RESOLUTION NO. 11-2014
Adopted March 4, 2014

APPROVING A MEMORANDUM OF UNDERSTANDING WITH THE SAN FRANCISCO OFFICE OF ECONOMIC AND WORKFORCE DEVELOPMENT TO PROVIDE WORKFORCE COMPLIANCE SERVICES TO THE OFFICE OF COMMUNITY INVESTMENT AND INFRASTRUCTURE IN FISCAL YEARS 2013-14 AND 2014-15 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED $278,792.00

WHEREAS, Prior to its dissolution, the Redevelopment Agency of the City and County of San Francisco (“Redevelopment Agency”) implemented numerous redevelopment plans under the California Community Redevelopment Law, Cal. Health & Safety Code §§ 33000 et seq. (“CRL”) and entered into enforceable obligations for development consistent with these plans. Mission Bay North Owner Participation Agreement (“OPA”) (1998); Mission Bay South OPA (1998); Disposition and Development Agreement (“DDA”) for Hunters Point Shipyard (“HPS”) Phase 1 (2003), DDA for Candlestick Point-HPS Phase 2 DDA (2010), and Transbay Implementation Agreement (2006) (“Major Approved Development Projects”); and,

WHEREAS, On February 1, 2012, state law dissolved the Redevelopment Agency and established successor agencies to fulfill the remaining enforceable obligations of former redevelopment agencies. Cal. Health & Safety Code §§ 34170 et seq. (“Redevelopment Dissolution Law”); and,

WHEREAS, The Board of Supervisors of the City and County of San Francisco (“Board of Supervisors”) delegated its authority, under Redevelopment Dissolution Law, as the Successor Agency to the Redevelopment Agency to the Office of Community Investment and Infrastructure (“OCII”) and authorized OCII to act in place of the former Redevelopment Agency Commission to implement, and approve contracts for, the Major Approved Development Projects and Retained Housing Obligations and to “take any action that the Redevelopment Dissolution Law requires or authorizes on behalf of the Successor Agency and any other action that the Commission deems appropriate consistent with the Redevelopment Dissolution Law to comply with such obligations, including . . . authorizing additional obligations in furtherance of enforceable obligations. . . .” Ordinance No. 215-12 (Oct. 4, 2012); and,

WHEREAS, The California Department of Finance (“DOF”) has finally and conclusively determined, under Cal. Health & Safety Code § 34177.5 (j), that certain development and funding obligations underlying the Major Approved Development Projects are enforceable obligations that have survived the dissolution of the Redevelopment Agency. Letter, S. Szalay, Local Government Consultant, DOF, to T. Bohee, Executive Director, OCII (Dec. 14, 2012) (Hunters Point Shipyard Phases 1 and 2); Letter, S. Szalay, Local Government Consultant, DOF, to T. Bohee, Executive Director, OCII (April 15, 2013) (Transbay); Letter, Justyn Howard, Assist. Program Budget
Manager, DOF, to T. Bohee, Executive Director, OCII (Jan. 24, 2014) (Mission Bay South and North). OCII also has pending with DOF a Request for a Final and Conclusive Determination that its Replacement Housing Obligation under Senate Bill No. 2113 (“SB 2113”) is an enforceable obligation; and,

WHEREAS, the Redevelopment Agency required in its enforceable obligations for the Major Approved Development Projects that developers and contractors use good faith efforts to employ local residents as a certain percentage of its construction workforce hires. See e.g. CP-HPS Phase 2 DDA, Section 14.2.1 and Exhibit X-A and X-B (applying an amended Bayview Hunters Point Employment and Contracting Policy (“BVHP ECP”) and requiring good faith efforts to employ 50% of construction workforce hires by trade and by hours from the Bayview Hunters Point (“BVHP”), surrounding areas, and San Francisco with first consideration to BVHP residents); Letter re HPS Phase 1 DDA (establishing that HPS DDA Phase 1 will comply with the BVHP ECP, as revised by Exhibit X-B of the CP-HPS Phase 2 DDA); and the Mission Bay South and North OPAs, Attachment H, Schedule 1 (Construction Work Force), (establishing goal of 50% of total hours worked in each trade for participation by San Francisco residents) (collectively, the “Good Faith Local Hiring Requirements”); and,

WHEREAS, the Redevelopment Agency imposed the Good Faith Local Hiring Requirements on a contract-by-contract basis, but established a consistent practice of measuring good faith compliance; and,

WHEREAS, the City and County of San Francisco has adopted hiring goals for local residents in certain public works projects. San Francisco Administrative Code § 6.22 (g) (“Mandatory Local Hiring Policy”). These goals are mandatory and currently require a participation level of 30% of all project work hours within each trade performed by local residents, with no less than 15% of all project work hours within each trade performed by disadvantaged workers. Moreover, at least 50% of the project work hours performed by apprentices within each trade shall be performed by local residents, with no less than 25% of project work hours performed by apprentices within each trade to be performed by disadvantaged workers; and,

WHEREAS, the Redevelopment Dissolution Law provides, among other things, that successor agencies may enter into new contracts “in compliance with an enforceable obligation that existed prior to June 28, 2011” and “may create enforceable obligations to conduct the work of winding down the redevelopment agency,” which includes work to fulfill enforceable obligations, Cal. Health & Safety Code § 34177.3 (a) & (b); and,

WHEREAS, OCII has continuing obligations to review and approve development projects required under the Enforceable Obligations and to ensure compliance with the Good Faith Local Hiring Requirements; and,

WHEREAS, CityBuild, an employment program under the Workforce Development Division of the Office of Economic and Workforce Development, provides
workforce training and job placement services to San Francisco residents interested in pursuing a career in the construction industry and also assists contractors that have been awarded projects in San Francisco with fulfilling their local hiring obligations ("Construction Workforce Compliance Services"). CityBuild is currently implementing a comprehensive workforce development plan as the placement partner in Transbay, Mission Bay and the Southeast Sector (Bayview Hunters Point Shipyard), but has not been able to implement fully the compliance monitoring services due to limited capacity; and,

WHEREAS, OCII desires to use the Construction Workforce Compliance Services of OEWD to assist it in monitoring and ensuring compliance with the Good Faith Local Hiring Requirements for its Major Approved Development Projects and other Enforceable Obligations; and,

WHEREAS, OCII will fund the MOU through developer reimbursement of actual billed hours and through other available funds, subject to the approval of expenditures on the Recognized Obligation Payment Schedules ("ROPS") that OCII submits every six months to the Oversight Board and the California Department of Finance ("DOF"). NOW THEREFORE BE IT

RESOLVED, by the Office of Community Investment and Infrastructure ("OCII") that the Executive Director is authorized to execute the Memorandum of Understanding between OCII and the San Francisco Office of Economic and Workforce Development, substantially in the form that is attached to this Resolution, to provide construction workforce compliance services that are authorized under the Major Approved Development Projects and Retained Housing Obligations.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of March 4, 2014.

Attachment: Memorandum of Understanding with San Francisco Office of Economic and Workforce Development ("OEWD"), including Exhibits A-D

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Commission Secretary