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Agenda Item **No. 5(d)**
Meeting of April 2, 2024

INFORMATIONAL MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Thor Kaslofsky, Executive Director

SUBJECT: Informational Memorandum on the Master Developer Compliance for the Community Benefits Agreement for Hunters Point Shipyard Phase 1 for the period of January 2021 through December 2022 and Legacy Fund Update; Hunters Point Shipyard and Bayview Hunters Point Redevelopment Project Areas

EXECUTIVE SUMMARY

The Office of Community Investment and Infrastructure ("OCII") oversees the implementation of development at Candlestick Point and Hunters Point Shipyard ("HPS/CP"). The development is governed by two separate Disposition and Development Agreements (the "DDAs") entered into between OCII and two Master Developers, both affiliates of Lennar Urban. The Hunters Point Shipyard Phase 1 DDA ("Phase 1 DDA") with HPS Development Co., LP ("Phase 1 Master Developer" or "Lennar") governs the Phase 1 project, which includes development of up to 1,428 homes and 26 acres of parks and open space on the Hilltop and Hillside sites. The Candlestick Point and Hunters Point Shipyard Phase 2 DDA ("Phase 2 DDA", together with Phase 1 DDA, "DDAs") with CP Development Co., LP ("Phase 2 Master Developer"), governs the Phase 2 project, which includes development of up to 10,672 homes, approximately 5 million square feet of research and development/office space, 630,000 square feet of regional and neighborhood-serving retail, , and approximately 325 acres of parks and open space on the remainder of the Hunters Point Shipyard site as well as Candlestick Point. Together, the development of Phase 1 and Phase 2 projects will be referred to as the "Project."

Both the Phase 1 and Phase 2 DDAs contain robust Community Benefit commitments to be fulfilled by the Master Developers. For Phase 1, these community benefits are principally set forth in the Phase 1 DDA, and the Phase 1 Community Benefits Agreement, as amended in 2009 (the "Phase 1 CBA"). For Phase 2, these community benefits are principally set forth in the Phase 2 DDA, including its Community Benefits Plan (the "Phase 2 CBA").

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As required by the Phase 1 CBA, and at the request of the Commission, this memorandum provides an overview and status of the Phase 1 Master Developer's compliance with community benefit commitments contained in the Phase 1 DDA. This memorandum provides a short description of each benefit and a compliance analysis. A table of the Master Developer's compliance with all the community benefits is provided in Attachment 1. Due to the pause of Phase 2 development, the majority of Phase 2 CBA obligations have not been triggered, with the exception of early Phase 2 CBA requirements, which have already been met. For the aforementioned reasons, this report will focus primarily on Phase 1 Master Developer's obligations to the CBA program requirements.

As illustrated in Attachment 1 and in this memorandum, the Phase 1 Master Developer is in substantial compliance with its requirements under the Phase 1 CBA and has provided an array of benefits to the Bayview Hunters Point ("BVHP") community. Where requirements have not been fully met, this memorandum addresses the reasons for non-compliance and proposes corrective actions.

COMMUNITY BENEFITS OVERVIEW

The CBAs' goals are to ensure that the local BVHP community has the opportunity to participate in, and benefit from the Project including but not limited to the economic opportunities that it presents. The Project will produce additional benefits for the community, include providing affordable housing, the creation and rehabilitation of parks and open space, local hire for construction and end-use jobs, and small business participation. These benefits are in addition to the Phase 1 CBA and the Phase 2 CBA.

Additionally, some community benefits are administered by the Legacy Foundation, an advisory body to OCII that is overseen by a Board of Directors that was formed in accordance with the Phase 1 DDA. The Legacy Foundation is responsible for ensuring that the Phase 1 Developer's contribution to the Community Benefits Fund is expended for the benefit of the BVHP community. The Phase 1 DDA defined the Phase 1 Developer's contribution to a Community Benefits Fund ("Phase 1 Fund"). Similarly, the Phase 2 DDA Community Benefits Plan carried forward the same concept in a Community Benefits Fund ("Phase 2 Fund") with Legacy Foundation overseeing that as well. On February 7, 2017, by Resolution No. 04-2017, the Commission endorsed the Legacy Foundation's Five-Year Strategic Plan, which programmed monies of the Phase 1 Fund and Phase 2 funds for various community programs in accordance with the Legacy Foundation areas of priority.

PHASE 1 COMMUNITY BENEFITS

Below is a list of the applicable Community Benefit Programs for Phase 1. These programs, with the exception of item 13 are administered by the Developer.

1. Construction Assistance Program
2. Community Builder Program

3. Interim African Marketplace
4. Cultural/Historic Recognition Program
5. Business Incubator Space Program
6. Home Buyers' Assistance Program
7. Job Training and Employee Assistance Program
8. Local Community Priority Leasing Program
9. Small Business Assistance Program
10. Outreach Program
11. Community Facilities Lots
12. Community Benefits Status Reports
13. Community Benefits Fund (*administered by the Legacy Foundation*)

The above Phase 1 Community Benefit Programs are described in more detail below. For each requirement, a description of the program is provided followed by a compliance status update, along with any recommendations for corrective action.

1. Construction Assistance Program ("CAP")

Program Description: Pursuant to Section 2 of DDA Attachment 24B and as articulated in Phase 1 CBA, Section 3, Phase 1 Master Developer shall implement a Construction Assistance Program, "CAP", to ensure BVHP contractors and small business enterprises ("SBE") are given the opportunity to obtain needed insurance, technical, and financial assistance, and are not required to provide payment or performance bonds, in order to fully participate in the demolition and renovation of existing buildings, and construction of infrastructure and new residential, cultural, commercial, and community facilities at the Shipyard. CAP includes five programs, as more specifically described below:

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

Status Update:

- a) OCIP

The intent of this program is to ensure securing insurance is not a barrier to BVHP contractors. Due to limited insurance market capacity, it was not feasible for Phase 1 Master Developer to

purchase General Liability coverage for all Lennar contractors. Consequently, in lieu of providing coverage, Phase 1 Master Developer has opted to lower their General Liability limits below the limits required under OCIP on a project-by-project basis. These lower limit thresholds allow small businesses to meet insurance requirements. During the 2021-2022 Master Developer lowered General Liability limits by \$2.5 million, and 2021-2022 SBE participation was 79% and BVHP Participation was 69%. Between 2018-2022 the SBE participation was 82% and BVHP participation was 76% of the total contract dollars was awarded to BVHP Small Business Enterprises ("SBE").

b) Surety Bond Program

As required by the Surety Bond Program, the Phase 1 Master Developer has waived Surety Bond requirements for BVHP Area Contractors including payment and performance bonds. As required under the program, relevant contracts contain a clause explicitly prohibiting Surety Bond requirements.

c) Technical Assistance Program (TAP)

Phase 1 Master Developer contracts with Tyche Business Solutions ("Tyche"), as a contractor liaison to administer the various aspects of CAP, including the TAP. In 2022, Tyche provided services to local contractors and professional service firms seeking technical assistance in bidding, business development, access to capital resources, and more. Pursuant to program requirements, Tyche maintains an onsite office known as the CAP Trailer located on 421 Galvez Avenue. At the CAP Trailer, contractors have access to office equipment, a contractor plan room, estimating software, and webinar resources. The Master Developer supports the full cost of this operation.

Tyche has provided monthly reports to OCII and the Master Developer of their activities. During the 2021-2022 CAP provided assistance to over 300 visitors with technical support including, but not limited to construction software technology training, business marketing, bid proposal preparation, communication skills, change order processing, and referral assistance in acquiring financing or alternative resources. Assistance was provided one-on-one and through quarterly workshops during this period. Workshops included topics such as construction estimate and bidding, project management, business forms for contractors, understanding the basic of change orders, and Request for Information ("RFI") submittals.

d) Financial Assistance Program (FAP)

Phase 1 Master Developer implements the FAP through engaging contractors at the beginning of each project, including making Technical Assistance Resources (TAR) available to contractors seeking loans. Tyche works with contractors through a variety of financial workshops and in partnership with Working Solutions on such topics as how to finance construction mobilization and other workshops to improve contractors' credit readiness. In Q1-Q4 2022, there were no Phase 1 Lennar projects starting construction therefore the FAP was not applicable.

e) Mentorship Program

In 2022, the Mentorship Protégé Program (“Mentorship Program”) continued to be administered by Renaissance Entrepreneurship Center (“Renaissance”). Renaissance has led program efforts since 2010. Protégés received construction related administrative support, project management and marketing services from Light Frame Construction and Big Mouth Productions. Additionally, Contractors received financial management and tax consultation from Chu & Waters LLC.

Other program highlights include Renaissance consulting and supporting District 10 (“D10”) contractors in their creation of the Micro LBE Trucking Program, which aims to increase opportunities for SF LBE trucking businesses. Renaissance also advocated for increased opportunities for Micro-LBE contractors in D10 through participation in developing of a pilot LBE Neighborhood Preference Program, which creates bidding preference for Micro LBE’s in D10.

Renaissance hosted various networking events dedicated to assisting small D10 businesses, including a quarterly meeting for a D10 focused loan fund, in an effort to help local contractors secure working capital.

Nearly ninety percent (90%) of the clients Renaissance served are African American, of which sixty percent (60%) are low moderate income and twenty percent (20%) are extremely low-income. All clients served by the Mentorship Program either live or operate their businesses in D10. This training has led to proteges to receive contracts worth a total of \$11M in 2021 and \$4.36M in 2022 as is reflected in the attachment. Renaissance worked with 10 protégé companies in 2021 and 8 protégé companies in 2022.

Summary and Recommendations:

While Phase 1 Developer was overall in compliance of the Construction Assistance Program, OCII recommends Phase 1 Developer take additional measures to enhance the FAP including continuing to offer financial workshops through CAP and engage financial institutions with the aim of providing greater access to capital and financial services to BVHP small businesses in anticipation of future work.

2. Community Builder Program

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

Per the Phase 1 CBA, Community Builders may access the Community Builder Program in the following ways:

- a) Acquire assigned lots and develop these lots as an “Independent Community Builder”.
- b) Jointly acquire an assigned lot with an affiliate of Master Developer and develop the site

- as a “Joint Venture Community Builder”; or
- c) Assist a Vertical Developer as a “Fee Developer Community Builder” without being required to contribute to the costs of the lot purchase or development.

Status Update for Phase I:

Community Builder lots have been assigned to the following nine Community Builders identified below in Table 1. Community Builder Agreements were executed in accordance with the Community Builder Program. For a visual overview of Community Builder lots, please see *Attachment 3: Hilltop Site Map* and *Attachment 4: Hillside Block 48*. In total 458 units have been assigned to Community Builders across nine market-rate housing lots in Phase 1.

Table 1

Phase 1 Block Number	Community Builder	Units
Block 1	Tabernacle Community Development Corporation	224
Block 48 A	San Francisco Housing Development Corporation	16
Block 48 F&J	Shiloh Full Gospel Church	80
Block 48 K	The Baines Group/BHPMPSS	26
Block 48 O	Eagle Environment Consulting	11
Block 52	Al Norman/Derek Smith (Marinship)	77
Block 53*	MDC/C. Churchwell LLC	12
Block 54*	BAMEC	12

*Note: Blocks 53 and 54 are complete and Block 52 will be completed in June 2024. All other development Blocks are in predevelopment.

Summary and Recommendations:

No recommendations, Phase 1 Master Developer remains in compliance with this requirement.

3. Interim African Marketplace ("IAM")

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

Status Update for Phase I:

In 2006-2007, Phase 1 Master Developer organized events and later provided a \$180,000 cash contribution to OCII in furtherance of the IAM program. OCII organized events in 2008 and 2009, however following feedback from the Hunters Point Shipyard Citizen's Advisory Committee ("CAC"), the IAM was put on hold after the 2009 event. OCII returned the remaining fund balance of approximately \$80,000 to Phase 1 Master Developer. Future programming for the IAM will take place when the Phase 2 open space and or Community Facilities are built out.

Summary and Recommendations:

No recommendations, Phase 1 Master Developer is in compliance with this requirement.

4. Cultural/Historic Recognition Program ("CHRP")

Program Description: The Phase 1 CHRP program's Cultural/Historic Recognition Program (CHRP) aims to integrate cultural features throughout the Shipyard and to provide opportunities for local artists to participate in the creation of public art. CHRP elements include:

- a) The installation of 500 square feet of tiles designed by youth participants in a San Francisco Bayview Opera House art program.
- b) The creation of an walkway with a timeline of historic events.
- c) While no funding obligation was included with the CHRP program requirement, under the Phase 1 CBA, Phase 1 Master Developer was required to engage a fundraising consultant to pursue government, foundation, and private funding to underwrite the creation of an arts program, public art and the implementation of the CHRP.

Status Update for Phase I:

- a) Youth Tiles: As part of the creation of the Hilltop parks and open space, the required 500 square feet of youth tiles have been installed by Phase 1 Master Developer.
- b) Historic Walkway: Phase 1 Master Developer will install a historic signage program in the Hilltop Park Systems that highlights Shipyard specific history. Presentation of these signs will be presented to the community in the Spring/Summer of 2024.
- c) CHRP Program: From March 2005 through December 2006, Lennar contracted with LSM Legacies to conduct planning and fundraising services in furtherance of CHRP. In 2009, OCII initiated the "Shipyard Public Art" project by securing nearly \$1.5 million of federal grant funds from the U.S. Department of Commerce, Economic Development Administration ("EDA"). The EDA grant was used by OCII to procure public art pieces for the Hilltop portion of the Phase I Project. Nine public art pieces were commissioned and installed in 2015 for more information about the pieces go to <https://sfocii.org/hunters-point-shipyard-public-art>

Summary and Recommendations:

No recommendations, Phase 1 Master Developer remains in compliance with this requirement.

5. Business Incubator Space Program ("BISP")

Program Description: Phase 1 Master Developer is obligated to allocate space for a small business incubator program at the Shipyard at cost without profit. Program specifics require Phase 1 Master Developer to cooperate with the Agency in developing a Business Incubator Space Plan, obtaining approval, and selecting a Business Incubator Program Facilitator.

In September 2015, OCII acquired Building 813 from the Navy as a future site for BISP. In the future the Phase 2 Master Developer and OCII will work together to develop Building 813, an approximately 260k sq. ft. building, for use as a center for the incubation of emerging businesses and technologies.

Status Update for Phase 1:

The planned Phase 1 commercial space has not been developed yet and is slated for retail as recommended by the community. The CAC has received community feedback to active a portion of the HPS Site Office at 451 Galvez as a co-working community incubator space. Also, the BISP would be provided in Phase 2 of the Shipyard at Building 813 or elsewhere. This is consistent with the CBA requirement.

Summary and Recommendations:

No recommendations, Phase 1 Master Developer remains in compliance with this requirement.

6. Home Buyers' Assistance Program

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

- a) Down Payment Assistance
- b) First Time Buyer Financing Programs
- c) Homeownership Counseling Services.
- d) Ongoing outreach, including hosting quarterly workshops on homeownership opportunities and the qualification process.

Status Update for Phase 1:

The Down Payment Assistance and First Time Buyer Financing Programs: Per the CBA, Lennar through its affiliate mortgage company Universal American Mortgage Company ("UAMC") shall

offer zero down payment options to qualified buyers. In addition, the Lennar is to work with OCII and local community economic development organizations to identify (i) programs that could be the source of "gift" funds that may be used by qualified buyers for two percent (2%) of the required down payment on an Affordable Residential Unit in the Phase 1 Project pursuant to the Affordable Housing Plan, and (ii) programs that could provide other forms of financial assistance for such qualified buyers, and to provide qualified buyers with a list of such programs. Further, under the First Time Buyer Financing Program, the Developer is to work with its preferred lenders to provide information to qualified home buyers regarding any available fixed-rate financing for low and moderate-income first-time home buyers (individuals who have not owned a home within the past three years).

In regard to the Down Payment Assistance Program, UAMC is no longer in existence and is now Lennar Mortgage. Lennar Mortgage does not provide 0% down payment loans as the market does not support the availability of this loan type. No down payment assistance was offered in 2022-2021. The First Time Buyer Financing Program was not active in 2021-2022. Lennar is currently offering buydown rates for select homes at the Shipyard that are below the current rates offered in the market.

Homeownership Counseling and Outreach: The Homeownership Counseling and Outreach requirements are also set forth in the VDDAs. As a requirement of the Program, Vertical Developers are required to inform local organizations providing community-based homeownership counseling services of homeownership opportunities. Vertical Developers are also required to host quarterly workshops on homeownership opportunities and the qualification process.

During 2021-2022, no workshops were held due to COVID-19, limited home sales and staffing shortages. The Master Developer is actively working to resume the program in 2023, including resuming workshops and working with the Mayor's Office of Housing regarding new homeownership opportunities on the recently constructed Block 52.

Since 2005, Vertical Developers have engaged lenders to participate in Down Payment Assistance and First Time Buyer Financing Programs aimed at providing financing for qualified homebuyers. Between 2005 and Q2 2018, there were 71 first time homebuyer informational workshops with a total of 1,385 attendees.

Summary and Recommendations:

The developer is out of compliance. Developer is required to offer a program that aids qualified Phase 1 home buyers with various resources including: Down Payment Assistance; First Time Buyer Financing; Homeownership Counseling; and Outreach regarding homeownership opportunities. The requirement to maintain this program is on an ongoing basis and until the last home on the Project is sold.

Job Training and Employee Assistance Program ("JTP")

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

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

In furtherance of the JTP, Phase 1 Master Developer must contribute \$225,000 per year to fund community-based organizations ("CBOs") that provide job training services beginning at the close of escrow for Parcel A and until Phase 1 infrastructure is substantially complete.

Status Update for Phase 1:

Phase 1 Master Developer's total funding obligation under the JTP from 2005 until Q4 2022 is \$4,050,000 based on annual funding obligation of \$225,000. Through Q4 2022, the Phase 1 Master Developer has made \$4,475,336 in payments in furtherance of JTP exceeding the requirement.

Specifically in 2021 the Phase 1 Master Developer paid \$223,600 which includes \$175,000 for a Job Training Grant to Young Community Developers ("YCD") and \$48,600 to Renaissance. In 2022, Phase 1 Master Developer paid a \$175,000 Job Training Grant to YCD and an additional \$50,000 in job training funds were awarded to Renaissance Entrepreneurial Center, representing the full obligation of \$250,000 for the 2022 calendar year.

YCD is a leading job training organization in D10, and its portfolio of programs include educational services for GED/HS diploma completion; career training and certification; and a summer academy for D10 youth. As the designated Neighborhood Job Center Provider ("JCP"), YCD provides an array of workforce program to all D10 residents. A portion of JTP funds is earmarked for YCD's Barrier Mitigation Fund ("BMF"). In 2021-2022 the BMF supported barrier removal for BVHP employees and job seekers, including individuals indentured into Local Unions 261, 67 and 22.

Summary and Recommendations:

Phase 1 Master Developer remains in compliance with JTP requirements.

Local Community Priority Leasing Program

Program Description: As part of Section 10 of the Phase 1 CBA, the Phase 1 Master Developer and all Vertical Developers are obligated to encourage local businesses to lease available retail

spaces within the Phase 1 Project Area by actively notifying local businesses of upcoming leasing opportunities, including working with local CBOs in outreach efforts.

Status Update for Phase 1:

To date, no retail spaces have been developed in Phase 1.

Summary and Recommendations:

Phase 1 Developer has no current obligations as no retail spaces have been developed.

7. Small Business Assistance Program (“SBAP”)

Program Description: As part of Section 11 of the Phase 1 CBA, Phase 1 Master Developer is required to identify opportunities to assist small businesses in the BVHP area with obtaining contracts for and participating in other business opportunities at the Shipyard. In furtherance of this requirement, Phase 1 Master Developer is required to:

- a) Create and update no less than bi-annually a directory of local small businesses.
- b) Require its Phase 1 contractors and consultants to use their best efforts to purchase no less than 20% of the dollar value of all their Shipyard Project-related purchases from BVHP area small businesses subject to monthly reporting requirements. Lennar is required to include language in their contracts with consultants and contractors regarding this obligation.
- c) Host quarterly networking workshops for BHVP Area Small Businesses to inform them of upcoming contracting opportunities and provide them with an opportunity to market their goods and services to Lennar/BVHP and its contractors and consultants. The frequency of these workshops can be lessened if the Agency and Lennar/BVHP deem that less frequency is warranted.
- d) Identify Community Benefits Manager responsible for operating the SBAP and ensuring that all the components of the program are implemented as described.

Status Update for Phase 1:

Small Business Directory: Phase 1 Master Developer currently publishes a directory of local suppliers through CAP, which is administered by Tyche Business Solutions. The directory is shared with all contractors and consultants on the Project. The directory is updated through self-reporting.

20% Local Supplier Goals: Phase 1 Master Developer has revised its consultant and contractor agreements, adding language to make explicit the 20% BVHP Area Small Business supplier goal. However, the developer is not monitoring compliance with the 20% goal nor monthly reporting requirements. Only those purchases made directly by Lennar are tracked.

Quarterly Networking Workshops for BVHP Small Businesses: In 2021-2022 the Developer fell short of providing the quarterly meetings. Only two workshops per year were provided, partially due to COVID but also due to a lack of new contracting opportunities during this period. The developer does not expect to begin any new vertical development projects during the 2023-2024 period.

Community Benefits Manager: As the CAP program administrator, Tyche Business Solutions also administers the SBAP.

Summary and Recommendations:

The Phase 1 Master Developer is in partial compliance of the SBAP requirements with the exception of monitoring compliance of the 20% Local Supplier Goal. OCII recommends, Phase 1 Master Developer take the following steps to improve compliance with the SBAP:

Small Business Directory: Lennar/CAP should continue to update its directory of businesses located in BVHP, beyond the current practice of relying on businesses to self-report, to ensure that all local firms are captured. The directory should include a comprehensive list of potential SBE suppliers. An up-to-date directory will serve as a valuable resource for Lennar and its contractors in identifying and engaging local SBE suppliers.

20% Local Supplier Goal: Lennar should require all bidding contractors to list their SBE supplier(s) on their bid forms. Contractors must specify whether their suppliers qualify as SBEs and confirm if they are located within District 10. This mandatory disclosure will provide Lennar with crucial data regarding the utilization of local SBE suppliers during both the bidding and award process.

8. Outreach Program

Program Description: Section 12 of the Phase 1 CBA and Exhibit L of the Phase 1 CBA outlines certain tools and activities that Phase 1 Master Developer is required to carry out in order to facilitate the dissemination of important information, deadlines, and updates pertaining to business opportunities resulting from the redevelopment of the Shipyard. These tools include a website, a quarterly newsletter, special mailings, contractor fairs and similar outreach activities, and are intended to benefit BVHP businesses and residents. Phase 1 Master Developer is also required to translate communications into Chinese, Spanish and Samoan.

Status Update for Phase 1:

The Phase 1 outreach activities were done through the CAP and directly by Lennar. CAPs outreach database includes community groups like the SF African American Chamber of Commerce, Hispanic Chamber of Commerce, Asian Pacific Chamber of Commerce, Renaissance, the BVHP CAC, as well various local contractors and suppliers.

Lennar or Tyche disseminated project information directly to contractors including local trades and suppliers. Tyche conducted outreach campaigns on behalf of Lennar for specific contracting needs related to the HPS Block 52 project, involving scaffolding contractors (resulting in 6 participants bidding), flooring contractors (resulting in 12 participants bidding), and garage door suppliers and installers (resulting in 9 participants bidding). These efforts were aimed at actively engaging and informing local contractors about relevant workshops and contracting opportunities and resulted in a 79% Small Business Enterprise ("SBE") and 70% BVHP participation rate for Block 52

The Developer did not have any paid advertisements in English Spanish, Chinese or Samoan 2021-2022 since there were no new housing opportunities being administered by the Master Developer at that time. Workshop and housing advertising will occur in 2024 and will be communicated in English, Spanish, Chinese and Samoan.

Summary and Recommendations:

No recommendations, Phase 1 Master Developer remains in compliance with this requirement.

9. Community Facilities Parcels

Program Description: Under the Phase 1 and Phase 2 DDAs, Master Developer is required to provide OCII developable lots (including rough grading with positive slope(s) enabling drainage towards the street, and not across interior parcel lines) totaling 6 acres. Master Developer is required to provide the land to OCII free of charge, with no further obligations to fund the vertical construction. The Phase 1 DDA originally required that there be 6 acres of land for Community Facilities Parcels within Parcel A and Parcel B. However, Parcel B's Community Facilities Parcels (4.8 acres) is now in Phase 2 and Phase 1 total is now 1.2 acres as a Phase 1 obligation.

Status Update for Phase 1:

Developer has assigned Parcel A (1.2 acres) to OCII. The remaining 4.8 acres will be distributed through Phase 2 of the Project. Community Facilities Parcels may be used for a range of civic or community needs, including facilities for school, police, and fire. OCII, the CAC and Lennar will embark on Planning process during the Phase 2 development for these parcels.

Summary and Recommendations:

No recommendations, Phase 1 Master Developer is in substantial compliance.

10. Community Benefits Status Reports

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

Status Update for Phase 1: In 2018, a decision was made between Phase 1 Master Developer and OCII to temporarily replace quarterly reporting requirements with annual reporting. The Master Developer provided reports to OCII in 2021 and 2022. On September 18, 2023, Phase 1 Master Developer provided the Hunters Point Shipyard CAC with a Phase 1 Community Benefit Status Report/Presentation.

Summary and Recommendations:

The Master Developer is in substantial compliance, they reported to OCII in 2021 and 2022. The Master Developer did not report to the CAC in 2021 but did report to CAC in September 2023.

11. Community Benefits Fund

Program Description: In accordance with the Fifth Amendment to the Phase 1 DDA, Master Developer must contribute \$1 million a "Community Benefits Fund", which is to be reinvested by OCII in the Project area to:

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

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

Status Update:

To date, the Phase 1 Master Developer has contributed \$1 million to the Community Benefits Fund: \$500,000 in June 2012 and \$500,000 in June 2013. In February 2017, the OCII commission approved the Legacy Foundation's Strategic Plan which outlined planned usage for the Community Benefits Fund. To date the Legacy Fund has expended \$267,585 of the \$1 million funds.

Summary and Recommendations:

Phase 1 Master Developer has met the financial obligations of this program and is thus in compliance with program requirements.

Legacy Fund Cash Balances and Allocation Summary

The Legacy Foundation administers Phase 1 and Phase 2 monetary contributions in accordance with the Legacy Foundation Strategic Plan. With OCII staff support and Commission authorization, the spending of the CBA funds is directed by the Legacy Foundation made up of OCII staff and community members.

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PHASE 1 COMMUNITY BENEFIT FUNDS

Phase 1 Legacy Fund consists of a total developer contribution of \$1 million. Below is a description of each program remaining in Phase 1. To date, \$267,585 of Phase 1 funds have been expended on strategic plan consulting services, downpayment assistance program and student stipends. A detailed table of both Phase 1 and Phase 2 Fund expenditures and balances to date is provided in Attachment 5.

The total remaining balance of Legacy Fund Phase 1 is \$732,415. A detailed table of both Phase 1 and Phase 2 Fund expenditures to date and balances is provided in Attachment 3.

Living Stipends for Students and Scholarship America Administration: \$30,000
These Phase 1 funds are part of the larger Phase 2 Scholarship funds to pay for a five-year program of student living stipends and the administration of Scholarship Program. It is currently the third year of the Scholarship program.

Neighborhood Building Program \$39,315
The goal of this program is to spend funds on uplifting and inspiring events for the community.
(1) Community Dialogues: Organize periodic events to bring together cutting-edge thinkers, political, community leaders to address challenges facing the BVHP community.
(2) Community Heroes Recognition Ceremony: Create a community celebration to recognize unsung heroes of the community. This event took place on March 22, 2024 and was well attended by approximately 100 people.

College Readiness and Career Skill Building Grants: \$400,000
The Legacy Foundation seeks to support non-profit community-based organizations (this definition includes non-profit social enterprises, college, and university-sponsored projects) that offer out-of-school time programs which may include project-based learning opportunities that are assisted by tutoring, mentorships, internships and instructional curriculum that is focused on building Science, Technology, Engineering, Arts and Math and executive functions skills. The goal is to support 100 youth per year with these funds over a five-year period.

Contractor Assistance Fund: \$250,000
The goal of this program is to support investment in small local businesses and contractors that are committed to creating immediate work opportunities for local BVHP workers. This fund will ensure full opportunities for participation by small contractors in projects involving high value contracts. The program will also provide contractors with guidance through the process for bidding and local hiring goals by providing one-on-one consultations and contractor-focused group workshops and seminars.

Next Steps Phase 1 Legacy Activities for FY23-24:

- 1. Neighborhood Building Program: The Legacy Foundation will expend approximately \$20,000 on Community Heroes Recognition community event in Spring 2024. Legacy will expend the remaining funds to work with a consultant to develop themes and host 1-2 community dialogue events.
- 2. Contractor Assistance: Legacy Foundation will work with Working Solutions as a potential partner to be a fund manager.
- 3. Scholarship America: Remaining funds will be expended annually as part of a three years remaining on the five-year contract with Scholarship America.
- 4. College Readiness and Career Skill Building: The Legacy Foundation has decided to split the \$400,000 and allocate \$200,000 of this program for Downpayment Assistance Program for Certificate of Preference Holders. Legacy Foundation will work with Mayor's Office of Housing and Community Development for the Downpayment Assistance Program. For the remaining Legacy Foundation will outline components for an RFP to support a variety of non-profits in the college readiness and career skill buildings programs.

PHASE 2 COMMUNITY BENEFIT FUNDS

The Phase 2 Master Developer is current on their financial contributions per Phase 2 DDA Community Benefits Plan. Total Phase 2 fund expenditures to date is \$2,432,400 which consists of expenditures for the Scholarship Program (described below) and \$2.25 million for the Southeast Health Center and Wellness contribution. The current Legacy Fund balance for Phase 2 Community Benefits is \$1,067,600. (See Attachment 5 for a detailed table).

Scholarship Program: \$182,400
These funds are set aside for approximately fifty scholarships per year for a five-year period for youth and adults up to age thirty living in BVHP. The program is currently in year three of Scholarship disbursement. The estimated annual expenditure of the Scholarship payments is \$91,500 per year (this may vary slightly year to year). The balance of these funds covers administrative support for the Scholarship program funds. Some of these administrative costs are also partially covered by Phase 1 community benefit funds.

Will Bass Memorial Scholarship Fund: \$25,000
The purpose of these funds is to support educational travel to Africa or Asia to one African American Student from BVHP. The Legacy Foundation will want to disburse \$5000 per year to one Africa American student (18-25 years old). Legacy has discussed partnering with one or multiple institutions to distribute these funds over the next five-year period.

Insurance and Credit Support Program: \$250,000
This contribution is for the Agency to use as part of a surety bond or credit support program solely in connection to the Phase 2 project. This will allow contractors from the BVHP to obtain insurance or credit support that may be required to participate in the development of the Project. Since the project construction has been on hold OCII have not yet expended these funds.

Education Improvement Fund:

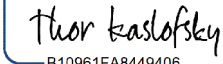
\$500,000

The funds paid to date are part of a multi-year developer contribution based on certain development triggers. These funds may be expended on new educational facilities or upgrades to existing resources and health and wellness education in schools. The Developer and the Agency may accelerate the payment of the total funds for this category for the construction of a new education facility.

Future Updates

OCII staff will present the 2023 Phase 1 Compliance Summary and any new updates on Legacy Fund expenditures in the Summer of 2024.

(Originated by Maria Pecot, Contract Compliance Specialist III and Lila Hussain, Senior Project Manager)

DocuSigned by:

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Thor Kaslofsky
Executive Director

Attachment 1: HPS/CP Community Benefits Compliance Tracker

Attachment 2: Master Developer Presentation 2021-2022

Attachment 3: Hilltop Site Map

Attachment 4: Hillside Block 48

Attachment 5: Legacy Fund Balance Table

OCII Community Benefits Agreement Compliance Analysis-Phase 1
January 2021 through December 2022

Attachment 1

Community Benefits Agreement Section	Description	Compliance Status	Complete/In Progress	Compliance Analysis	OCII Comments	2021	2022
Phase 1 § 3	Construction Assistance Program "CAP" Opportunities for BVHP Area Contractors as described in more detail below:	See below	In Progress				
	a) Owner Consolidated Insurance Program (OCIP): The purpose of this program is to allow BVHP contractors to secure adequate insurance coverage for work performed at the Shipyard. To the extent feasible the developer is required to make its OCIP program available to Local M/WBEs.	In Compliance	In Progress	Due to limited insurance market capacity, it was not feasible for Phase 1 Master Developer to purchase General Liability coverage for all Lennar contractors. Consequently, in lieu of providing coverage, Phase 1 Master Developer has opted to lower their General Liability limits that are lower than the limits required under OCIP on a project-by-project basis. These lower limit thresholds allow small businesses to meet insurance requirements, in furtherance of the intent of the program under the CBA. For the 2021-2022 lower insurance limits were set for the Block 52 project \$2.5 million dollars less than OCIP requirements. Between 2021-2022 SBE participation was 78.8% and BVHP Participation was 68.9%. Between 2018-2022 the SBE participation was 81.8% and BVHP participation was 75.6%.	—	In Compliance	In Compliance
	b) Surety Bond Program	In Compliance	In Progress	Master Developer has waived the surety bond requirement for BVHP area subcontractors, including payment and performance bonds.	—	In Compliance	In Compliance
	c) Technical Assistance Program (TAP)	In Compliance	In Progress	Master Developer contracted with Tyche Business Solutions, a BVHP based consultant, to administer for the Phase 1 CAP program. Tyche is located onsite in a project trailer and is open normal business hours, Monday through Friday. Lennar maintains the cost of the trailer. In 2021-2022 CAP provided assistance to over 280 BVHP contractors with technical support including, but not limited to construction software technology training, business marketing, bid proposal preparation, communication skills, change order processing, and referral assistance in acquiring financing or alternative resources. Assistance was provided one-on-one and through quarterly workshops during this period. Workshops included topics such as construction estimate and bidding, project management, business forms for contractors, understanding the basic of change orders, and RFI submittals	—	In Compliance	In Compliance

Community Benefits Agreement Section	Description	Compliance Status	Complete/In Progress	Compliance Analysis	OCII Comments	2021	2022
	d) Financial Assistance Program	In Compliance	In Progress	Master Developer contracted with Tyche Business Solutions who hosted financial workshops in partnership with Working Solutions on such topics such as the City's "Mobilization Loan Program". "Retirement Options for Small Businesses", and "Credit Readiness". In 2021, Lennar only had one housing project that went out to bid during this period where they provided property tour for with potential bidders. Those subcontractors also worked with Tyche to get additional services from the CAP program to be competitive for the bid opportunities. Between 2021-2022 SBE participation rate was 79% and BVHP participation was 69%.		In Compliance	In Compliance
	e) Mentorship Program	In Compliance	In Progress	The Mentorship Protégé program has been administered by the Renaissance Entrepreneurship Center since 2010. Lennar's funding is used primarily for coordinating trade-specific training and workshops. The scope of the training generally encompasses the following: -Trade Specific Training – Meeting with proteges to determine need/capacity (assessment), identify and refer proteges to partner organization who provide industry-specific training and follow up. -Office Operations Support- including certified payroll, accounting, support with pre-qualification, LBE certification(s), access to capital and conflict resolution. Mentoring/Business Coaching – Coordinate Business coaching and mentoring services related to protégé business goals, objectives and contract opportunities.	–	In Compliance	In Compliance
Phase 1 § 4	<u>Community Builder Program</u> 30% of private housing developments lots to be offered for development in partnership with Community Builders. The Community Builder shall include developers with primary business address in the BVHP area.	In Compliance	In Progress	On Phase 1, 458 units are being developed in partnership with Qualified Community Builders. Block 1-224 units Block 52-77 units Block 53-12 units Block 54-12 units Block 48A-16 units Block 48 F&J-80 units Block 48K- 26 units Block 48O-11 units	–	In Compliance	In Compliance

Community Benefits Agreement Section	Description	Compliance Status	Complete/In Progress	Compliance Analysis	OCII Comments	2021	2022
Phase 1 § 5	Interim African Marketplace (IAM) Master Developer must establish an Interim African Marketplace until the permanent site is completed	In Compliance	In Progress	Master Developer organized events in 2006 and 2007 and has subsequently provided a \$180,000 cash contribution to OCII to continue work in fulfillment of the IAM program. OCII organized events in 2008 and 2009. The remaining \$80,000 balance has been returned to Master Developer. The IAM has shifted from Phase 1 to Phase 2 Development. IAM sites will be built at Candlestick Point and the future Northside Park at Hunters Point Shipyard Phase 2.	–	In Compliance	In Compliance
Phase 1 § 7	Cultural Historic Recognition Program Master Developer is obligated to: a) identify opportunities for recognizing and enhancing cultural and historical context b) provide opportunities for local artists to participate in creating public art	In Compliance	In Progress	OCII has implemented the Shipyard Public Art program in the public open spaces that celebrate local history. Youth tiles were also installed in the open spaces. The Phase 1 Master Developer will also install a signage that cover the site history timeline signs in the Phase 1 parks in 2024.	–	In Compliance	In Compliance
Phase 1 § 7	Business Incubator Space Program Developer will provide space, including trailers, for business incubator program. Rent for the incubator space will be set at the levels necessary to recover the costs of providing the space without a profit, for so long as the Developer and affiliates are engaged in development activities at the Shipyard. Additionally, Developer will identify publicize and provide opportunities at the Shipyard for local start up.	In Compliance	In Progress	To date no commercial nor retail spaces have been built as part of the development. Given the limited amount of retail programmed planned in Phase 1 this program element may be incorporated into the larger Phase 2 development.	–	In Compliance	In Compliance
Phase 1 § 8	Home Buyer Assistance Program Master Developer is required to develop a program to provide assistance to qualified Phase 1 home buyers, including: a) Down Payment Assistance, b) First Time Buyer Financing Program, c) Homeownership Counseling	Out of Compliance	In Progress	The Down Payment Assistance and First Time Buyer Financing Programs are set forth in the Vertical DDAs. Master Developer and Vertical Developers are required to work with a mortgage company that has a zero down-payment option for qualified buyer. Lennar is unable to provide 0% down payment loans as the market does not support the availability of this loan type. Lennar is currently offering buydown rates for select homes at the Shipyard that are below the current rates offered in the market. These lower rates are offered either on 30-year or variable Adjustable Rate Mortgage depending on market conditions. The Developer did not meet its obligation to provide workshops and counseling services for homeownership due to staffing shortages and COVID 19.	With the sales of Block 52 coming on board in 2024 the Master Developer will reinstate their Homebuyer Assistance Program by providing quarterly workshops on homeownership opportunities until last home is sold on the last lot. Block 52 will be Lennar's last lot on Hilltop. Vertical construction will not begin on new Master Developer projects until 2025-2026.	Out of Compliance	Out of Compliance
Phase 1 § 9	Job Training and Employee Assistance Program Master Developer must contribute \$225,000 per year to fund community based organization that provide suitable job training services.	In Compliance	In Progress	The Developer paid \$223,600 in 2021 The Developer paid \$225,400 in 2022 While 2021 was less than the required annual amount of \$225,000 by \$1,400. Lennar's total Job Training funds paid to date exceed their overall requirements. The Developer's year-to-date obligation since the start of the program 2005 -2022 is \$4,050,000 and the Developer has paid a total of \$4,475,336, exceeding their total obligation.		In Compliance	In Compliance

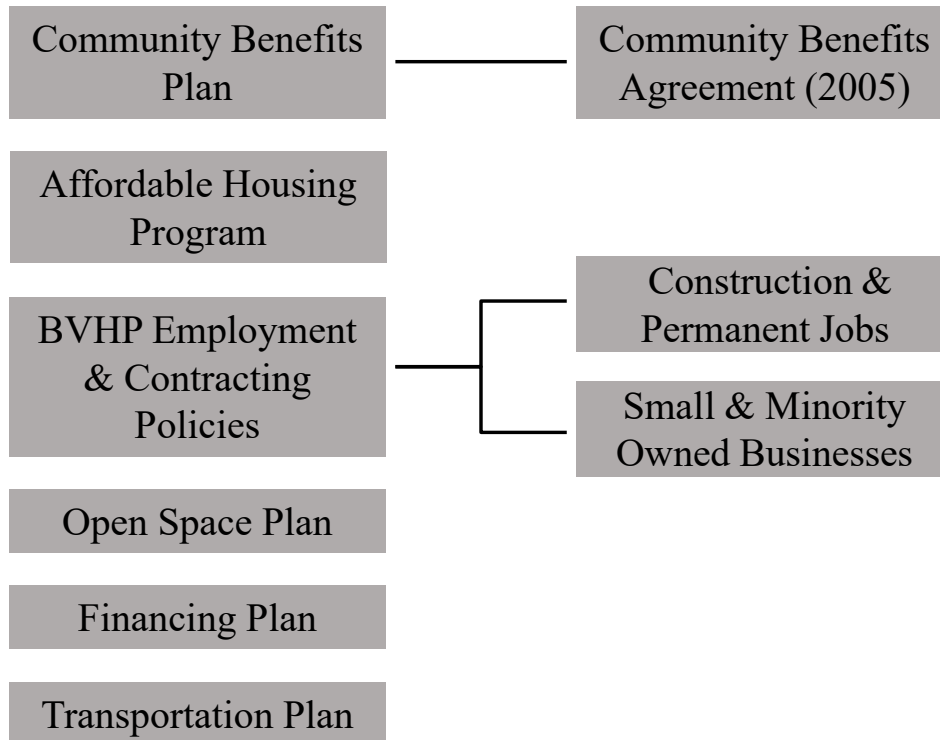
Community Benefits Agreement Section	Description	Compliance Status	Complete/In Progress	Compliance Analysis	OCII Comments	2021	2022
Phase 1 § 10	<u>Local Community Priority Leasing Program</u> Master Developer must encourage local businesses to lease available retail spaces within Phase 1 by actively notifying local businesses of upcoming leasing opportunities	In Compliance	Not Applicable	To date no retail space has been developed in Phase 1.	-	In Compliance	In Compliance
Phase 1 § 11	<u>Small Business Assistance Program</u> Master Developer is required to identify opportunities to assist small businesses in BVHP with obtaining contracts by: a) creating and bi-annually updating a directory of local small businesses, b) requiring its contractors and consultants to use their best efforts to purchase no less than 20% of the dollar value of all of their Shipyard Project related purchases from BVHP Area Small Businesses. Contractors and consultants are required to provide monthly progress reports on the dollars spent with BVHP Area Small Businesses. Lennar is required to include language in their contracts with consultants and contractors regarding this obligation. c) host quarterly (or less if determined by Agency and Lennar) networking workshops for BHVP Area Small Businesses	Partial Compliance	In Progress	a) Master Developer runs the Small Business Assistance Program (SBAP) through Tyche Business Solutions who administers the technical and financial assistance programs under CAP. Tyche currently publishes a directory of local suppliers and acts as a contractor liaison, they are located onsite. b) Developer has included the 20% requirement for purchases from BVHP Area Small Businesses goal in all of their development contracts. However, the developer has not tracked and reported on their contractors compliance with this goal. c) In 2021-2022 the Developer fell short of providing quarterly networking meetings. Only two workshops per year were held during this period, partially due to COVID and also the lack of contracting opportunities on the site during this period.	OCII recommends that Developer work with Tyche to develop an efficient way for contractors to report on the outcomes for meeting the 20% goal. Developer must reinstate quarterly networking workshops either virtually or in-person.	Partial Compliance	Partial Compliance
Phase 1 § 12	<u>Outreach Program</u> Master Developer is required to disseminate project information, in addition to program specific information, via website, quarterly newsletters, special mailings and similar outreach activities. Master Developer is also required to translate communications into Chinese, Spanish and Samoan.	Compliance	In Progress	Lennar or Tyche disseminated project information directly to contractors including local trades and suppliers. Tyche conducted outreach campaigns on behalf of Lennar for specific contracting needs related to the HPS Block 52 project, involving Scaffolding Contractors (resulting in 6 participants bidding), Flooring Contractors (resulting in 12 participants bidding), and Garage Doors Suppliers and Installers (resulting in 9 participants bidding). These efforts were aimed at actively engaging and informing local contractors about relevant workshops and contracting opportunities.. Additionally CAP provided technical assistance around estimating and bidding which enhances outreach efforts. The Developer did not have any paid advertisements in English Spanish, Chinese or Samoan 2021-2022 since there were no new housing opportunities being administered by the Master Developer at that time. Workshop and BMR advertising will occur in 2024 and will be communicated in English, Spanish, Chinese and Samoan.		In Compliance	In Compliance

Community Benefits Agreement Section	Description	Compliance Status	Complete/In Progress	Compliance Analysis	OCII Comments	2021	2022
Phase 1 § 13	<u>Status Reports</u> Master Developer is required to provide a quarterly written status report to OCII and CAC . Additionally, Master Developer is required to make a Status Report presentation to CAC.	In Compliance	In Progress	Master Developer submitted reports 2021 and 2022 reports to OCII. Master Developer presented an update of the Community Benefits Report to the BVHP CAC on September 18, 2023.		In Compliance	In Compliance
Phase 1 § 12	<u>Community Facilities Parcel</u> Master Developer is required to provide a 1.2 acre developable lot for community uses. (The remaining 4.8 acres will be provided in Phase 2)	In Compliance	In Progress	A 1.2 acre lot has been assigned as Phase 1 Community Facilities Parcel. Master Developer will provide the parcel to OCII as developable lot. Agency and Developer to work in collaboration with CAC to undertake a planning process which sets forth the acceptable use of Community Facilities Parcels.	–	In Compliance	In Compliance
Phase 1 - 5th Amendment	<u>Community Benefits Fund</u> Master Developer must contribute \$1 million to the Community Benefits Fund.	In Compliance	In Progress	Master Developer has contributed \$1 million to Community Benefits Fund in accordance with the Phase 1 DDA (\$500,000 in June 2012 and \$500,000 in June 2013). The Legacy Foundation has developed an OCII approved Five-Year Strategic Plan to implement programs for the use of these funds.	–	In Compliance	In Compliance



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Phase 1: Disposition & Development Agreement



Parties:

OCII & HPS Development Co., LP

HPS Phase 1 DDA:

Entered into 2004

Phase 1 CBA:

Entered into 2005; amended 2009

CBA Overseen by:

- Commission on Community Investment and Infrastructure
- HPS Citizens Advisory Committee (CAC)
- Legacy Foundation

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Phase 1: Community Benefits

- Construction Assistance Program
- Community Builder Program
- Business Incubator Program
- Home Buyers Assistance Program
- Job Training & Employee Assistance
- Local Community Priority Leasing Program
- Small Business Assistance Program
- Interim African Marketplace *
- Cultural/Historic Recognition Program
- Community Facilities Parcels
- Outreach Program
- Reporting
- Community Benefits Fund

*Denotes community benefits shifted to future Phase 2

Shipyard Program Expenditures/Payments To Date

From Inception thru Q4 2022

DDA Programs	
Community Benefits Fund	1,000,000
Construction Assistance Program	2,462,274
Interim African Marketplace	192,000
Job Training & Employee Assistance	4,475,336
Outreach Program (incl Homebuyer Assistance)*	1,347,079
Small Business Assistance Program	120,655
DDA Subtotal:	\$9,597,344
CCBA (Not Part of DDA Program)	
Community First Housing Fund	5,698,000
Workforce Program Funding	2,075,000
Technical Assistance Funding	520,000
CCBA Subtotal:	8,293,000
Grand Total:	\$17,890,344

*Does not include contracts with outreach consultants

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Development Projects Underway

- HPSY Block 48 (Design Development and Permitting)
- HPSY Block 52 (Certificate of Completion)
- Hillside Infrastructure (Construction Ongoing)
- HPSY Block 1 Community Builder/Third Party Developer (Design Development)

Development Projects Completed

- HPSY Blocks 50-57
- HPSY Regional Parks - Innes Court Park & Hillpoint Park Overlook
- HPSY Pocket Parks 9-16
- HPSY Galvez Overlook and Coleman Promenade
- Hilltop Streetscape

Phase 1: Housing Units

Block Numbers	Total Units	BMRs	Status
1	224	24	Design Development
48	404	56	Design Development/Permitting
49	60	59	Completed
50	25	3	Completed
51	63	6	Completed
52	77	9	Substantially Complete
53	93	9	Completed
54	66	7	Completed
55E/W	25/41	3	Completed
56A	36	3	Completed
57A/B	96	12	Completed

Phase 1: Contractor Assistance Program

- **OCIP (Owner Consolidated Insurance Program):** Developer enrolls all trades performing active labor within this program. Developer has set the insurance limits at \$5,000,000 for CGL.
- **Surety Bond Program:** Developer continues to waive the bond requirement for trades working at the Shipyard project.
- **Technical Assistance Program:** Workshops were offered through the Contractors Assistance Program. *Information on the workshops is in the following slide.*
- **Financial Assistance Program:** **This program is intended to help contractors.** Contractor Accelerated Payment Program (CAPP) was available to eligible contractors.
- **Mentorship Program:** The MBE/WBE Mentorship Protégé program has been administered by Renaissance Entrepreneurship Center since 2010. More information contained in next slide.

Phase 1: Contractor Assistance Program Mentorship Protégé Program

- Lennar expended \$100,000 towards the mentorship program administered by Renaissance Entrepreneurship Center.
- The Protégés received business and administrative support, mentoring, peer support, access to capital and affordable office space to obtain local business entity (LBE) certification. In 2021 Proteges were able to secure contracts in total value of \$6,276,725. In 2022 Proteges were able to secure contracts in total value of \$8,643,419.
- Nearly ninety percent (90%) of the clients are African American, of which sixty percent (60%) are low moderate income and twenty percent (20%) are extremely low-income. All of our clients either live or operate their businesses in District-10.

Phase 1: Community Builder Program

Block	Community Builder	Units
1	Tabernacle	224
48 – A	SFHDC	16
48 – F&J	Shiloh Full Gospel Church	80
48 – K	The Baines Group/ BHPMPSS	26
48 – O	Eagle Environmental Consulting	11
52	Al Norman/ Derek Smith	77
53	MDC/ C. Churchwell LLC	12
54	BAMEC	12

Homebuyer Assistance Program

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

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

Phase 1 Update: Obligation passed to Vertical Developers through VDDA's.

- The Down Payment Assistance and First Time Buyer Financing Programs have been working with lenders to provide financing.
- Between 2005 and Q2 2018, there were 71 first time homebuyer informational workshops with a total of 1385 attendees. No workshops were held in 2021 and 2022 partly as the result of COVID-19 and low BMR inventory.
- Workshops resumed in late 2023.

Job Training and Employee Assistance Programs

- A total of \$350,000 was paid out in 2021 and 2022 to support job training and employee assistance.

-YCD Job Training Grant - \$175,000.00/year

During this reporting period, program participants were indentured into Local Unions 261, 67 and 22.

-Renaissance Entrepreneurship Center - \$50,000/year

During this reporting period, classes and workshops focused on general business development covering finance, contracting and hiring for small business owners.

Job Training and Employee Assistance Program: Young Community Developers (YCD)

- YCD provides multiple benefits for community residents in the Southeast Sector of San Francisco, such as workforce training and career placement, pathways to college, and increased housing stability and affordability.
- YCD core services are based on Workforce, Education and Housing. YCD is committed to establishing pathways across various industries for community residents, with high-risk populations, transitional age youth (18-24) and formerly justice-involved individuals. YCD mobilizes and empowers racially underrepresented individuals in the pursuit of advanced higher education and beyond. YCD programs provide residents with the framework to make, reach and fulfill their goals. YCD also focuses on developing new housing, advocating neighborhood preservation and providing direct services to prevent displacement.
- YCD offered during 2021-2022 include but are not limited to job search assistance; career planning and exploration; job preparation and barrier removal assistance; access to education and training services; and access to technology including computers, internet, fax machines, and copy machines.
- Job Training Program funds were utilized in part to support Barrier Mitigation Fund for trades workers, including purchasing tools, work boots, and paying local union dues. In 2021, YCD remained committed to providing services to the local community on a daily basis in spite of COVID-19 restrictions.

Small Business/Technical Assistance Program

- Both the Small Business Assistance Program (SBAP) and Technical Assistance Program(TAP) are administered by Tyche Business Solutions, the Contractor Assistance Program (CAP) Administrator.
- In accordance with the TAP requirements:
 - Tyche acts as a Contractor Liaison and maintains a site office open M-F offering technical assistance to BVHP contractors in the Shipyard. Tyche also hosts Contractor Workshops on a range of topics related to contracting opportunities including accessibility, project management, and networking.
- In accordance with SBAP requirements:
 - Tyche currently publishes a directory of local suppliers and acts as a contractor liaison.
 - Developer in both its construction contracts and during the bidding period explicitly informs trades of the goal that contractors using supplies make 20% of their project related purchases from BVHP Area Small Businesses.
 - Developer institutes supplier workshops through the CAP. Due to COVID-19, these workshops were initially conducted virtually and later in person. The workshops covered Project Management and Scheduling and “Meet the Primes” with guest speakers from several San Francisco based General Contractors and city staff. A workshop on Retirement Options for Small Business workshop had to be canceled due to COVID-19.

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Outreach Program

- Developer outreach activities were done through the Construction Assistance Program and directly by Lennar to local trades and suppliers.
- Developer did not have any paid advertisements in English, Spanish, Chinese and Samoan periodicals or Public Service Announcements in 2021 or 2022. Workshops and BMR advertising will occurring in 2024 will be communicated in English, Spanish, Chinese and Samoan.

Cultural/Historic Recognition Program

- **Phase 1 Program:** Integrate cultural features throughout the Shipyard and to provide opportunities for local artists to participate in the creation of public art.
- **Phase 1 Update:** Developer to complete historic signage program in the Hilltop Park Systems that covers the Shipyard specific history. Developer will come back to the CAC in the next quarter with a presentation of the Historic Signage to be installed.

To further fulfill this DDA obligation, OCII received a federal grant funding to implement the art element of this program.

-Nine pieces of art were commissioned artworks (by local and national artists) by OCII

Community Facilities Lots

Phase 1 Program: Developer will provide OCII developable lots for community facilities

- Phase 1: 1.2 acres

Update: Lennar to fund horizontal infrastructure to support these parcels. OCII, CAC and Developer will need collaborate on a plan for future use of these parcels.



The San Francisco Shipyard - Phase 1

Compliance Summary 2021 & 2022

Challenges

- The COVID-19 pandemic posed extraordinary challenges that adversely impacted both the construction of project, and compliance with certain provisions of Phase 1 Community Benefit Program.
- Despite these setbacks, from the start of 2021 through 2022, Phase 1 Master Developer complied with the majority of Phase 1 Community Benefit obligations, with the following exceptions:
 - Homebuyers Assistance: Lennar is working with Mayor's Office of Housing for Block 52 units as well as offering homebuyer workshops in late 2023 and throughout 2024.
 - Small Business Assistance Program: Lennar did not meet the quarterly networking goal but this program has resumed in 2024.

Ongoing Commitment

- Phase 1 Master Developer is committed to working closely with CAC and various community partners including Tyche Business Solutions, Renaissance Entrepreneurship Center, and YCD to ensure that Phase 1 Community Benefit obligations are met in 2024.

Community Benefit Fund

Phase 1 Program Financial Contribution

Developer has contributed \$1 million to Community Benefit Funds.

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

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

Phase 1 Program:

Legacy Foundation (LF) – Strategic Plan approved by CAC and OCII in 2017

LF Strategic Plan includes both Phase 1 and Phase 2 Community Benefit funds



The San Francisco Shipyard - Phase 1

BLOCK 48



HPS/CP Community Benefits/Legacy Foundation Cash Balances and Allocation Summary							
Project Designation (HPS1, CP/HPS2, ALL)	Contract Status	Type of Funds (LF=Legacy Fund Agency Admin)	Item Description (LF =Legacy Fund)	Budget Allocation	Expenditures to Date	Balance	Revenue Detail
HPS1	Active	LF Phase 1	Living Stipends (\$10,000 per year) Scholarship America	\$ 50,000	\$ (20,000)	\$ 30,000	Developer: HPS P1
HPS1	Active	LF Phase 1	Scholarship Admin Cost (Phase 1 allocation)	\$ 25,000	\$ (11,900)	\$ 13,100	Developer: HPS P1
HPS1	Completed	LF Phase 1	LF1 Carla Dartis Strategic Plan Consulting Service	\$ 30,685	\$ (30,685)	\$ -	Developer: HPS P1
HPS1	Completed	LF Phase 1	LF1 Hacker Hub	\$ 25,000	\$ (25,000)	\$ -	Developer: HPS P1
HPS1	In progress	LF Phase 1	LF1 Contractor Assistance Fund - HPSY P1	\$ 250,000	\$ -	\$ 250,000	Developer: HPS P1
HPS1	Completed	LF Phase 1	LF1 Homeownership Down Payment Assistance - HPS P1	\$ 180,000	\$ (180,000)	\$ -	Developer: HPS P1
HPS1	TBD	LF Phase 1	College Readiness and Skill Building	\$ 400,000	\$ -	\$ 400,000	Developer: HPS P1
HPS1	In progress	LF Phase 1	LF1 Neighborhood Building	\$ 39,315	\$ -	\$ 39,315	Developer: HPS P1
Total Phase 1 Cash Balance				\$ 1,000,000	\$ (267,585)	\$ 732,415	
CP/HPS2	Active	LF Phase 2	LF2 Scholarship Fund and Travel Scholarship	\$ 475,000	\$ (182,400)	\$ 292,600	Developer: HPS P2
CP/HPS2	TBD	LF Phase 2	Will Bass Educational Travel	\$ 25,000	\$ -	\$ 25,000	
CP/HPS2	TBD	Agency Admin	Education Improvement Fund	\$ 500,000	\$ -	\$ 500,000	Developer: HPS P2
CP/HPS2	TBD	Agency Admin	Insurance Credit Support Program (Surety Bond)	\$ 250,000	\$ -	\$ 250,000	Developer: HPS P2
CP/HPS2	Completed	Agency Admin	Southeast Health Center and Wellness Contribution	2,250,000	\$ (2,250,000)	\$ -	Developer: HPS P2
Total Phase 2 Cash Balance				\$ 2,475,000	\$ (2,432,400)	\$ 1,067,600	
Total Phase 1 and Phase 2 Cash Balance						\$ 1,800,015	