

ATTACHMENT 23

COMMUNITY OWNERSHIP, FINANCING, AND BENEFITS

This Community Ownership, Financing and Benefits Program (“Enhanced Community Benefits Program”) is attached to and made a part of the Disposition and Development Agreement (the “Agreement”) for Hunters Point Shipyard, Phase 1. Capitalized terms not defined in this Enhanced Community Benefits Program have the meanings given to them in the Agreement.

Section 1. Community Facilities Parcels

Section 1.1 Uses and Selection. The Community Facilities Parcels (also known as the Community Facility Parcels) are comprised of a total of six (6) acres of land in Phase 1 of the Shipyard. The Community Facilities Parcels will be used to provide, preserve and leverage such critical local resources as social services, education and other community services as determined by the Agency in collaboration with the CAC and the BVHP Representative Entity. As guiding principles, these Community Facilities Parcels should be used in a manner that will (1) enhance the overall quality of life of residents at the Shipyard and in the greater Bayview Hunters Point Area (meaning areas encompassed within the 94124, 94134 and 94107 zip codes as of the Effective Date of the Agreement, defined herein as the “BVHP Area”) and (2) support the creation of a vibrant new Shipyard neighborhood.

Following approval of the DDA, the Agency and the Developer will work in collaboration with the CAC to undertake a planning process that will set forth, among other things, the range of acceptable uses for the Community Facilities Parcels on Parcel A-1. As set forth in Section 6.6(c)11 of the DDA, the development of a plan for such parcels will be a condition to the Close of Escrow on Parcel A-1.

Following approval of the DDA, the Agency and the Developer will work in collaboration with the CAC to undertake a planning process that will set forth, among other things, the range of acceptable uses for the Community Facilities Parcels on Parcel B-1. As set forth in Section 6.6(c)(11) of the DDA, the development of a plan for such parcels will be a condition to the Close of Escrow on Parcel B-1.

Section 1.2 Developer’s Community Facilities Parcels Obligations. In addition to its obligation to collaborate with the Agency and the CAC to develop and undertake a planning process as specified in Section 1.1, Developer is also responsible, in accordance with the DDA and the Infrastructure Plan, for providing the necessary Horizontal Improvements to Community Facility Parcels to create serviceable lots, including rough grading with positive slope(s) enabling drainage towards the street, and not across interior parcel lines. Community Facilities Parcels will be created with the construction of new street segments and finished with an approved streetscape. Wet and dry utilities construction will include extending these services to each parcel

appropriately sized for the expected land uses determined through the process set forth in Section 1.1, above.

Section 1.3. Development of Community Facilities Parcels. The Agency and the community view the Community Facilities Parcels as an integral long-term community benefit for the Bayview Hunters Point Area and the City as a whole. In light of the foregoing, the Agency will identify certain land use restrictions, based on land uses determined in consultation with the CAC as further described in Section 1.1, above, for the Community Facilities Parcels which shall ensure that such parcels shall be dedicated to community purposes in perpetuity. The development of the Community Facilities Parcels will be determined by the Agency as part of the collaborative planning process with the CAC and the BVHP Representative Entity, as set forth below.

Section 2. Establishment of a Quasi-Public Entity

Section 2.1. Initial Formation. The Agency's staff will work with the CAC and other community groups in the BVHP Area to develop a plan, subject to Commission approval, for establishing a quasi-public entity representing the BVHP Area (the "BVHP Representative Entity") that, in collaboration with the CAC, will be charged with analyzing community needs and making recommendations to the Agency Commission on the use of Agency's net land sale proceeds, as referenced in Section 3, to address those needs. It is anticipated that a portion of net land sale proceeds will be administered by this quasi-public entity. The Agency will work with the CAC to identify potential sources for pre-funding the BVHP Representative Entity, including without limitation, grants from governmental entities, private foundations or other sources.

Section 2.2. Key Principals. While further analysis and community input will be necessary to determine the precise nature (i.e., whether it is a community foundation, a public benefit corporation, etc.) and the role of the BVHP Representative Entity, as well as its relationship to the Agency, the BVHP Representative Entity will be formed according to the following key principles:

(a) The governing body will have meaningful community representation, with members recruited and selected through an open and fair public process;

(b) As a quasi-public body, the BVHP Representative Entity will operate in conformance with all applicable laws and regulations governing conflicts of interest and open public meetings;

(c) The BVHP Representative Entity will be charged with making recommendations that ensure the BVHP Area and not just a few individuals benefit from the use of the Agency's net land sale proceeds;

(d) Transparency and public accountability will necessarily guide all operations and actions of the BVHP Representative Entity;

(e) Use of funds will focus on building the capacity of existing community-based entities wherever possible; and

(f) Use of funds will be geared towards leveraging additional outside sources of funds to the maximum extent possible.

Section 3. Use of Agency Land Value and Agency Land Return

Section 3.1 Agency Account. The Agency shall establish and maintain a separate account or sub-account for the deposit of all net revenues (net of the Agency's administrative costs) received by the Agency under Attachments 25 and 26 of the DDA. One hundred percent (100%) of the net revenues shall be reinvested to benefit the BVHP Area ("Permitted Uses"), in consultation with the CAC and the BVHP Representative Entity and subject to Commission approval of each Community Benefits Budget (as described below), which Community Benefits will be separate from and in addition to any obligations of Lennar/BVHP to provide certain community benefits under the DDA. As set forth in Section 6.6(b)(7) of the DDA, the development of a plan for consultation with the CAC and the BVHP Representative Entity will be a condition to the Close of Escrow. Permitted Uses must: (a) benefit low- and moderate-income families; (b) eliminate blight; or (c) meet other urgent community development needs of the BVHP Area. The following activities have been suggested by the CAC as potential Permitted Uses:

(a) Financial and technical assistance for non-profit and for-profit community organizations and enterprises in acquiring and/or developing properties in the Shipyard, including, without limitation, assistance with respect to developing the Community Facilities Parcels;

(b) Financial assistance for construction and operation of additional community facilities;

(c) Affordable housing assistance, including without limitation using such funds to effectively reduce the maximum income levels for purchase or rental of the Affordable Housing Units through down payment assistance and other subsidies;

(d) Small business loan programs, including establishing a revolving loan fund;

(e) Additional financial assistance for existing job training, education, hiring and contractor selection programs;

(f) Community-based financial services;

(g) Childcare, youth and senior programs;

(h) Cultural and arts related programs;

- (i) Development of new programs or institutions required to implement the Redevelopment Plan;
- (j) Enhancements to infrastructure systems;
- (k) Enhancements to recreational and open space facilities and programs;
- (l) Leveraging such funds through available methods, such as CRA, COIN and foundation funding; and
- (m) Providing investments in Community Builders who undertake Vertical Development, either as a silent or an active partner.

As referenced in the Closing condition set forth in Section 6.6(c)(11), the Agency agrees to work with the CAC and the BVHP Representative Entity to develop and undertake a planning process by which the CAC and the BVHP Representative Entity will advise the Agency in the identification of Permitted Uses.

Section 3.2 Community Benefits Budget. Each fiscal year, Agency staff will prepare a budget detailing Permitted Uses for the following fiscal year (“Community Benefits Budget”), based on input from the CAC and BVHP Representative Entity, which will be presented to the Agency Commission for approval. Each Community Benefits Budget will set forth, among other things, the following items: (a) projected revenues for the upcoming fiscal year; (b) line item allocations to Permitted Uses, with projected schedules for payments; (c) expenditure priorities for selected Permitted Uses in the event that revenues are not sufficient to fund Permitted Uses fully; (d) cumulative receipts and disbursements; and (e) narrative discussion of the goals of each Permitted Use and progress made during the prior year towards the goals.

Section 3.3 Records and Reporting. The Agency shall maintain books and records of all receipts and disbursements related to the account in accordance with generally accepted accounting principles consistently applied, or in another auditable form (collectively, the “Records”). The Records shall be retained as "public" information. The Community Benefits Budget will be subject to annual audits, the results of which will be publicly disclosed.