops in accordance with the Home Buyer’s Assistance Program. The workshops provided an overview of OCI’s limited equity program and first time home buyer opportunities from the Phase 1 Master Developer. Approximately 110 participants attended the four workshops that took place in 2014 and 45 participants attended the first two workshops in 2015.

7) Job Training and Employee Assistance Program (“JTP”)

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

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

In furtherance of the JTP, Phase 1 Master Developer agreed to fund community based organizations that provide suitable services. Phase 1 Master Developer’s annual funding obligation is $225,000, which started with the close of escrow for Parcel A and continues until Phase 1 infrastructure is substantially complete, which is estimated to occur in 2017.

Status Update for Phase 1: The total funding obligation under the JTP for the 10 years from 2005 – 2014 is $2,250,000. Through the end of 2014, the Phase 1 Master Developer has provided a total of approximately $1,840,000 to over a dozen community based organizations, a short fall of $410,000. The JTP has been successful in preparing local workers for the job opportunities available at the projects, which have achieved significant local workforce participation. However, because the total funding obligation has not been met, OCI finds the Phase 1 Master Developer not in compliance with the CBA.

Explanation and Corrective Action: Phase 1 Master Developer reduced expenditures during a period of development inactivity between 2009 and 2012, and is in the process of accelerating training expenditures commensurate with increased construction. The Phase 1 Developer is developing programs that will accelerate the Phase 1 Master Developer’s JTP spending by $300,000 in fiscal year 2016. The remaining deficit of $110,000 will be expended the following
fiscal year, thus bringing Phase 1 Master Developer’s spending in line with the JTP obligation by the end of fiscal year 2017.

Local Community Priority Leasing Program

Program Description: As part of Section 10 of the Phase 1 CBA, the Phase 1 Master Developer agreed to encourage local businesses to lease available retail spaces within the Phase 1 Project Area by actively notifying local businesses of upcoming leasing opportunities, and working with local partners like the Bayview Business Resource Center and the Bayview Merchant Association to outreach to local businesses.

Status Update for Phase 1: To date, no retail spaces have been developed in Phase 1.

8) Small Business Assistance Program (“SBAP”)

Program Description: As part of Section 11 of the Phase 1 CBA, Phase 1 Master Developer is required to identify opportunities to assist small businesses in the BVHP area with obtaining contracts for, and participating in, other business opportunities at the Shipyard. In furtherance of this requirement, Phase 1 Master Developer is required to create and update no less than bi-annually a directory of local small businesses. Additionally, the Phase 1 Master Developer must require its Phase 1 contractors and consultants to use their best efforts to purchase no less than 20% of the dollar value of all their Shipyard Project-related purchases from BVHP area small businesses and require them to provide monthly progress reports on dollars they spend with BVHP area small businesses. Additionally, in order to facilitate networking opportunities for BVHP Area Small Businesses, the Phase 1 Master Developer’s Community Benefits Manager is to assign a member of its project team to be responsible for operating the SBAP and ensuring that all of the components of the program are implemented as described.

Status Update for Phase 1: Master Developers currently publish a directory of local suppliers that is shared with all contractors that obtain contracts on the project. Separately, Master Developers maintain a list of other local small businesses. The Master Developers also host networking events for suppliers as frequently as two times per year.

The Phase 1 Master Developer has required contractors for horizontal and vertical development projects to hire local small business enterprises and procure local supplies, as stipulated by OCII’s Small Business Enterprise policy (which requires good faith efforts to locally hire and procure for construction projects). However, the Phase 1 Master Developer has not been tracking contractors’ performance. Additionally, the Phase 1 Master Developer has not required all other consultants to procure local supplies.

Given the lack of performance tracking in regards to local procurement of supplies, OCII finds Phase 1 Master Developer not in compliance with CBA requirements for the SBAP.

Explanation and Corrective Action: The Phase 1 Master Developer has focused on construction activities and has not been tracking contractors’ and consultant’s performance concerning locally procured supplies. Moving forward, the Phase 1 Master Developer will monitor the
implementation of the SBAP and will also increase the frequency of networking events to at least once per quarter.

9) Outreach Program

Program Description: Exhibit L of the Phase 1 CBA outlines certain tools and activities that Phase 1 Master Developer is required to carry out in order to facilitate the dissemination of important information, deadlines, and updates pertaining to opportunities resulting from the redevelopment of the Shipyard. These tools include a website, a quarterly newsletter, special mailings, contractor fairs and similar outreach activities.

Status Update for Phase 1: The Phase 1 Master Developer has spent nearly $1 million on outreach efforts, including a significant number of events specifically for contractors to allow them to engage with other professionals in the trades, and for them to gain information about the Project in an ongoing way. These events include, among others, CAP open houses, BBQ Contractor Networking Events, Construction Assistance Program office Open Houses, Suppliers Meet and Greet networking events and Informational events for local community trucking companies. The Phase 1 Master Developer also communicates with the contracting community regularly with its pre-bid outreach and electronic flyers that are also disseminated through the CAP. As part of the Phase 1 Below Market Rate ("BMR") Housing Program there are special mailings for Certificate of Preference holders.

The Phase 1 Master Developer and Phase 2 Master Developer are engaged in a Door Hanger Outreach project, which began in Visitacion Valley. To date, Master Developers have distributed 3,000 door hangers (in English, Spanish and Chinese) with information about the Project, including specifically the Candlestick District portion of the Phase 2 Project.

In addition, Master Developers currently runs MUNI bus advertisements in partnership with a local artist. The bus ads advertise the Project and the Project website, which has a page dedicated to the BMR Program and additional resources such as construction updates, environmental updates, community building information, active requests for proposals and similar important information.

Explanation and Corrective Action: The Phase 1 Master Developer has not met all outreach requirements as listed in Exhibit L of the CBA. However, Master Developers have conducted certain additional outreach activities that are not required (door hanger and bus advertisements), as provided above. Phase 1 Master Developer has committed in writing to full compliance with all outreach requirements moving forward.

10) Community Real Estate Broker Program ("CREBP")

Program Description: The Phase 2 CREBP provides licensed real estate brokers and salespersons with offices in BVHP ("Community Brokers") with the opportunity to preview and show units in Phase 2 residential projects ahead of other brokers. Additionally, Phase 2 Master Developer will host specific marketing events for Community Brokers and provide Community Brokers with marketing materials to assist them with marketing units to their clients.
Status Update: Phase 2 Master Developer will provide CREBP services and assistance to Community Brokers as soon as Phase 2 units become available.

While the CREBP program is not required in Phase 1, the Phase 1 Master Developer has voluntarily expanded the CRECP to Phase 1 and has provided the CREBP to local real estate brokers who are interested in working with prospective Phase 1 residents.

Community Brokers participating in the Phase 1 CREBP receive the following benefits:

1) Have the first opportunity to preview and show units in the new residential developments to clients of the Community Brokers;
2) Receive invitations to marketing events for Community Brokers for the new developments;
3) Receive marketing materials for the units to assist with marketing such units to clients of the Community Brokers; and
4) Receive recognition and participation opportunities at homebuyer workshops related to the new developments.

Further, Community Brokers in Phase 1 are being offered a 2.5% commission on market rate homes and below market rate homes and an additional 1% incentive commission is available only for Community Brokers whose clients purchase a home. The 1% incentive commission is in excess of what is customarily provided in the market.

11) Community Facilities Lots

Program Description: Community Facilities Lots are developable pads that are served by new, permanent infrastructure and graded for development. These lots may be used for a range of civic or community needs, including facilities for school, police and fire. The prepared land is provided for free to OCII, and Master Developers are not responsible for funding the vertical construction. Community Facilities Lots are required under both DDAs. Phase 1 originally required 6 acres of land within Parcel A and Parcel B to be designated as Community Lots within Phase 1 (Parcel B was originally part of Phase 1). However, with the exclusion of Parcel B from Phase 1, only 1.2 acres remained in Phase 1 and the remaining 4.8 acres were distributed throughout the Phase 2 Project.

Status Update: The locations of Community Facilities Lots in Phase 1 and 2 have been finalized, subject to revision in accordance with the Phase 2 DDA, and a planning process to determine use of Community Facilities Lots is underway. OCII is facilitating discussions with San Francisco Unified School District, San Francisco Police Department, San Francisco Fire Department, the San Francisco Public Library, and other service providers to determine future service needs to the Projects.

12) Additional Community Facilities
Program Description: The Phase 2 CBA provides for additional Community Facilities which include:

a) Arts and Cultural Facilities (replacement artist studios, infrastructure for Building 101 and land for a future arts center);
b) Parks and Open Space Facilities in accordance with the Parks and Open Space Plan and the applicable Major Phase and Sub-Phase Approvals;
c) Reasonable collaboration with OCII to facilitate the rehabilitation of Building 813 for use as an innovation center; and
d) Completion of Infrastructure for a Fire Station Lot in accordance with the Infrastructure Plan.

Status Update: Phase 2 Master Developer is in the process of constructing replacement facilities for the existing Shipyard tenants. The replacement commercial kitchen will be a 10,000 square foot facility serving approximately 30 small businesses. It is currently under construction and will be occupied by early next year. The replacement artists’ studio building will accommodate 140 artists in 130 studios. Construction of the 90,000 square foot replacement artists’ studio building is scheduled to being in Spring 2016, with artists moving into the building by the end of 2017. The Phase 1 Master Developer is also about to commence infrastructure work for Building 101, which will be retained and continue to house approximately 150 artists. Together, the replacement commercial kitchen, replacement artists’ studios and Building 101 infrastructure have a cost of $30 million.

In fulfillment of developing the Parks and Open Space, the Phase 2 Master Developer has provided Schematic Designs with their Sub-Phase applications for Candlestick Sub-Phases CP-01, CP-02, -03, and -04. These applications include a portion of Alice Griffith Neighborhood Park, Wedge Park Plaza, and the first acre of Wedge Park, Jamestown Walker Slope, Bayview Hillside Open Space, and Earl Street Boulevard Park. Combined, these open spaces total approximately 8.6 acres of parks and open space. Additionally, in fulfillment of the State Park Agreement, the Phase 2 Master Developer provided the Candlestick Point State Recreation Area (“CPSRA”) $3.3 million for operations and maintenance funding in July 2014. In Spring 2016, the Phase 2 Master Developer will provide CPSRA an additional $19.4 million, of which $6.6 million will be used for operations and maintenance and $12.5 million will be used for capital improvements within the CPSRA.

Building 813 and the Fire Station Lot are both in the second Major Phase of Hunters Point Shipyard (2-HP). OCII staff will coordinate with the Phase 2 Master Developer to ensure fulfillment of these obligations.

13) Scholarship Program

Program Description: In accordance with Phase 2 CBA Section 1.1, Phase 2 Master Developer must contribute $3.5 million to the “Lennar Bayview Scholarship Fund” to be used to assist youth and adults up to age 30 with cost of tuition and/or educational material in pursuit of a higher educational program that grants a diploma, degree or certificate of completion. $5,000 of the Lennar Bayview Scholarship Fund are to be set aside annually for the “Will Bass Memorial
Educational Travel Scholarship” which will be awarded to an African American student (18 to 25 years old) from BVHP for education travel to Africa or Asia. These contributions are to be made in accordance with specified Project milestones.

Status Update: In accordance with the payment schedule under the Phase 2 CBA, the first payment of $500,000 was made by Phase 2 Master Developer 90 days after the first Major Phase Approval by the OCII Commission in January 2014. As stipulated in Section 1.1, these funds must be held by the Community Benefits Fund, which is administered by the Legacy Foundation. The Legacy Foundation is undertaking a strategic planning process to make disbursement recommendations to the OCII Commission for these initial funds.

14) Education Improvement Fund

Program Description: In accordance with the Phase 2 CBA Section 1.2, the Phase 2 Master Developer is required to contribute $10 million to the “Lennar Bayview Education Improvement Fund” to be used to support education enhancements within BVHP, which may include new facilities or upgrades to existing education resources and health and wellness education in schools. These contributions are to be made in accordance with specified Project milestones, but may be accelerated on the agreement of Phase 2 Master Developer and OCII for the construction of new educational facilities in BVHP.

Status Update: In accordance with the payment schedule under the Phase 2 CBA, the first payment of $500,000 was made by Phase 2 Master Developer 90 days after the first Major Phase Approval by the OCII Commission in January 2014. Use of funds will be determined through a community-based process that includes representatives of the San Francisco Unified School District, BVHP, the Office of Economic and Workforce Development, OCII and Lennar. OCII has initiated a dialogue with the San Francisco Unified School District about the opportunity to construct a new educational facility at the Shipyard and/or Candlestick. OCII will work with BVHP residents and other stakeholders on any proposed education facility.

15) Community Health and Wellness Contributions

Program Description: In accordance with Phase 2 CBA Section 2, the Phase 2 Master Developer is required to contribute $2 million for a Wellness Contribution and $250,000 for the expansion of the Southeast Health Center. The Wellness Contribution is also to be used for the expansion of the Southeast Health Center or, in the event that funds are not needed for the Southeast Health Center, for the creation or expansion of the Center for Youth Wellness. These contributions are to be made in accordance with specified Project milestones.

Status Update: In accordance with the payment schedule under the Phase 2 CBA, payments totaling $350,000 were made by Phase 2 Master Developer 90 days after the first Major Phase Approval by the OCII Commission in January 2014. OCII has transferred those funds to the Department of Public Health to be used to cover predevelopment expenses for the Southeast Health Center expansion.
16) Community Benefits Fund

Program Description: In accordance with the Fifth Amendment to the Phase 1 DDA and Phase 2 CBA Section 6, Master Developers are required to make certain contributions to a fund ("Community Benefits Fund"), which is to be reinvested by OCII in the Project Site and BVHP to:

a) Benefit low- and moderate income families;
b) Eliminate blight; and/or
c) Meet other community development needs of BVHP as determined by the Legacy Foundation, including those related to social services, affordable housing, education, the arts, public safety, assistance for senior citizens and other community services.

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

Status Update: To date, the Phase 1 Master Developer has contributed $1 million in accordance with the Fifth Amendment of the Phase 1 DDA - $500,000 in June 2012 and $500,000 in June 2013. These funds remain in the community benefits Fund pending recommendations to the OCII Commission from the Legacy Foundation. Additionally, 0.5% of the sales price of each Phase 2 market rate unit will become due to the community benefits fund at the close of escrow of the initial sale of each Phase 2 market rate unit. Initial home closings for Phase 2, and associated payments to the community benefits fund, are currently anticipated in late 2018, with continued closings anticipated thereafter.

17) Community Benefits Status Reports

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

Status Update: Phase 1 Master Developer initially provided Status Reports in compliance with the Phase 1 CBA. More recently, Master Developers have provided the CAC with a verbal development update that also includes some programmatic elements. However, OCII has not received a written Status Report since September 2013. Therefore, OCII finds Phase 1 Master Developer not in compliance with this requirement.

Explanation and Corrective Action: Moving forward, the Phase 1 Master Developer will fully comply with the requirement. This informational memorandum fulfills the Status Report requirement for the fourth quarter of 2015. The next Status Report for the first quarter of 2016 will be provided in written form and presented to the CAC by the Phase 1 Master Developer in April 2016.

18) Core Community Benefits Agreement
Program Description: The Phase 2 CBA also references the CCBA, which is a separate agreement between Phase 2 Master Developer and AD10. AD10 representatives include the Alliance of Californians for Community Empowerment, the San Francisco Organizing Project and the San Francisco Labor Council. OCII is not party to this agreement and does not monitor or regulate its implementation. Under the CCBA, the Phase 2 Master Developer has contributed $2,100,000 for workforce training, $5,500,000 for affordable housing, and $225,000 for implementation.

Future Updates
Per the Phase 1 CBA, the Phase 1 Master Developer is required to provide quarterly written status reports on all Phase 1 community benefits programs and make presentations to the CAC. The next quarterly community update will occur in April 2016 and cover the period from January through March 2016. At the Commission’s request, OCII staff and the Master Developers will provide future summary Community Benefit Program updates, which will continue to illustrate the cumulative impact of the Phase 1 and Phase 2 CBAs.

(Originated by Amabel Akwa-Asare, Assistant Project Manager)

Tiffany Bohoe
Executive Director

Attachment 1: Community Benefits Compliance Tracker
Attachment 2: Phase 1 Community Benefits Agreement
Attachment 3: Phase 2 Community Benefits Plan
Community Benefits Update: Hunters Point Shipyard Phase 1 & Hunters Points Shipyard Phase 2/Candlestick Point

Tamsen Drew
Office of Community Investment and Infrastructure (OCII)

November 17, 2015
Presentation Overview

- Project Background

- Community Benefits
  - Hunters Point Shipyard Phase 1
  - Hunters Point Shipyard Phase 2/Candlestick Point
## Project Timeline:

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1974</td>
<td>Hunters Point Shipyard Closed</td>
</tr>
<tr>
<td>1997</td>
<td>BoS Adopts Hunters Point Redevelopment Plan</td>
</tr>
<tr>
<td>2003</td>
<td>HPS Phase 1 Disposition and Development Agreement (DDA) Adopted (OCII &amp; Lennar)</td>
</tr>
<tr>
<td>2007</td>
<td>BoS Endorses CP/HPS Phase 2 Conceptual Framework</td>
</tr>
<tr>
<td>May 2008</td>
<td>Core Community Benefits Agreement (Lennar &amp; AD 10)</td>
</tr>
<tr>
<td>June 2008</td>
<td>SF Voters Approve Proposition G</td>
</tr>
<tr>
<td>2010</td>
<td>CP/HPS Phase 2 DDA Adopted (OCII &amp; Lennar)</td>
</tr>
<tr>
<td>2015</td>
<td>1st Residents Move into HPS Phase 1 Development</td>
</tr>
</tbody>
</table>
Phase 1: Disposition & Development Agreement

- **Parties:** OCII & HPS Development Co., LP
- **HPS Phase 1 DDA:** Entered into 2004
- **Phase 1 CBA:** Entered into 2005; amended 2009
- **CBA Overseen by:**
  - Commission on Community Investment and Infrastructure
  - HPS Citizens Advisory Committee (CAC)
  - Legacy Foundation

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**Phase 1 DDA**

- **Community Benefits Plan**
- **Affordable Housing Program**
- **BVHP Employment & Contracting Policies**
- **Open Space Plan**
- **Financing Plan**
- **Transportation Plan**

**Community Benefits Agreement (2005)**

- Construction & Permanent Jobs
  - Small & Minority Owned Businesses
Phase 2: Disposition & Development Agreement

- **Parties:** OCII & CP Development Co., LP
- **CP & HPS Phase 2 DDA:** Entered into 2010
- **CBA Overseen by:**
  - Commission on Community Investment and Infrastructure
  - HPS Citizens Advisory Committee (CAC)
  - Legacy Foundation

**CP/HPS Phase 2 DDA**

- **Community Benefits Plan**
  - Rebuild of Alice Griffith
  - Below Market Rate Plan
- **Housing Plan**
  - Construction & Permanent Jobs
  - Small & Minority Owned Businesses
- **BVHP Employment & Contracting Policies**
- **Parks & Open Space Plan**
- **Finance Plan**
- **Sustainability Plan**
- **Transportation & Infrastructure Plans**
2008: Core Community Benefits Agreement

- **Agreements Between:** Lennar & Alliance for District 10 (AD 10)
- **Entered:** into in 2008
- **Overseen by:**
  - Implementation Committee
  - Lennar Urban
  - SF Labor Council (SFLC)
  - San Francisco Organizing Project (SFOP)
  - SF ACORN (now ACCE)
  - HPS CAC
  - BVHP Project Area Committee (PAC)
  - “At large” member

**Housing**
- Community 1st Housing Fund - $28.6 million
- Rebuild of Alice Griffith
- Below Market Rate Plan

**Workforce**
- Workforce Development Fund - $8.9 million
- Card Check
- Living Wage
- First Source Hiring
Phase 1 – BMR Housing

- 57 inclusionary for sale units for households earning up to 80% Area Median Income ("AMI") throughout approved Hilltop and Hillside market rate developments

- 59 rental units for households earning up to 50% AMI on Block 49
### Alice Griffith – Phase 2 BMR Housing

<table>
<thead>
<tr>
<th></th>
<th>Phases 1 - 5</th>
<th>Total Cash Provided to Date</th>
<th>Total Letter of Credit (&quot;LOC&quot;) Provided to Date</th>
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<tr>
<td><strong>OCII Loans</strong></td>
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<tr>
<td>OCII Funding Base</td>
<td>$40,667,200</td>
<td>$16,303,300</td>
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<tr>
<td>OCII Funding &quot;Cost Overruns&quot;</td>
<td>$20,442,381</td>
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<td>Total OCII Funding</td>
<td>$61,109,581</td>
<td>$61,109,581</td>
<td>$25,665,625</td>
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<tr>
<td><strong>CPDC Funding</strong></td>
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<tr>
<td>CPDC Funding Base</td>
<td>$40,400,000</td>
<td>$15,160,000</td>
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<tr>
<td>CPDC Funding &quot;Cost Overruns&quot;</td>
<td>$28,155,855</td>
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<td>Total Master Developer Subsidy</td>
<td>$68,555,855</td>
<td>$68,555,855</td>
<td>$15,160,000</td>
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<tr>
<td><strong>Total Permanent Loan Amount</strong> (OCII + CPDC)</td>
<td>$129,665,436</td>
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</tbody>
</table>
Overall OCII Small Business Enterprise (SBE) Program Performance

- SBE Participation: 54.2% achievement

<table>
<thead>
<tr>
<th></th>
<th>Dollars ($1000's)</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Contracts</td>
<td>$ 258,941</td>
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<tr>
<td>Total SBEs</td>
<td>140,354</td>
<td>54.2%</td>
</tr>
<tr>
<td>San Francisco SBEs</td>
<td>71,822</td>
<td>27.7%</td>
</tr>
<tr>
<td>BVHP SBEs</td>
<td>41,914</td>
<td>16.2%</td>
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<tr>
<td>MBEs (male minorities)</td>
<td>42,218</td>
<td>16.3%</td>
</tr>
<tr>
<td>WMBEs (women minorities)</td>
<td>5,305</td>
<td>2.0%</td>
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<tr>
<td>WBEs (women non-minorities)</td>
<td>6,577</td>
<td>2.5%</td>
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</table>

- Bayview Hunters Point/District 10 (BVHP) area SBEs received $42M or 16.2% of total contracts
- Contract dollars to BVHP SBEs are 58.4% of all SF-SBE dollars ($42M/$72M)


SBE & Workforce Phases 1 & 2

- Overall OCII Construction Workforce Program Performance
  - San Francisco Residents: 42.5%
  - Bayview Hunters Point/District 10 (BVHP) Residents: 23.9%

<table>
<thead>
<tr>
<th>Total Hours</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Shipyard Projects</td>
<td>1,747,676</td>
</tr>
<tr>
<td>San Francisco Residents</td>
<td>742,382</td>
</tr>
<tr>
<td>BVHP Residents</td>
<td>416,996</td>
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<tr>
<td>Total Minorities (excludes Other)</td>
<td>1,189,045</td>
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<tr>
<td>American Indian</td>
<td>10,153</td>
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<tr>
<td>Asian American</td>
<td>74,698</td>
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<tr>
<td>Black/African American</td>
<td>398,372</td>
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<tr>
<td>Latino</td>
<td>705,822</td>
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<tr>
<td>Other</td>
<td>218,809</td>
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<tr>
<td>Women</td>
<td>59,770</td>
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# Phase 1: Community Benefits

<table>
<thead>
<tr>
<th>Construction Assistance Program</th>
<th>Cultural/Historic Recognition Program</th>
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</thead>
<tbody>
<tr>
<td>Community Builder Program</td>
<td>Business Incubator Space Program</td>
</tr>
<tr>
<td>Interim African Marketplace</td>
<td>Home Buyers Assistance Program</td>
</tr>
<tr>
<td>Local Community Priority Leasing Program</td>
<td>Job Training &amp; Employee Assistance Program</td>
</tr>
<tr>
<td>Outreach Program</td>
<td>Small Business Assistance Program</td>
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<tr>
<td>Community Facilities Parcels</td>
<td>Community Benefits Fund</td>
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<td></td>
<td>Reporting</td>
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</table>
## Phase 2: Community Benefits

<table>
<thead>
<tr>
<th>Program/Program Fund</th>
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<tbody>
<tr>
<td>Construction Assistance Program*</td>
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<tr>
<td>Community Builder Program*</td>
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<tr>
<td>Interim African Marketplace*</td>
</tr>
<tr>
<td>Community Facilities Space</td>
</tr>
<tr>
<td>Community Facilities Parcels*</td>
</tr>
<tr>
<td>Community Real Estate Broker Program</td>
</tr>
<tr>
<td>Business Incubator Space Program*</td>
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<tr>
<td>Scholarship Fund</td>
</tr>
<tr>
<td>Education Improvement Fund</td>
</tr>
<tr>
<td>Community Health and Wellness Contributions</td>
</tr>
<tr>
<td>Community Benefits Fund*</td>
</tr>
</tbody>
</table>

* Denotes Phase 1 Program carried forward into Phase 2
Construction Assistance Program

Phase 1 and 2 Program: Provide opportunities for BVHP Area Contractors through:

1) Owner Consolidated Insurance Program (Phase 1 only)
2) Surety Bond Program
3) Technical Assistance Program
4) Financial Assistance Program
5) Mentorship Program (Phase 1 only)
Phase 1 Update: Developer is in compliance with the Phase 1 CAP program.

- Butler Enterprises administers the Technical Assistance and Financial Assistance Program.
- Surety Bond requirements are waived for BVHP Area Contractors
- Renaissance Entrepreneurship Center administers the Mentorship Program
Phase 2 Update: Developer is in compliance with Phase 2 CAP

- Funding: Developer required to spend $250k/year for 10 years ($2.5 million total)
  - Developer has spent $265k over two years – a shortfall of $235k
  - Any shortfall at the end of the 10 year term will be paid to the Community Benefits Fund, or Developer will continue the CAP program beyond the term
- Developer made $250k contribution towards Surety Bond and Credit Support Program
- Butler Enterprises administers the Technical Assistance Program and Contractor Workshops.
Job Training and Employee Assistance

Phase 1 Program: Developer will contribute $225k/year to fund CBOs providing job training services.

Phase 1 Update: Developer is not in compliance. The Developer’s obligation is to provide $2,250,000. To date, Developer has provided $1,840,000.

Corrective Action: Developer to accelerate job training expenditures over the next two years to be compliant by 2018.
Small Business Assistance Program

Phase 1 Program: Assist BVHP Small Businesses by:

1) Creating a directory of local small businesses,

2) Requiring contractors and consultants to use their best efforts to purchase no less than 20% of the dollar value of all of their Shipyard Project related purchases from BVHP Area Small Businesses

3) Hosting quarterly networking workshops for BHVP Area Small Businesses
Small Business Program

Phase 1 Update: Developer is not in compliance.

1) Developer currently publishes a directory of local suppliers that is shared with contractors through the CAP program, but is not shared with all consultants.

2) Developer does not include language in their consultant and contractor contracts regarding making 20% of their project related purchases from BVHP Area Small Businesses.

3) Developer hosts networking events for suppliers as frequent as two times per year, not quarterly as required.
Small Business Program

Corrective Action

1) Developer will share directory of BVHP Small Businesses with all contractors and consultants

2) Developer will meet with OCII Contract Compliance staff to determine strategy for implementing the Small Business Program

3) Networking events will be increased to quarterly
Community Builder Program

- **Phase 1 Program**: 30% of market-rate lots will be developed in partnership with BVHP Community Builders

- **Phase 2 Program**: 500 units of market-rate housing

- **OCII Obligation**: Involve community partners in the development of at least 300 Agency Affordable Units.
## Community Builder Program

**Phase 1 Update:** Developer is in compliance. All Phase 1 Community Builder Lots have been assigned. Community Builder Agreements have been executed for 4 blocks.

<table>
<thead>
<tr>
<th>Block</th>
<th>Community Builder</th>
<th>Executed Agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td>53</td>
<td>MDC/C. Churchwell LLC</td>
<td>Yes</td>
</tr>
<tr>
<td>54</td>
<td>BAMEC Inc.</td>
<td>Yes</td>
</tr>
<tr>
<td>48 – F</td>
<td>Shiloh Full Gospel Church</td>
<td>Yes</td>
</tr>
<tr>
<td>48 – J</td>
<td>Shiloh Full Gospel Church</td>
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<tr>
<td>1</td>
<td>Tabernacle Community Development Corp.</td>
<td>No</td>
</tr>
<tr>
<td>52</td>
<td>Al Norman/Derek Smith</td>
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<tr>
<td>48 – A</td>
<td>San Francisco Housing Development Corp.</td>
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<tr>
<td>48 – K</td>
<td>The Baines Group</td>
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<tr>
<td>48 – O</td>
<td>Eagle Environmental Consulting</td>
<td>No</td>
</tr>
</tbody>
</table>
Phase 1 – Hilltop

Hilltop Site Plan

- Community Builder Lots
Phase 1 - Hillside
Phase 1 Community Builders

Block 52 Al Norman/Derek Smith

Block 53/54 MDC/C. Churchwell & BAMEC Inc.

Block 48 Parcel O – Eagle Environmental
Community Builder Program

Phase 2 Update: Developer in compliance.

- No market-rate blocks have been assigned for Community Builders in the 1st Major Phase of Candlestick. Obligation will be fulfilled in future Major Phases.

OCII Obligation:

<table>
<thead>
<tr>
<th>AG Phase</th>
<th>Community Builder</th>
<th>No. Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>San Francisco Housing Development Corp.</td>
<td>93</td>
</tr>
<tr>
<td>2</td>
<td>Tabernacle Community Development Corp.</td>
<td>91</td>
</tr>
<tr>
<td>3</td>
<td>San Francisco Housing Development Corp.</td>
<td>122</td>
</tr>
</tbody>
</table>
Phase 2: OCII Community Builders

Alice Griffith Phase 1
Block 2
SF Housing Development Corp.

Alice Griffith Phase 2
Block 4
Tabernacle Development Corp.
Phase 1 & Phase 2 Program: The overall purpose of the IAM is to serve as an economic development engine for BVHP by:

- Housing activities of cultural diversity representing the African Diaspora and its cultural influences worldwide.
- Serving as an event location for commercial and retail business outlets as well as a business development center for BVHP vendors and artists who need business development guidance.
Phase 1 Update: Developer in compliance. Interim IAM events were held annually from 2006 through 2009.

Phase 2 Update: Developer in compliance. Two locations have been selected for the permanent IAM

- Outdoor: Northside Park (HPS)
- Indoor: Candlestick South Retail (CP) using “Community Facility Space”
Community Facilities Space

Phase 2 Program: Developer will make 65k sq. ft. of retail space in the Project available for Community Serving Uses including:

- Permanent International African Marketplace
- Library Reading Rooms
- Candlestick Point State Recreation Area Welcome Center

Phase 2 Update: Developer in compliance. Developer to provide 35k sq. ft. in next phase of development at Candlestick. Remaining 30k sq. ft. will be provided in a future Major Phase at the Shipyard.
Community Facilities Lots

Phase 1 & 2 Program: Developer will provide OCII 8 acres of developable lots for community facilities.

- Phase 1: 1.2 acres
- Phase 2: 6.8 acres

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

Phase 2 Program: Developer will provide:

- Replacement Artists’ Studios
- Art Center Parcel
- Replacement Commercial Kitchen
- Fire Station Lot
- Building 813 Emerging Business Incubator
Community Facilities

Replacement Artists Studio Building

Replacement Commercial Kitchen Facility
Business Incubator Space

Phase 1 Program: Facilitate the growth and development of a variety of businesses at the Shipyard through space provided at cost.

- Phase 1 Update: Developer in compliance. Developer to provide space in the Phase 2 project.

Phase 2 Program: Developer and OCII will work together to develop Building 813, an approximately 260k sq. ft. building, for the use as a center for the incubation of emerging businesses and technologies.

- Phase 2 Update: Developer in compliance. OCII acquired Building 813 from the Navy in September.
Phase 1 Program: Integrate cultural features throughout the Shipyard and to provide opportunities for local artists to participate in the creation of public art.

Phase 1 Update: Developer is compliance. OCII received federal grant funding to implement the Phase 1 program

- Commission and installation of 9 commissioned artworks by OCII (complete)
- Installation of 500 square feet of youth tiles by Developer (underway)
Cultural/Historic Recognition Program
Homebuyer Assistance Program

Phase 1 Program: Provide assistance to qualified home buyers, including:

- Down Payment Assistance
- First Time Buyer Financing Program
- Homeownership Counseling

Phase 1 Update: Developer in compliance. Obligation passed to Vertical Developers through VDDAs.

- Financing options made available to home buyers
- Master Developer organized 59 first time homebuyer workshops
Phase 2 Program: Developer is required to hold specific marketing events for Community Brokers and provide Community Brokers with the opportunity to preview and show Phase 2 units ahead of other brokers.

Phase 2 Update: Developer in compliance. No units are for sale in Phase 2. However, Developer has voluntarily extended this program to Phase 1. Developer provides Community Brokers with an additional 1% incentive fee.
Phase 1 Program: Developer is required to disseminate project information via website, quarterly newsletters, special mailings etc. Communications should be translated into Chinese, Spanish and Samoan.

Phase 1 Update: Developer is in partial compliance. They conduct certain outreach activities, but do not keep and maintain a website, quarterly newsletter, or translate communications.

- Corrective Action: Developer is working on launching the website in December, and will work on coming into compliance with remaining provisions in the Outreach program.
**Phase 1 Program:** Developer is required to provide a quarterly written status report to OCII and the CAC, which will be presented at the CAC.

**Phase 1 Update:** Developer is not in compliance. Quarterly reports have not been provided since September 2013.

- **Corrective Action:** Developer will commence quarterly reports starting in next calendar year. The first report on Q1 2016 will be provided to OCII and the CAC in April.
Community Benefit Fund

Program Generally: Community Benefits Fund to be reinvested by OCII in the BVHP Community to:

- Benefit low- and moderate income families;
- Eliminate blight; and/or
- Meet other community development needs of BVHP as determined by the Legacy Foundation, including those related to social services, affordable housing, education, the arts, public safety, assistance for senior citizens and other community services.

Phase 1 Program: Developer contributed $1 million to a Community Benefit Fund.

- Legacy Foundation – Strategic Plan (Early 2016)

Phase 2 Program: Developer to contribute 0.5% of the first sale price of each market-rate housing unit

- No market rate homes have sold on Phase 2
Phase 2 Contributions

Phase 2 Program: Developer makes contributions to the following funds in accordance with project milestones

Phase 2 Update: Developer is in compliance:

<table>
<thead>
<tr>
<th>Program</th>
<th>Total Amount</th>
<th>Total Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scholarship Program</td>
<td>$3.5 million</td>
<td>$500,000</td>
</tr>
<tr>
<td>Education Improvement Fund</td>
<td>$10 million</td>
<td>$500,000</td>
</tr>
<tr>
<td>Wellness Contribution</td>
<td>$2 million</td>
<td>$100,000</td>
</tr>
<tr>
<td>Southeast Health Center</td>
<td>$250,000</td>
<td>$250,000</td>
</tr>
</tbody>
</table>
Scholarship Fund

- Used to assist youth and adults up to age 30 with cost of tuition and/or educational material in pursuit of a higher educational program.
- $5,000 of the Scholarship Fund are to be set aside annually for the “Will Bass Memorial Educational Travel Scholarship”.
  - Awarded to an African American student (18 to 25 years old) from BVHP for education travel to Africa or Asia.
Education Fund

- Used to support education enhancements within BVHP, which may include new facilities or upgrades to existing education resources and health and wellness education in schools
The Wellness Contribution is to be used for the expansion of the Southeast Health Center or, in the event that funds are not needed for the Southeast Health Center, for the creation or expansion of the Center for Youth Wellness.
THANK YOU
### Alice Griffith – Phase 2 BMR Housing

<table>
<thead>
<tr>
<th>Phases</th>
<th>Phase 1 (Block 2 - 93 units)</th>
<th>Phase 2 (Block 4 - 91 units)</th>
<th>Phases 3A/3B (Block 1 - 122 units*)</th>
<th>Est. Phase 3C*** (Block 5 - 19 units)</th>
<th>Est. Phase 4** (Blocks 8, 14 and 9 - 27 units)</th>
<th>Est. Phase 5** Block 9 - 132 units</th>
<th>Phases 1 - 5 (504 units)</th>
<th>Total Cash Provided to Date</th>
<th>Total Letter of Credit (&quot;LOC&quot;) Provided to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>OCII Loans</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>OCII Funding Base</td>
<td>$2,743,650</td>
<td>$2,797,550</td>
<td>$10,762,100</td>
<td>$2,337,950</td>
<td>$5,783,350</td>
<td>$16,242,600</td>
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<tr>
<td>OCII Funding &quot;Cost Overruns&quot;</td>
<td>$3,494,496</td>
<td>$3,582,239</td>
<td>$2,285,590</td>
<td>$786,398</td>
<td>$2,339,700</td>
<td>$7,953,958</td>
<td>$20,442,381</td>
<td>$9,362,325</td>
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<tr>
<td>Total OCII Funding</td>
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<td>$6,379,789</td>
<td>$13,047,690</td>
<td>$3,124,348</td>
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<td>CPDC Funding Base</td>
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<td>$7,490,000</td>
<td>$10,400,000</td>
<td>$1,590,000</td>
<td>$4,010,000</td>
<td>$9,240,000</td>
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<td>$15,160,000</td>
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<td>CPDC Funding &quot;Cost Overruns&quot;</td>
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<td>$1,703,863</td>
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<td>$28,155,855</td>
<td>$68,555,855</td>
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<td>Total Master Developer Subsidy</td>
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<td>$13,221,582</td>
<td>$17,672,332</td>
<td>$3,293,863</td>
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<td>$68,555,855</td>
<td>$15,160,000</td>
<td>$11,522,460</td>
</tr>
<tr>
<td>Total Permanent Loan Amount (OCII + CPDC)</td>
<td>$19,659,024</td>
<td>$19,601,171</td>
<td>$30,720,022</td>
<td>$6,418,211</td>
<td>$16,790,250</td>
<td>$33,436,558</td>
<td>$129,665,436</td>
<td>$15,160,000</td>
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