

## **DRAFT JOBS AND EQUAL OPPORTUNITY PROGRAM**

Plans for the redevelopment of Treasure Island provide for a variety of community benefits for residents of Treasure Island and San Francisco, visitors to the Island and the entire Bay Area region. Many of the benefits to be provided, such as rebuilding the infrastructure, creating affordable housing opportunities, and adding approximately 300 acres of open space and recreational uses have been described in other documents. This Jobs and Equal Opportunity Program (the "Plan") proposes and discusses all of the following issues:

- Creating new construction and permanent employment opportunities, (including but not limited to retail, maintenance, administrative and clerical positions, and para-professional jobs) goals for directing those jobs to priority groups, and a job broker program to facilitate and prepare linking the priority groups to the jobs.
- Creating professional services contracting, construction and other long-term employment opportunities for local San Francisco contractors and their employees.
- Creating economic development opportunities and related support for TIHDI residents and member organizations.

This draft Plan has been jointly prepared by TIDA, TIHDI, TICD and other relevant City Agencies and is intended to serve as a working document for the parties and is subject to change.

### **I. The TIHDI Agreement**

Some of the key elements of the Plan are derived from the 1996 agreement between the Treasure Island Development Authority (TIDA) and the Treasure Island Homeless Development Initiative (TIHDI). Other key elements are derived from other relevant City ordinances and policies. The Plan will integrate certain elements of the TIHDI Agreement with other existing City programs that provide similar or complimentary functions, including the City's new CityBuild program, as well as already mandated, established hiring programs including Section 3 Plus, Seismic Loan Employment Program, Human Rights Commission requirements, and with the City's organized labor workforce.

In 1996 the City and County of San Francisco concluded discussions with TIHDI regarding a binding agreement (the TIHDI Agreement) that would, among other things, give TIHDI certain rights to participate in economic development opportunities on Treasure Island, facilitate implementation of a permanent employment program related to activities occurring at Treasure Island and provide TIHDI with certain financial support. Because the CEQA review process has not been completed the TIHDI Agreement has not yet been executed. However, this unexecuted agreement was a condition precedent to the approval by the United State Department of Housing and Urban Development of the 1996 Draft Reuse Plan. And in fact, the parties have conducted their negotiations as if the TIHDI Agreement was enforceable today, have implemented substantial portions of

the Agreement and continue to act towards each other and exercise rights under the TIHDI Agreement as if it had been fully executed, to wit: subleasing 196 units of housing for use by TIHDI members to provide housing to homeless people, requiring island employers to develop hiring plans to fulfill employment objectives and referring employers to the TIHDI Job Broker to meet island hiring goals, subleasing the existing childcare center to a TIHDI member agency, and contracting with TIHDI member agencies for janitorial and landscaping services.

The first area covered by the TIHDI Agreement is referred to as the Economic Development and Support Facilities Component. That component serves to create revenue-generating opportunities for TIHDI's member organizations and work opportunities on Treasure Island for formerly Homeless and Economically Disadvantaged Persons, as those terms are defined in the TIHDI Agreement,

The second area covered by the TIHDI Agreement is referred to as the Employment Component. That component serves to establish a long-term employment policy for Treasure Island by requiring future developers and construction employers (collectively referred to as Construction Contractors) and future long term lessees and employers (Permanent Employers), to comply with First Source Hiring and other existing hiring plan goals and requirements (HRC, Seismic Retrofit Employment Program, Section 3 Plus) and make good faith efforts to meet certain goals for employing formerly homeless and economically disadvantaged persons, as those terms are defined in the TIHDI Agreement.

The third, and final, area covered by the TIHDI Agreement is referred to as the Support Component.

Each of these components are reflected in this Plan, with the exception of some portions of the Support component, which are reflected in either the Draft Affordable Housing Plan or in the Fiscal Impacts Analysis (yet to be prepared in draft form. This Plan is intended to incorporate the terms of the TIHDI Agreement, except as mutually agreed by the Parties in the future (as set forth in this paragraph). It is the intent of the parties that each of the TIHDI Agreement components will be implemented through the Disposition and Development Agreement and its exhibits. Any proposed modifications to the TIHDI Agreement – as incorporated in the DDA and any related documents between TICD, TIHDI or TIDA – shall be subject to the mutual consent of TIDA and TIHDI.

## **II. Jobs and Equal Opportunity Program**

TICD, TIDA and TIHDI agree that jobs creation and equal opportunity contracting opportunities in all areas of employment are an essential part of the redevelopment of Treasure Island. It is anticipated that the project at final build-out and completion will create thousands of construction and permanent jobs and that the planning, design and construction work will provide substantial contracting opportunities for local contractors and professional services firms as well as to countless businesses, employers and organizations who continue to perform enterprises on the Island. TICD, TIDA and TIHDI agree that it is in the best interests of the project and the City of San

Francisco that a portion of the jobs and contracting opportunities be directed, to the extent possible based on the type of work required, and consistent with collective bargaining agreements, to local, small and economically disadvantaged companies and individuals whenever there is a qualified candidate. This draft Plan identifies goals for achieving this objective and outlines certain measures that will be undertaken in order to help ensure that these goals and objectives are successfully met. In that regard, TICD will work with TIDA, other City Agencies, TIHDI, CityBuild, San Francisco Building and Construction Trades Council, other community based employment organizations and small business development centers to implement employment and contracting-related programs. The responsibility for the overall success of this project is shared by all parties – TIHDI, TIDA, TICD, member agencies, the developer, the Mayor's Office of Economic and Workforce Development (MOEWD), and other employers.

These measures would include:

- Creating a job-training, education and hiring program in collaboration with TIHDI and the City's Building and Trades Council, and subject to and consistent with applicable City requirements, including but not limited to, the City's First Source Hiring, Minimum Compensation, Health Care Accountability, Living Wage Ordinance, Section 3 Plus, Human Rights Commission, Seismic Retrofit Employment Program, and Hotel Card Check ordinances, and the TIHDI Agreement
- Working with TIHDI to create programs that are designed to provide certain residents and businesses with priority for employment and contracting opportunities through a Job Broker program, which will be operated by TIHDI.
- Establishing accountability measures to ensure that TICD, and other participating organizations, make good faith efforts to meet specific goals for employing economically disadvantaged/formerly homeless persons and local residents as those terms are defined in the TIHDI Agreement. The accountability measures are set out in Exhibit B to the TIHDI Agreement, entitled "Implementation Provisions, Homeless and Economically Disadvantaged Hiring Goals."
- Establishing a Construction Assistance Program for local construction contractors in all fields to obtain needed technical, financial, bonding and insurance assistance in order to allow such entities to more fully participate in the demolition and renovation of existing buildings, construction of infrastructure and eventual new residential, retail, commercial and community facilities at Treasure Island.
- Developing job forecasts for one-year increments that stimulate and enhance preparation and training of qualified candidates from TIHDI and referring agencies for these jobs.

#### **A. Employment and Contracting Opportunities and Goals**

The employment and contracting opportunities and goals outlined herein relate primarily to construction contracts and jobs, professional services contracts and jobs, and permanent jobs. Additionally, the construction contracting and job opportunities and goals shall apply equally to both horizontal, or infrastructure-related, improvements undertaken by Construction Contractors and vertical improvements or buildings undertaken by Construction Contractors. The goals set forth below shall remain in effect for ten years following completion of initial construction of each building or other relevant portion of the project. In addition, final documentation shall reflect qualifications and exemptions set forth in applicable City ordinances and policies.

1. Construction Contracts and Jobs

a. Overview.

During the infrastructure phase of the redevelopment of Treasure Island it is anticipated that jobs will be created from construction related activities for new utility systems, roads and sidewalks, shoreline stabilization, additional hazardous remediation and deconstruction activities. The greatest bulk of infrastructure workforce jobs will occur in Phase 1 and will taper off as the infrastructure work matures. It is anticipated that the heavy infrastructure construction work will be undertaken by building and construction trades craft unions and that they will work cooperatively with TIHDI, City Agencies, such as CityBuild, and TICD to make good faith efforts to implement the goals of the TIHDI Agreement. It is similarly anticipated that vertical construction activities will be undertaken by building and construction trades craft unions who will work in the same manner as described in this document for infrastructure activities. Some jobs will be better suited to meeting or exceeding the construction contracting goals than others, hence all workforce goals will be cumulative, not individual goals for each specific task. This acknowledgement does not alter in any way the requirement that Construction Contractors comply with good faith effort obligations to meet the participation goals for all components of the infrastructure and vertical construction. During all phases of construction, sustained efforts will be made to meet the goals outlined in this Plan..

b. Participation Goals

(1) Contracts.

It is a stated goal of TIDA and the City to support small, locally-owned and disadvantaged businesses and contractors and TICD and TIDA agree that the Treasure Island redevelopment project is an opportunity to support this policy objective. Based on that goal, the following participation goals are set for construction contracting: 41% of the total dollar value of the horizontal and vertical construction costs shall be performed by subcontractors which are qualified Small Business Enterprises (SBEs) located in San Francisco or elsewhere, provided that First Consideration shall be given to SBEs located in San Francisco. The parties recognize that achieving this goal may be challenging for particular aspects of the project and that the goals will therefore be cumulative rather than individual by specific task. A Small Business Enterprise construction firm is currently defined as a firm with annual revenues not exceeding \$14 million.

(2) Construction Workforce Employment.

The construction workforce employment participation goals are contained in the 1996 TIHDI Agreement. The goals represent the good faith efforts that will be expected of each contractor to meet the level of participation each contractor should reasonably be able to achieve in each Construction Trade in which it has employees directly involved in construction of the improvements. The goals are as follows:

(a) 25% of all construction jobs filled by qualified Homeless or Economically Disadvantaged Persons. Economically Disadvantaged Persons means persons who reside in San Francisco whose annual income is no greater than 50% of the area median income as determined by the U.S. Department of Housing and Urban Development.

(b) 50% of all construction jobs filled by qualified San Francisco residents (including those qualifying under subparagraph (a) above). Currently, guidelines for contractors and employers are being developed as part of the CityBuild workforce development and contracting monitoring program and will be consistent with pre-existing guidelines established by operational programs including Section 3, Seismic Retrofit Employment Program, Human Rights Commission, and First Source Hiring. It is anticipated that the program guidelines and processes developed for CityBuild will be used as a model for achieving the construction workforce employment participation goals defined in this document.

TICD, developers, owners and lessees may obtain credit for meeting these goals via contracting with TIHDI organizations providing services such as grounds maintenance and landscaping, janitorial maintenance, deconstruction or other economic development activities as more fully described in Paragraph III.C.1 (below).

(c) Prevailing Wage Requirements. The development agreement will incorporate Prevailing Wage Provisions standard in City and Redevelopment Agency project agreements.

c. Priorities for Placement. Consistent with any collective bargaining agreements in the building trades, First Consideration for hiring on all construction projects on Treasure Island shall go to qualified Homeless or Economically Disadvantaged persons and Second Consideration to qualified San Francisco residents with preference for residents of Treasure Island.

d. Training for Construction Jobs. Based on one-year forecasting, TIHDI and TICD will work with City agencies and community based organizations to communicate upcoming employment opportunities, and subsequently facilitate relevant and timely training activities that adequately prepare individuals for these jobs.

e. Employment Retention and Advancement. Pursuant to the Job Broker provisions in the TIHDI Agreement, agencies referring workers to jobs as well as TIHDI or Job Broker staff will provide ongoing support to workers and relevant

employers. Similarly, the developer and employers commit to communicating employment issues with the workers and the Job Broker staff so that effective interventions may be made in certain cases that result in sustained employment.

f. Labor Compliance Program.TICD shall use commercially reasonable efforts to cause contractors and subcontractors to utilize the labor compliance program established by the City for weekly payrolls to facilitate the implementation and monitoring of the foregoing goals.

2. Professional Services

a. Participation Goals

(1) Contracts.It is a stated goal of TIDA and the City to support small, locally-owned and disadvantaged businesses and contractors and TICD and TIDA agree that the Treasure Island redevelopment project is an opportunity to support this policy objective. Based on that goal, the following participation goals are set for professional services contracts: 38% of the total dollar value of the professional service contracts shall be performed by qualified Small Business Enterprises (SBEs) located in San Francisco or elsewhere, provided that First Consideration shall be given to SBEs located in San Francisco. For purposes of this Agreement, a Small Business Enterprise professional service contractor is currently defined as a firm with annual revenues not exceeding \$2.5 million.

(2) Trainee Program.The development agreement will include provisions for a trainee program for professional services contracts. San Francisco Redevelopment Agency development agreements, such as the Hunter's Point Shipyard and Mission Bay agreements, have included provisions requiring 1 trainee per \$250,000 of professional services contracts on a sliding scale as set forth in the Hunters Point DDA. Trainee program guidelines are being developed as part of the overall CityBuild program guidelines and are anticipated to guide the specific goals in the Treasure Island project. The program will be run in cooperation with the Job Broker and incorporate the standard hiring priorities for the project.

(3) First Source Hiring.Professional Service Employers will participate in the First Source Hiring Program for entry level jobs using the Job Broker System.

3. Permanent/Non-Construction Workforce of Developer and Retail Tenants

a. Overview.Permanent, long-term jobs will be created at each phase of the development. Permanent jobs are one of the most important parts of the City's economic development program. These jobs provide opportunities to a wider section of the job force than construction employment, and frequently include a built-in employment ladder by which people can improve their responsibilities and compensation. While it is difficult and unrealistic to estimate the number and specific kinds of jobs that will ultimately be created by the project, jobs will likely be generated in the hospitality

and food industry, retail and commercial sectors, non-profit and governmental fields and service centers. Special provisions shall be negotiated in final transaction documents, with respect to the applicability of the following requirements as they apply to smaller tenants.

b. Participation Goals for Workforce Employment. The overall permanent workforce employment participation goals are pursuant to the 1996 TIHDI agreement. The goals represent a measure of good faith efforts and the resulting level of participation each lessee/employer should reasonably be able to achieve. The goals are as follows:

(1) 25% of all permanent jobs filled by qualified Homeless or Economically Disadvantaged Persons, as defined previously.

(2) 50% of all permanent jobs filled by San Francisco residents (including those qualifying as part of the 25% referred to immediately above).

TICD, developers, owners and lessees may obtain credit for meeting these goals via contracting with TIHDI organizations providing services such as grounds maintenance and landscaping, janitorial maintenance, deconstruction or other economic development activities as more fully described in Paragraph III.C.1 (below).

c. Priorities for Placement.

Consistent with any collective bargaining agreements and the City's Card Check Ordinance, First Source Hiring, Human Rights Commission, Seismic Retrofit Employment Program, Section 3, First Consideration for hiring for all permanent jobs on Treasure Island should go to qualified Homeless or Economically Disadvantaged persons and Second Consideration to qualified San Francisco residents, with first priority given to residents of Treasure Island.

## **B. Tools and Programs for Meeting Goals**

Structures for managing and monitoring contracting and employment associated with the project will be an essential component of ensuring that the relative goals are successfully achieved.

### **1. Job Broker/Placement System.**

It is anticipated that TIHDI will refine the Job Broker system to ensure that appropriately screened, trained and qualified applicants are available to be referred to fill open construction and non-construction short-term and permanent jobs. In addition, the Job Broker will work with the local construction and non-construction employment-training community, including organized labor's apprenticeship programs, to develop and expand outreach, training and employment retention programs that maximize the opportunity to meet the desired goals outlined in this document.

TIDA shall oversee this project, and develop appropriate monitoring systems in collaboration with other involved parties. The responsibility for the overall success of this project, and more specifically the Job Broker/Placement System, is shared by all parties – TIHDI, TIDA, TICD, member agencies, the developer, the Mayor's Office of Economic and Workforce Development (MOEWD), and other employers.

TICD and other employers will be responsible for developing and delivering one-year job forecasts annually to the other parties on a timely basis with TIHDI. Final transaction documents shall include provision for notification of when specific jobs are likely to become available.

At a minimum, it is envisioned that the Job Broker program for the Treasure Island redevelopment project will perform the following duties:

- Coordinate with member agencies of TIHDI and city agencies to direct and coordinate outreach, training and employment counseling, and refer qualified applicants to the project.
- Provide a central physical as well as electronic location for job listings at Treasure Island, distribute listing information at least weekly, and coordinate systematically with existing CBOs and job collaboratives.
- Certify the status of applicants as qualified Homeless or Economically Disadvantaged Persons as well as TIHDI/SF residents.
- In collaboration with CityBuild, ensure that all referrals for employment are job ready, including having proper equipment.
- Develop appropriate, ongoing relationships with relevant building trades and other unions. The Job Broker will ultimately develop referral mechanisms and systems with these unions as appropriate employment opportunities are available.
- Be the sole screening and referral agent for applicants to contractors, firms and commercial tenants who are prospective employers.
- Provide technical assistance to contractors, firms and commercial tenants in utilizing other governmental employment development programs (e.g., enterprise zone, job training subsidies, tax credits, effective strategies for managing a diverse workforce, etc.).
- Maintain qualifying income and other eligibility data on referrals.
- Coordinate and communicate with MOEWD (Workforce Development) and community-based organizations to prepare training activities specific to projected work opportunities in this project; or to work directly with organizations who already provide such training.

The Job Broker will have the following specific obligations:

- Organize and implement a Job Broker System to ensure that screened, eligible, qualified and referred economically disadvantaged persons are timely referred to TICD and/or other developers/employers.
- The Job Broker may implement its referral system in conjunction with existing Community Based Organizations provided the Job Broker system provides a central job listing for Treasure Island, certifies the status of applicants as qualified, refers screened, eligible and qualified applicants to Developer and others, provides technical assistance to the Developer and others in utilizing other governmental employment development programs and maintains income data on referrals and tracks hiring by Developer.
- Develop specific relationships with community-based organizations who have the capacity to train qualified applicants for specific jobs.
- Community Based Organizations may participate in the Job Broker system if they have experience in successful job placement programs, maintain good relationships with the Developer and others, maintain an employability assessment screening program, retain staff with appropriate credentials to support program activity, agree to share information with others, have the financial capacity and technical expertise to participate in the Job Broker system as reasonably determined. This includes providing ongoing job retention support to workers on the Island.
- The Job Broker system is intended to ensure flexibility in TIHDI's and TICD's efforts to achieve goals in employment and contracting set out above. TIDA and TIHDI shall have the right to negotiate changes in the design and implementation of the Job Broker System pursuant to and consistent with the terms of the 1996 TIHDI Agreement.
- The Job Broker system, as well as the overall project, should be monitored annually for overall effectiveness, and to make necessary adaptations to the system. This will be done collaboratively by all involved parties, and will be facilitated by TIDA.
- The City is currently developing a construction development program called CityBuild, expanding on effective existing systems including the First Source Hiring Program. Once the CityBuild program is operational, construction employment for all major City projects will be coordinated with the CityBuild program. CityBuild, using the City's workforce development system, will coordinate construction training, applicant screening and certification, referral and monitoring services. If TIDA agrees to utilize the CityBuild Program to achieve its construction employment goals, an MOU will be developed between City Build and TIHDI pursuant to and consistent with TIHDI's rights and obligations under the 1996 agreement. TIDA may or may not choose to use CityBuild for this function, as well as future employment opportunities if the system is expanded in the future.

Funding for the Job Broker program will be a cost of the project. At this early stage in the process it is difficult to determine what level of funding will be required to operate the program. Funding for the Job Broker program will be based on the following factors:

- Estimated timing and level of construction employment for both the horizontal and vertical portions of the project. CityBuild is currently in the process of estimating, based on historical data, the number of new jobs to be expected from infrastructure and vertical construction projects. This and other relevant data will be used to determine appropriate funding levels necessary for workforce training and job broker functions for specific construction projects, such as Treasure Island.
- Estimated timing and level of permanent/non-construction employment. TIDA, TICD and TIHDI will work to compile data on what level of funding is required to provide job training and job broker services for permanent/non-construction employment for hotel, commercial, retail and other uses contemplated at Treasure Island.

Final transaction documents will identify the amount of and timing for payment by the project to fund the Job Broker program, based on the process outlined above, and will also provide for monitoring and enforcement mechanisms for performance of TIHDI and its member organizations, the Job Broker, and CityBuild, with regard to the Job Broker program and otherwise under this Plan. The project funding for the Job Broker program will continue during both the horizontal and vertical development phases of the project subject to reasonable and mutually acceptable terms to be negotiated by the parties.

## 2. Job Training/Workforce Development.

It is currently anticipated that construction training will utilize the CityBuild program which is intended to assure a job-ready, union level workforce. The Job Broker will be responsible for identifying Homeless, Economically Disadvantaged, San Francisco/Treasure Island residents who have the skills and interest necessary for construction employment and working with CityBuild to include them in the appropriate training programs. However, CityBuild's role will be subject to the development of a comprehensive workforce training and job broker system for both construction and non-construction employment at Treasure Island via collaborative negotiations between TIDA, TIHDI and TICD.

Additionally, job training programs will be identified or developed to prepare qualified Homeless, Economically Disadvantaged Persons and other qualified San Francisco/Treasure Island residents for the permanent/non-construction jobs anticipated to be generated by the project.

To the extent that these job training programs facilitate employment by San Francisco/Treasure Island residents for construction and permanent/non-construction jobs outside of Treasure Island, such jobs shall be counted against the goals set forth in

Paragraph II.A. above. Developers, owners or lessees may elect to either work with existing community-based job training and assistance programs, or develop their own job training programs specific to the project. Any such decision shall be made in consultation with the Job Broker.

Funding for the job training activities will be a cost of the project. At this early stage in the process it is difficult to determine what level of funding will be required that is commensurate with the level and timing of construction activities and establishment of permanent employers. Funding for the job training program will be based on the following factors:

- Estimated timing and level of construction employment for both the horizontal and vertical portions of the project. CityBuild is currently in the process of estimating, based on historical data, the number of new jobs to be expected from infrastructure and vertical construction projects. This and other relevant data will be used to determine appropriate funding levels necessary for workforce training and job broker functions for specific construction projects, such as Treasure Island.
- Estimated timing and level of permanent/non-construction employment. TIDA, TICD and TIHDI will work to compile data on what level of funding is required to provide job training and job broker services for permanent/non-construction employment for hotel, commercial, retail and other uses contemplated at Treasure Island.

Final transaction documents will identify the amount of and timing for payment by the project to fund the job training activities, based on the process outlined above. The project funding for the job training activities will be borne via both the horizontal and vertical development process and developers subject to reasonable and mutually acceptable terms to be negotiated by the parties.

Specific phasing of the funding in relation to the project will be developed as more is known about the phasing of the improvements and the structure of the job training program.

### 3. Good Faith Effort Steps by Contractors/Developers.

TICD, and its affiliates and subcontractors, will commit to the following compliance action steps with the job creation goals:

- Preparing one-year job forecasts annually in order to prepare workforce for placement
- Preparing detailed written plans describing how the hiring plans will be implemented
- Listing all available jobs on Treasure Island with the Job Broker at least two weeks prior to advertising for applicants elsewhere

- Providing serious consideration to all qualified candidates who are screened, eligible and referred by the Job Broker
- Establishing mutually acceptable means of communicating with Job Broker about job openings, information about jobs and providing information about job referral outcomes within a reasonable period of time following a request for such information, as well as when a problem arises at the worksite
- Establishing a dispute-resolution mechanism to ensure that TIHDI and TICD have the ability to ensure that compliance efforts are being made to comply with the job generation goals

4. Construction Contractor Assistance Program.

As part of the DDA provisions, TICD will participate in a Construction Assistance Program to ensure that local San Francisco construction contractors and other businesses/employers, including qualified SBEs as defined in this document, are given an opportunity to obtain needed insurance, bonding, technical and financial assistance in order to fully participate in the demolition and deconstruction of existing buildings, construction of portions of the horizontal infrastructure and portions of the vertical residential, commercial and community facilities to be constructed at Treasure Island as well as create and sustain long term businesses and related jobs.

At this juncture, there are five categories of assistance that will be specifically identified in the DDA. They are:

- Owner Consolidation Insurance Program (OCIP)
- Surety Bond Program
- Technical Assistance
- Financial Assistance
- Small Business Enterprise Mentorship Program

The following outlines the activities that will be undertaken by TICD to meet these requirements:

a. Owner Consolidated Insurance Program (OCIP).

TICD will make good faith efforts to provide insurance coverage under an OCIP to construction contractors with primary business addresses in San Francisco who are chosen to work at Treasure Island. The OCIP will also, where feasible, be available to local SBE contractors and will act as “gap” insurance for companies that meet the experience and other qualifications necessary for hiring, but who fall short on their insurance coverage qualifications.

The OCIP program will be a “wrap-up” insurance program to ensure adequate insurance coverage for qualified and selected contractors. Eligibility requirements will be no more or less stringent than those imposed on TICD’s member entities under any of their OCIPs for other projects. The OCIP “wrap-up” program, however, will not provide builder’s risk, workers compensation, automobile or errors and omissions coverage.

As part of the bid submission procedures, contractors will be required to complete an OCIP Enrollment Application and will be asked to submit certificates and appropriate endorsements as required in the contract agreement for non-OCIP coverage such as automobile or workers compensation. As part of the program, TICD will pay the OCIP premiums to the General Liability and Excess Liabilities carriers. Contractors will then be assessed a percentage of their contract price to cover the costs of this program, a sliding scale will be determined by the OCIP.

b. Surety Bond Program.

TICD will undertake a surety bond program comparable to that in effect for Hunters Point.

c. Technical Assistance.

TICD will develop specific programs to assist local contractors who wish to work on projects during the different phases of construction. These programs include establishing a Contractor Liaison Office on-site at Treasure Island and hosting workshops that cover a range of topics related to construction opportunities at Treasure Island, how to access those opportunities, financial incentives, and other programs as deemed appropriate for each phase of development.

The Contractor Liaison Office will be situated on-site. It will house plans, applications and other useful information for contractors who are or who wish to perform work at TI. The office will be open during normal business hours, Monday through Friday, and will be staffed by a trained and qualified person who will act as the Contractor Liaison for the project.

The Contractor Liaison will establish a series of workshops for the contractor community that will address the demolition and deconstruction, horizontal development and vertical development phases of the project. Each workshop will cover a set of basic information including:

- Contractor opportunities and applications for bidding
- OCIP Program and opportunities
- Contractor pre-qualification process
- SBE local hiring requirements
- Labor Union apprenticeship program

- Overview of technical assistance program, including plan room overview, onsite office orientation and introductions of key personnel
- Bid package review and, if applicable, bid package dissemination
- Key date reviews
- Safety requirements
- Contractor expectations
- Financial assistance program
- Questions and answer sessions
- Culturally competent management practices for working with a diverse workforce

d. Financial Assistance.

TICD will work with its existing institutional financial resources to provide introductions and financial assistance programs for qualified and selected contractors. Key areas that are envisioned to be a part of the financial assistance program will include meeting payroll needs, equipment purchasing and leasing programs and other capital needs are occur from time to time.

e. SBE Mentorship Program.

TICD will work with TIDA to develop a model mentorship program that will foster emerging Small Business Enterprise firms who are capable of performing high quality construction at competitive prices. Two main goals of this program will be to increase the volume of work that these emerging firms compete for and broadening the base of their activity in the building industry. TICD will encourage all contractors who intend to bid on major projects during the horizontal construction phase to partner with local SBE firms and to develop mentorship programs that provide measurable results, such as survival rates for mentors, recognizable improvements to firm's financial strength and bonding capacity, increases to the number of employees employed and success in meeting the objectives of each firm's individual business plans. For purposes of this Agreement, including paragraphs II.A.1 and 2 above, SBE's shall include businesses that are wholly owned or directed by a non-profit organization that is a TIHDI member.

f. Relationship/Integration with Union Labor; Memorandum of Understanding/Project Labor Agreement.

It is expected that a large labor pool will be required to execute the work involved in the redevelopment of Treasure Island. Towards that end, TICD intends to enter into a MOU/PLA with the San Francisco Building and Construction Trades Council, and its affiliates as well as other relevant unions and referral agencies, to ensure that a sufficient supply of skilled craft workers are available at the project, and that the work shall proceed continuously, without interruption, in a safe and efficient manner, economically, with due consideration for the protection of labor standards, wages and working

conditions. In furtherance of these purposes and to secure optimum productivity, harmonious relations between the parties and the orderly performance of the work, the parties will agree to establish adequate and fair wage levels and working conditions and to protect the project against strikes and lockouts and other interference with the process of work.

In order to meet the TIHDI Agreement goals for Homeless and Economically Disadvantaged Persons, the parties agree to develop a program that requires TICD, its affiliates, unions and contractors to work cooperatively with the Job Broker System on training, apprenticeship and job referral matters. The Job Broker System will include TIHDI organizations and other community based organizations. In addition, TIDA and TICD agree that hotel operators selected for the vertical development of hotel uses will comply with any City ordinance that covers authorized union activity for hotel employees. Hotel uses will also be subject to coordination with the accepted Job Broker program.

g. Monitoring.

The Job Broker and TIDA, in partnership with CityBuild or other approved CBO, will vigorously monitor and enforce the obligations and goals outlined in this Plan, it being understood that all parties share responsibility for its success. Ongoing meetings will be conducted to promote consistent communication. Specific processes and procedures will be developed by TIDA, TIHDI and TICD, likely in conjunction with the guidelines developed as part of the CityBuild program, for monitoring and enforcing the good-faith effort steps by contractors, developers, owners and lessees to attain the goals outlined in this document. The baseline for the implementation is currently envisioned to be derived from Exhibit B, "Implementation Provisions," to the TIHDI Agreement.

**C. Additional TIHDI Economic Development Opportunities**

The 1996 TIHDI agreement identified additional economic development opportunities and programs to support TIHDI's goals and objectives for supporting formerly homeless and economically disadvantaged San Franciscans. The component served to create revenue-generating opportunities for TIHDI member organizations and to enhance work opportunities at Treasure Island for homeless and economically disadvantaged persons.

1. TIHDI Service Contracts.

It is the intent of TIDA, TICD and TIHDI to provide to TIHDI rights to negotiate for contracts for its member organizations to provide certain services pursuant to the TIHDI Agreement. It is expressly understood and agreed that TIHDI Member organizations wishing to provide service contracts will be expected to present market rate proposals, and any such proposal shall be approved or rejected by TIDA, TICD, or other owners/lessees pursuant to the TIHDI Agreement and based on good faith negotiations

between TIDA, TICD or other owners/lessees and the TIHDI Member organization. Those services are identified below:

a. Deconstruction Activities.TIDA and TICD agree to use their best efforts to maximize deconstruction opportunities for the salvage and recycling of materials by requiring Deconstruction to be undertaken where feasible. This is consistent with principles outlined in the Draft Sustainability Plan. Consistent with any collective bargaining agreements, TIDA and TICD will attempt to facilitate participation by Homeless or Economically Disadvantaged persons in deconstruction, where practical by: (i) adding requirements in the development agreement for developers or contractors to perform deconstruction; (ii) including in final development agreements a requirement that contractors engaging in deconstruction activities incorporate participation by Homeless or Economically Disadvantaged persons, consistent with the participation goals outlined in this section and subject to presentation of market rate negotiated agreements between TICD and TIHDI Member organizations; and (iii) giving preference to TIHDI member agencies and other Treasure Island residents who submit market rate proposals and offer qualified personnel for these activities. Any subcontractor providing these services is expected to access the Job Broker system on an ongoing basis and will be subject to the participation goals as described herein.

b. Grounds Maintenance.Currently, TIDA contracts grounds maintenance activities with Rubicon Enterprises, a TIHDI member organization. Consistent with any collective bargaining agreements, TIDA will provide TIHDI member organizations the first right to present a market rate contract proposal for grounds maintenance contracts for portions of Treasure Island and shall negotiate exclusively with such organization for a reasonable period of time. TIDA will have the right to ensure that these services are provided at reasonable market rates and upon other terms as shall be mutually agreed. Any subcontractor providing these services is expected to access the Job Broker system on an ongoing basis and will be subject to the participation goals as described herein.

In addition, TICD, developers, owners and lessees may obtain credit for meeting employment participation goals via contracting with TIHDI organizations that provide grounds maintenance and landscaping services.

c. Janitorial/Building Maintenance.Currently, TIDA contracts janitorial and maintenance activities with Toolworks, Inc., a TIHDI member organization. Consistent with any collective bargaining agreements, TIDA will provide TIHDI member organizations the first right to present a market rate contract proposal for janitorial maintenance contracts for publicly-owned buildings at Treasure Island and shall negotiate exclusively with such organization for a reasonable period of time. TIDA will have the right to ensure that these services are provided at reasonable market rates utilizing qualified personnel and upon other terms as shall be mutually agreed. Any subcontractor providing these services is expected to access the Job Broker system on an ongoing basis and will be subject to the participation goals as described herein.

In addition, TICD, developers, owners and lessees may obtain credit for meeting employment participation goals via contracting with TIHDI organizations that provide janitorial maintenance services.

d. Recycling. The Draft Sustainability Plan identifies that Waste prevention, reuse, recycling and composting are important techniques that will be utilized to meet the City's goals of resource conservation and create a sustainable, livable community for Treasure Island. An effective recycling program in all public, commercial and residential uses is a key component of that. Consistent with any collective bargaining agreements, TICD or TIDA will provide TIHDI member organizations the first right to present a market rate contract proposal for recycling services contracts for Treasure Island and shall negotiate exclusively with such organization for a reasonable period of time. TIDA will have the right to ensure that these services are provided at reasonable market rates utilizing qualified personnel and upon other terms as shall be mutually agreed. Any subcontractor providing these services is expected to access the Job Broker system on an ongoing basis and will be subject to the participation goals as described herein.

e. Good Faith Efforts Required.

The implementation of the goals relating to the Services and Contracts section is premised on the good faith obligations required by the TIHDI Agreement.

f. TIDA or TICD will provide an appropriate and reasonable amount of storage space on Treasure Island, to be jointly negotiated between the parties, for tools, supplies and work space needed to implement the foregoing service contracts.

## 2. TIHDI Economic Development Opportunities.

TICD and TIDA will provide TIHDI and its member organizations the right to propose at least three economic development opportunities, pursuant to and as defined in the TIHDI Agreement, which could include opportunities for small businesses or operations that facilitate extensive job training, employment and comparable opportunities. TICD and TIDA will exercise good faith in negotiating sites or spaces for these development opportunities.

It is the goal of the parties that each of these opportunities would provide job training for approximately 20 homeless or economically disadvantaged people and/or regular employment for at least 10 homeless or economically disadvantaged people annually. Based on the nature of these opportunities, the timing of the feasibility of their implementation will likely be predicated upon residential occupancy thresholds and development timelines. Examples follow:

- if the TIHDI economic development opportunity were a residential pick up and delivery laundry and dry cleaning service, the opportunity would likely not be feasible for implementation until a certain number of residents live on the islands.

- If the opportunity is connected to open space and recreation uses, such as a recreational rental enterprise for bikes and kites, TICD and TIDA would work with TIHDI to determine when a certain threshold of island visitors would be expected on the island in order that the enterprise would be economically and commercially viable.

TIHDI participation in an economic development opportunity such as district type maintenance or improvement services such as street sweeping, graffiti removal, litter pick up and steam cleaning, would be tied to the timing of retail and commercial development. Regarding such contracts for these bundled maintenance or improvement services, in order to support the potential for this as a TIHDI economic development opportunity, TIDA and TICD will make good-faith efforts to prioritize awarding contracts to qualified non-profit bidders .

The TIHDI economic development opportunities are expected to be financially self-supporting enterprises that provide job training and employment for TIHDI partner organizations. Should TIDA and TICD want services to be implemented as a TIHDI economic development opportunity earlier than what the market could support, financial support may be necessary to assist in operations until agreed upon thresholds were met. Alternatively, other TIHDI economic development opportunities may be identified for the time period of the construction phase of the project which may become superseded by long-term economic development opportunities that become feasible at project build-out.

During the DDA and Close of Escrow completion phases, TICD and TIDA will work with TIHDI to develop a tentative schedule for economic development opportunities based on the above criteria.

### 3. TIHDI Support Facilities.

TICD will provide TIHDI the right to negotiate in good faith and exclusively, for leases of office space of up to 12,000 square feet of space for TIHDI member organizations who provide direct services to TIHDI member organization clients and the existing child care facility. Subject to the reasonable approval of TIDA, TIHDI and its members shall not be required to pay rent to the extent that TIHDI is providing direct services on Treasure Island; otherwise, it/they shall pay a fair market rental.