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

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

RECITALS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

<table>
<thead>
<tr>
<th>OCII Permanent Sources</th>
<th>OCII</th>
<th>Master Developer Subsidy (&quot;MDS&quot;)</th>
</tr>
</thead>
<tbody>
<tr>
<td>OCII Funding Base</td>
<td>$2,797,550</td>
<td></td>
</tr>
<tr>
<td>OCII Funding &quot;Cost Overruns&quot;</td>
<td>$4,463,731</td>
<td></td>
</tr>
<tr>
<td><strong>Total OCII Funding</strong></td>
<td><strong>$7,261,281</strong></td>
<td></td>
</tr>
<tr>
<td>CP DEV CO Funding Base</td>
<td>$7,490,000</td>
<td></td>
</tr>
<tr>
<td>CP DEV CO Funding &quot;Cost Overruns&quot;</td>
<td>$7,141,970</td>
<td></td>
</tr>
<tr>
<td><strong>Total Master Developer Subsidy</strong></td>
<td><strong>$14,631,970</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Total Loan Amount</strong></td>
<td><strong>$21,893,251</strong></td>
<td></td>
</tr>
</tbody>
</table>

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

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

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

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

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

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

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

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

**AGREEMENT**

1. **Amendments to the Loan Agreement**

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

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

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

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

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

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

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

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

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

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

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

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

2. Representations and Warranties.

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

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

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

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

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

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

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

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

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

By: __________________________
Tiffany Bohee
Executive Director

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

By: __________________________
Kevin J. McCormack, President

APPROVED AS TO FORM:

**DENNIS J. HERRERA**
City Attorney

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

LETTER OF CREDIT TERM SHEET

30910004/525814v2
EXHIBIT E

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

AMONG

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

HOUSING AUTHORITY OF THE CITY AND COUNTY OF SAN FRANCISCO,

MAYOR’S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT

AND

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

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

SECTION I. PURPOSE

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

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

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

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

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

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

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

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

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

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

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

SECTION II. AGREEMENTS AMONG PARTICIPATING PARTIES

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

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

2. CONSTRUCTION WORKFORCE

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

b The Agency will monitor and enforce the BVHP ECP.

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

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

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

3. PROFESSIONAL SERVICES TRAINEE REQUIREMENTS

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

b The Agency will monitor and enforce the BVHP ECP.

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

4. PERMANENT WORKFORCE

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

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

c The Agency will monitor and enforce the BVHP ECP.

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

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

SECTION III. BVHP ECP MODIFICATIONS

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

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

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

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

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

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

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

**SECTION IV. ROLES AND RESPONSIBILITIES**

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

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

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

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

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

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

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

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

AGENCY:

Approved as to Form: SUCCESSOR AGENCY TO THE
DENNIS J. HERRERA, REDEVELOPMENT AGENCY OF THE CITY AND
City Attorney, COUNTY OF SAN FRANCISCO,
as counsel to the Agency a public body, corporate and politic,
of the State of California

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

SFHA:

Approved as to Form: HOUSING AUTHORITY OF THE CITY AND
By: __________________ By: __________________
Dianne Jackson McLean Name: Barbara T. Smith
Goldfarb & Lipman LLP Special Legal Counsel Title: Acting Executive Director

MOHCD:

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

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

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

By: __________________________
Heidi J. Gewertz
Deputy City Attorney

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

By: __________________________
Name: Todd Rufo
Title: Director

ACKNOWLEDGED AND AGREED

MASTER DEVELOPER:

CP DEVELOPMENT CO., LP,
a Delaware limited partnership

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

By: __________________________
By: Kofi Bonner
Title: President

HOUSING DEVELOPER

DOUBLE ROCK VENTURES, LLC,
a Delaware limited liability company

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

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

Legal Description of Alice Griffith Site

[ATTACHED]

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

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

BEGINNING at the point of intersection of the Southwesterly line of Carroll Avenue with the Easterly line of Hawes (NOTE: for the purpose of this description the Southwesterly line of Carroll Avenue is taken to be South 54°28’21” East and all bearings mentioned herein are related thereto); thence South 54°28’21” East along said Southwesterly line of Carroll Avenue 1003.917 feet to a point distant thereon Southeasterly 339.917 feet from the Southeasterly line of Griffith Street, said point also being on the Westerly line of Salt Marsh and Tide Lands, as established by the Board of Tide Land Commissioners under the Act of March 30, 1868; thence South 42°45’30” West along said Westerly line 194.770 feet to the Westerly line of the right of way for the Southern Pacific and Western Pacific Railroad Companies, 200 feet wide as fixed and designated by the Board of Tides Land Commissioners under the Act of March 30, 1868, as said right of way is shown on Block Map No. 9, exhibiting the dimensions of lots and blocks as subdivided and shown on the map prepared by the Board of Tide Land Commissioners in accordance with provisions of Section 4 of said Act, on file in the office of the Surveyor General of the State of California; thence South 2°58’18” East 8.667 feet to the Northeasterly line of Donner Avenue, distant thereon 320 feet 9-1/2 inches Southeasterly from the Southeasterly line of Griffith Street; thence South 35°31’39” West 40.0000 feet to the center line of said Donner Avenue; thence South 54°28’21” East along said centerline 31.771 to the Westerly line of said 200 foot right-of-way; thence South 2°55’54” East 51.082 to the Southwesterly line of Donner Avenue, distant thereon 215 feet 6 inches Northwesterly from the Northwesterly line of Fitch Street; thence South 2°57’26” East 255.500 feet to the Northeasterly line of Egbert Avenue, distant thereon 56 feet 8 inches Northwesterly from the Northwesterly line of Fitch Street; thence South 35°31’39” West 40.044 feet to the center line of Egbert Avenue; thence South 54°28’21” East along said center line of Egbert Avenue 31.835 feet to the Westerly line of said 200 feet right of way; thence South 2°57’26” East 39.905 feet to the Northwesterly line of Fitch Street, distant thereon 8.809 feet Northeasterly from the Southwesterly line of Egbert Avenue; thence running along said Northwesterly line of Fitch Street South 35°31’35” West 388.809 feet to a line parallel with and perpendicularly distant Southwesterly 100.00 feet from the Southwesterly line of Fitzgerald Avenue; thence North 54°28’21” West along said parallel line 1264.00 feet to said Southeastery line of Hawes Street; thence North 35°31’39 East along said line of Hawes Street 940.88 feet to the point of beginning.
EXCEPTING THEREFROM the parcel of land as described in the deed to the City and County of San Francisco recorded July 20, 1955, in Official Records, Book 6658 at page 572, in the Office of the Recorder of the City and County of San Francisco, State of California. APN: Lot 020, Block 4884.

AND EXCEPTING THEREFROM, the parcel of land as described in the deed to the Redevelopment Agency of the City and County of San Francisco recorded June 18, 2008, in the Official Records as Instrument Document-2008-1599648-00, Reel J665, Image 0181 in the Office of the Recorder of the City and County of San Francisco, State of California.
EXHIBIT X-A

Bayview Hunters Point Employment and Contracting Policy

[ ATTACHED ]
Exhibit A

Redevelopment Agency of the
City and County of San Francisco

BAYVIEW HUNTERS POINT
EMPLOYMENT AND CONTRACTING POLICY

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

A. Purpose

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

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

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

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

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

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

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

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

II. HIRING GOALS

A. Construction Workforce Hiring Goal

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

B. Permanent / Temporary Workforce Goal

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

C. Trainee Goals

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

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

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

III. DEFINITIONS

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

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

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

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

6. **CBO** means any community based organization that provides training, education and referral services to BVHP Residents, including but not limited to:

   Young Community Developers, Inc., 1715 Yosemite Avenue, San Francisco, CA 94124, (415) 822-3491;
   Mission Hiring Hall, 3042 – 16th Street, San Francisco, CA 94103, (415) 626-1919
   (Construction jobs only);
   South of Market Employment Center, 288 – 7th Street, San Francisco, CA 94103, (415) 865-2105
   (Permanent Jobs only) and
   Ella Hill Hutch Community Center, 1050 McAllister Street, San Francisco, CA 94115, (415) 921-6276

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**A. Agency Action Projects**

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

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

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

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

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

B. Private Significant Projects

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

   - **Housing Projects**: new construction, an addition, a conversion, or substantial rehabilitation that results in the creation or addition of ten or more residential units; or

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

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

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

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

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

C. CityBuild and Public Improvements

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

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

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

D. Small Private Projects

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

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

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

V. TERM

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

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

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

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

VI. APPLICABLE COMMUNITY REDEVELOPMENT LAWS

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

   **33422.1. Preference in Awarding Contracts to Local Businesses.**

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

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

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

33423. Prevailing Wage Rates Required.

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

33424. Payment of Prevailing Wages.

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

33425. Penalty for Noncompliance with Prevailing Wages.

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

33426. Record of Wages.

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

VII. CONSTRUCTION WORKFORCE HIRES

A. Procedures For Construction Workforce Hires

1. Compliance with the Policy

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

2. Execute Employment and Contracting Agreement

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

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

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

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

4. **Submit Subcontractor Information Form**

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

5. **Preconstruction Meeting**

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

6. **Submit Construction Worker Request Form**

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

7. **Response from CBO**

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

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

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

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

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

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

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

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

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

12. **Hiring Apprentices**

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

13. **Termination and Replacement of Referrals**

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

**B. Reporting Requirements For Construction Workforce**

1. **Submission of Certified Payroll Reports**

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

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

3. **Additional Information**

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

4. **Report on Terminations**

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

5. **Inspection of Records**

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

6. **Failure to Submit Reports**

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

7. Submission of Good Faith Effort Documentation

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

8. Coding Certified Payrolls

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

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<th>CRAFT CODE</th>
<th>DESCRIPTION</th>
<th>CRAFT CODE</th>
<th>DESCRIPTION</th>
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<tbody>
<tr>
<td>1</td>
<td>Electrician</td>
<td>22</td>
<td>Carpet, Linoleum and Vinyl Tile Layer</td>
</tr>
<tr>
<td>2</td>
<td>Iron Worker</td>
<td>23</td>
<td>Elevator Constructor</td>
</tr>
<tr>
<td>3</td>
<td>Sheet Metal Worker</td>
<td>24</td>
<td>Cement Mason</td>
</tr>
<tr>
<td>4</td>
<td>Asbestos Worker/</td>
<td>25</td>
<td>Laborer or Allied Worker</td>
</tr>
<tr>
<td></td>
<td>Heat &amp; Frost Insulator</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Plumber, Pipe or Steamfitter</td>
<td>26</td>
<td>Glazier &amp; Glassmaker</td>
</tr>
<tr>
<td>6</td>
<td>Refrigeration</td>
<td>27</td>
<td>Painter, Paperhanger, Taper</td>
</tr>
<tr>
<td>7</td>
<td>Boilermaker</td>
<td>28</td>
<td>Sign Installer</td>
</tr>
<tr>
<td>8</td>
<td>Sprinkler Fitter</td>
<td>29</td>
<td>Scrapper</td>
</tr>
<tr>
<td>9</td>
<td>Brick, Caulk, Marble, Point, Terrazzo</td>
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</tr>
<tr>
<td>10</td>
<td>Hod Carrier</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Terrazzo Finisher</td>
<td>32</td>
<td>Low Voltage Electrician</td>
</tr>
<tr>
<td>12</td>
<td>Plasterer</td>
<td>33</td>
<td>Towboat Operator-Marine Engineer</td>
</tr>
<tr>
<td>13</td>
<td>Lather</td>
<td>34</td>
<td>Towboat Deckhand-Inland Boat worker</td>
</tr>
<tr>
<td>14</td>
<td>Carpenter or Drywall Hanger</td>
<td>35</td>
<td>Owner/Operator - Truck</td>
</tr>
<tr>
<td>15</td>
<td>Mill Worker or Cabinetmaker</td>
<td>36</td>
<td>Owner/Operator - Heavy Equipment</td>
</tr>
<tr>
<td>16</td>
<td>Millwright</td>
<td>37</td>
<td>Upholsterer</td>
</tr>
<tr>
<td>17</td>
<td>Roofer</td>
<td>38</td>
<td>Teamster, Construction</td>
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<tr>
<td>18</td>
<td>Pile Driver</td>
<td>39</td>
<td>Janitor</td>
</tr>
<tr>
<td>19</td>
<td>Surveyor/Operating Engineer</td>
<td>40</td>
<td>Environmental Control System Installer</td>
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<tr>
<td>20</td>
<td>Tile (Ceramic)/Marble Finisher</td>
<td>41</td>
<td>Window Cleaner</td>
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<tr>
<td>21</td>
<td>Tile (Ceramic)Setter</td>
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</thead>
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VIII. TRAINEE HIRES

A. Procedures For Trainee Hires

1. Compliance with the Policy

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

2. Execute Employment and Contracting Agreement

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

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

3. **Contact Educational Institutions**

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

4. **Response from Educational Institutions**

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

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

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

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

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

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

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

8. **Termination of Trainee for Cause**

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

B. **Reporting Requirements For Trainee Hires**

1. **Annual Reporting**

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

2. **Report on Terminations**

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

IX. PERMANENT / TEMPORARY WORKFORCE POLICY

A. Permanent / Temporary Workforce Hires

1. Policy Statement

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

2. Compliance with the Policy

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

3. Negotiate and Execute Employment and Contracting Agreement

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

4. Review of Permanent / Temporary Workforce Policy

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

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5 The same procedure for permanent / temporary workforce hires applies to all Project Sponsors regardless of whether the project is an Agency Action, private Significant Project, or small Private Project when the Project Sponsor has voluntarily subscribed to the Employment and Contracting Policy.
and goals as necessary to ensure that BVHP and San Francisco Residents are given First Consideration for these job opportunities.

X. AGENCY EQUAL OPPORTUNITY PROGRAM

A. Compliance with Agency’s Equal Opportunity Program

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

1. Small Business Enterprise Program

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

2. Nondiscrimination in Contracts and Equal Benefits Policy

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

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

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

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

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

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

1. **Designate a Point of Contact**

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

2. **No Retaliation**

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

3. **No Discrimination**

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

4. **Collective Bargaining Exclusion**

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

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

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

6. **Existing Workforce**

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

7. **Use of Debarred Entities Prohibited**

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

8. **Incorporation**

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

9. **Severability**

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

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

**XII. ARBITRATION OF DISPUTES**

1. **Arbitration by AAA**

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

2. **Demand for Arbitration**

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

3. **Parties’ Participation**

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

4. **Agency Request to AAA**

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

5. **Selection of Arbitrator**

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

6. **Setting of Arbitration Hearing**

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

7. **Discovery**

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

8. **California Law Applies**

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

9. **Arbitration Remedies and Sanctions**

   The arbitrator may impose only the remedies and sanctions set forth below:

   a. Order specific, reasonable actions and procedures, in the form of a temporary restraining order, preliminary injunction or permanent injunction, to mitigate the effects of the non-compliance and/or to bring any non-compliant Arbitration Party into compliance with the Employment and Contracting Policy Agreement.

   b. Require any Arbitration Party to refrain from entering into new contracts related to work covered by the Employment and Contracting Policy Agreement, or from granting extensions or other modifications to existing contracts related to services covered by the Employment and Contracting Policy Agreement, other than those minor modifications or extensions necessary to enable compliance with the Employment and Contracting Policy Agreement.

   c. Direct any Arbitration Party to cancel, terminate, suspend or cause to be cancelled, terminated or suspended, any contract or portion(s) thereof for failure of any Arbitration Party to comply with any of the requirements in the Employment and Contracting Policy Agreement. Contracts may be continued upon the condition that a program for future compliance is approved by the Agency.

   d. If any Arbitration Party is found to be in willful breach of its obligations hereunder, the arbitrator may impose a monetary sanction not to exceed Fifty Thousand Dollars ($50,000.00) or ten percent (10%) of the base amount of the breaching party’s contract, whichever is less, for each such willful breach; provided that, in determining the amount of any monetary sanction to be assessed, the arbitrator shall consider the financial capacity of the breaching party. No monetary sanction shall be imposed pursuant to this paragraph for the first
willful breach of the Employment and Contracting Policy Agreement unless the breaching party has failed to cure after being provided written notice and a reasonable opportunity to cure. Monetary sanctions may be imposed for subsequent willful breaches by any Arbitration Party whether or not the breach is subsequently cured. For purposes of this paragraph, "willful breach" means a knowing and intentional breach.

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

10. **Arbitrator’s Decision**

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

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

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

12. **Arbitrator Lacks Power to Modify**

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

13. **Jurisdiction/Entry of Judgment**

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

<table>
<thead>
<tr>
<th>BVHP Employment and Contracting Policy</th>
<th>Agency-Action Projects</th>
<th>Private Significant Projects</th>
<th>CityBuild &amp; Public Improvements</th>
<th>Small Private Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>BVHP Employment and Contracting Policy</td>
<td>Mandatory⁶</td>
<td>Mandatory</td>
<td>Voluntary but Encouraged</td>
<td>Voluntary but Encouraged</td>
</tr>
<tr>
<td>Small Business Enterprise Policy</td>
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<td>Voluntary but Encouraged⁷</td>
<td>Voluntary but Encouraged</td>
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<td>Nondiscrimination and Equal Benefits Policy</td>
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<td>Healthcare Accountability Policy</td>
<td>Mandatory</td>
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<tr>
<td>Agency’s Prevailing Wage Policy</td>
<td>Mandatory</td>
<td>Voluntary but Encouraged⁸</td>
<td>Voluntary but Encouraged</td>
<td>Voluntary but Encouraged</td>
</tr>
</tbody>
</table>

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⁶ Mandatory means that the Project Sponsor is required to comply with the Agency’s policy. However, each Agency policy has its own threshold and compliance requirements. For example, the Agency’s Minimum Compensation Policy (“MCP”) will apply to all Agency-Action projects but MCP has no compliance requirements for Project Sponsors with less than 25 employees.

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

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

Revisions to and Interpretations of BVHP ECP for the Project

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

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

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

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

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

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

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

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

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

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

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

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

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

Screening Criteria

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

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

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

Exhibit J
employer, teacher, social worker, medical professional, or community leader;
- (4) if the offense is related to acts of domestic violence committed against the applicant;
- (5) if the offense was related to a person’s disability.
Tenant Selection Plan Policy

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

Application Process

- **Application Materials.** The housing provider’s written and/or electronic application materials should:
  - outline the screening criteria that the housing provider will use;
  - provide space(s) for the applicant to explain any conviction, eviction, tenancy issues or credit concerns and present evidence that he or she will be a suitable tenant;
  - outline how an applicant may request a modification of the admission process and/or a change in admission policies or practices as a reasonable accommodation;
  - be written in language that is clear and readily understandable.

- **First Interview.** In accordance with the housing provider policies, each applicant with the minimum eligibility requirements for housing unit shall be offered the opportunity for an interview.

- **Second Interview.** Before issuing a denial, the housing provider should consider offering a second interview to resolve issues and inconsistencies, gather additional information, and assist as much as possible with a determination to admit the applicant.

- **Confidentiality.** All information provided will be kept confidential and be used only by the housing provider, the referring agency and the funding agency for the purpose of assisting and evaluating the applicant in the admission process.

- **Delays in the Process.** If delays have occurred or are likely to occur in the application and screening process or the process exceeds the housing provider’s normal timeline for application and screening, the housing provider must immediately inform the referring agency and the funding agency, of the status of the application, the reason for the delay and the anticipated time it will take to complete the application process.

- **Problems with the Referring Agency.** If at any point the housing provider has difficulty reaching or getting a response from the applicant and referring agency, the housing provider must immediately contact the referring agency, if possible, and the funding agency, DPH or HSA.

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

**Reasonable Accommodation and Modification Policy**

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

**Reasonable Modification:** Applicant may request a reasonable modification if he or she has a disability and as a result of the disability needs:
- a physical change to the room or housing unit that would give the applicant an equal chance to live at the development and use the housing facilities or take part in programs on site;
- a physical change in some other part of the housing site that would give the applicant an equal chance to live at the development and use the housing facilities or take part in programs on site.

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

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

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

**Notice of Denial and Appeal Process**

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

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

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