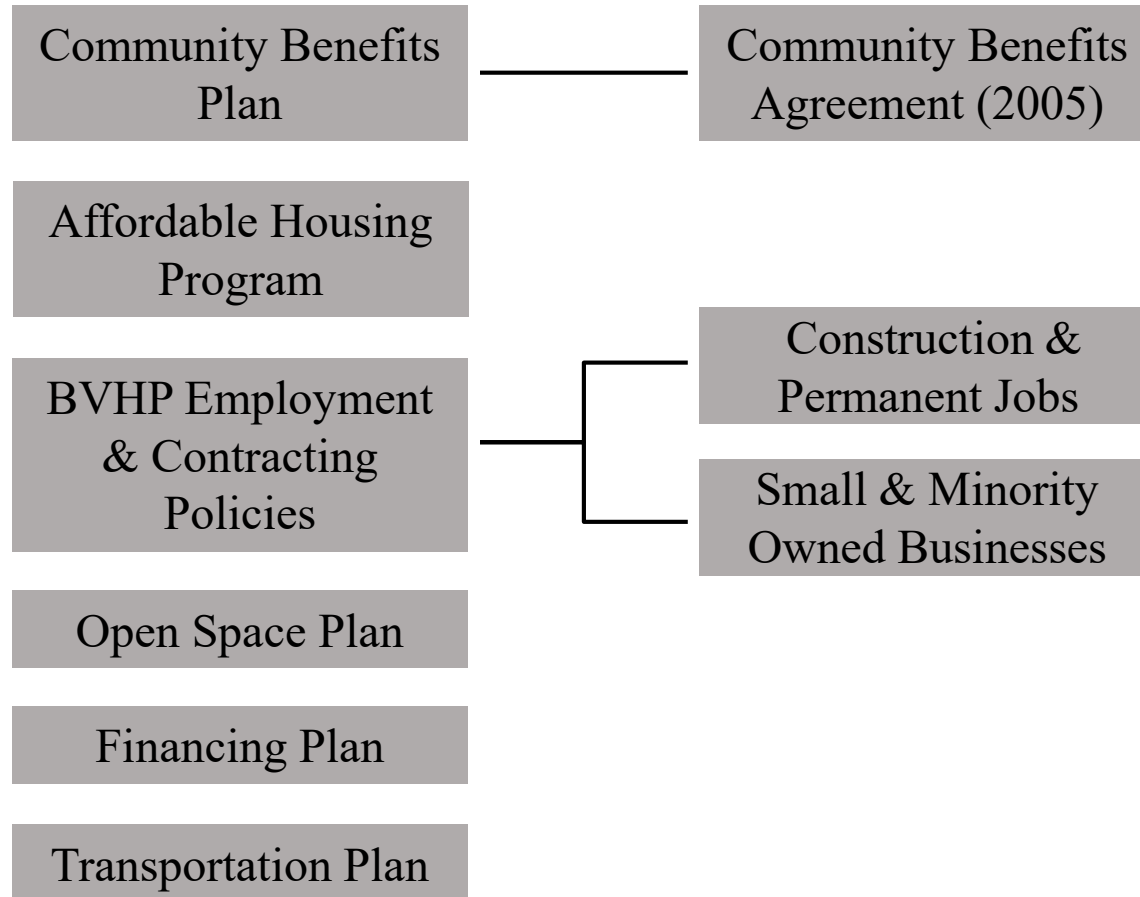


**HPS 1
Community
Benefits
Compliance
Report
Q1-Q4 2022**

LENNAR®

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

LENNAR®

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	2,139,646
Interim African Marketplace	192,000
Job Training & Employee Assistance	4,034,985
Outreach Program (incl Homebuyer Assistance)*	1,075,242
Small Business Assistance Program	11,742
DDA Subtotal:	\$8,453,615
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:	\$18,096,615

*Does not include contracts with outreach consultants

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 50-51, Blocks 53-57
- HPSY 49
- 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	Under Construction
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 trades within this program. Developer works with specific trades on their scope in effort to contract them to a GL limit that is acceptable on a project-by-project basis. In some cases, these may include agreed upon limits that are lower than the developer's current insurance requirement.
- **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** No services financial assistance services were offered in Q1 – Q4 2022.
- **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

- 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 Q1-Q4 of 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
49	AMCAL/YCD	60
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 Q1-Q4 2022 due to impacts from COVID-19 and low BMR inventory.
- Workshops to resume in 2023.

Job Training and Employee Assistance Program

- A total of \$225,400 was paid out in 2022 to support job training and employee assistance.

-YCD Job Training Grant - \$175,000.00

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

-Renaissance Entrepreneurship Center - \$50,400

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. Our 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.

Small Business/Technical Assistance Program

- Contractor Assistance Program (CAP) is being administered by Tyche Business Solutions.
- Tyche currently publishes a directory of local suppliers and acts as a contractor liaison, they are located onsite.
- Developer has revised its consultant and contractor contracts, adding language to make more explicit the goal that contractors using supplies make 20% of their project related purchases from BVHP Area Small Businesses.
- Developer will institute supplier workshops through the CAP. Due to COVID-19 these workshops were initially conducted virtually by the CAP 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.

Outreach Program

- Developer outreach activities were done through the Construction Assistance Program and directly by Lennar to local trades and suppliers.
- Developer is now translating special notifications that are broadly distributed into 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

CAC Reporting

Q1 2022 – Q4 2022

Phase 1 Program: Developer is required to provide reports Shipyard Citizen's Advisory Committee (CAC). Developer proposes to modify the reporting to the CAC bi-annually

Compliance Summary 2022

Challenges

- The COVID-19 pandemic posed extraordinary challenges that adversely impacted both construction of project, compliance with certain provisions of Phase 1 Community Benefit Program.
- Despite these setbacks, from 2022 Q1 through Q4, Phase 1 Master Developer with the majority of Phase 1 Community Benefit obligations, with the following exceptions:
 - Financial Assistance Program: Add a few blurbs about what you are doing in 2023
 - Homebuyers Assistance: Lennar is working with Mayor's Office of Housing for Block 52 units

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..

Community Benefits Program Highlights

2022 Q1 – 2022 Q4

- Job training expenditures = \$225,400.
 - \$175,000 paid to Young Community Developers
 - \$50,400 Paid to Renaissance Entrepreneurship Center.
- To date, a total 294 units have been built with community builders on Phase 1.
 - In 2022 Community Builders participated in the construction of 77 units (this was the only vertical project under construction in 2022).
 - 133 units to be constructed in the future at Block 48.
 - Block 1 will construct an additional 224 units as a stand-alone Community Builder.

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