

FINAL

COMMUNITY BENEFITS PROGRAMS

First Quarterly Report – April 2006

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COMMUNITY BENEFITS PROGRAMS QUARTERLY REPORT
April 7, 2006

Lennar/BVHP is required to submit to the Agency and the CAC, on a quarterly basis, a written status report. This Quarterly Report provides a status update on all of the community benefits programs, set forth in the Community Benefits Agreement dated April 4, 2005. The Community Benefit Agreement was entered into by and between the Redevelopment Agency of the City and County of San Francisco (the "Agency") and Lennar/BVHP, LLC, a California limited liability company doing business as Lennar/BVHP Partners ("Lennar/BVHP").

CONSTRUCTION ASSISTANCE PROGRAM
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Introduction

As set forth by the Disposition and Development Agreement for the Hunters Point Shipyard, Lennar/BVHP must ensure that BVHP Area Contractors are given the opportunity to obtain needed insurance, technical and financial assistance. In addition, BVHP Area Contractors 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.

Construction Assistance Program Contact

John Scott, of Business Development, Inc. (BDI) serves as the Lennar/BVHP Contractor Liaison and Financial Assistance Program Liaison. Please contact Mr. Scott with any questions regarding all components of the Construction Assistance Program, with the exception of the Mentorship Program. John Scott can be reached at his office at 415-671-0829 or by email at: unlimited@comcast.net

Additional Information

Pursuant to the terms of the Community Benefits Agreement, Lennar/BVHP is required to provide general liability insurance through the Lennar/BVHP OCIP to all Lennar Contractors (defined below) who are not Excluded Parties (defined below).

"Lennar Contractors" means all contractors and subcontractors who contract with Lennar/BVHP, any of its Affiliates, developers in which Lennar/BVHP or any of its Affiliates own an ownership interest and the contractors or subcontractors of any of the foregoing who work at the Shipyard during Phase 1.

"Excluded Parties" means architects, surveyors, engineers, hazardous waste removal and/or transport companies, vendors, consultants, suppliers, fabricators, materials dealers, truckers, haulers, drivers and others who merely transport, pick up, deliver or carry materials, personnel, parts, equipment or other items to and from the Shipyard and any other trade or profession designated by Lennar/BVHP in accordance with the terms of the Community Benefits Agreement.

Pursuant to the Community Benefits Agreement, Lennar/BVHP is required to inform Lennar Contractors about significant provisions of the OCIP in bid packages, workshops and contracts for construction work on the Shipyard.

- Each bid package currently contains clear instructions regarding required completion and submission of the OCIP Enrollment Application.
- Lennar/BVHP is including the OCIP addendum and the OCIP Enrollment Application in each deconstruction and demolition, and construction bid package issued for work on the Shipyard.
- The administrator of the OCIP is forwarding certificates of insurance to each enrolled Lennar Contractor to confirm the Lennar Contractor as a named insured for the Shipyard progress. This is an ongoing process.
- Lennar explains and emphasizes the OCIP program in workshops and presentations. The Owner's Consolidated Insurance Program coverage is explained in general terms at the contractor outreach workshops and Lennar/BVHP explains that the OCIP coverage will apply to every contractor with a Lennar contract. A more detailed insurance explanation is given to every successful contractor and their insurance carriers, upon execution of their contract with Lennar.

Technical Assistance Program

As part of the Technical Assistance Program, Lennar/BVHP is required to establish, fund and maintain a Contractor Liaison position. The Contractor Liaison Office is located at the Shipyard Project Office. Additionally, workshops are being hosted by the Contractor Liaison throughout the year covering a range of contractor related opportunities on the Shipyard.

Contractor Liaison:

The Contractor Liaison's main responsibility is to assist contractors with navigating through the construction process. The Contractor Liaison Office is located at Lennar Project Trailers, 690 Hudson Avenue, San Francisco, CA 94124. Hours of business are 8 a.m. until 5 p.m. Monday through Friday except holidays. The Contractor Liaison's phone number is (415) 671-0829 and the fax is (415) 822-4725. Lennar also has an emergency construction hotline number that is available 24 hours a day at 1-866-5-LENNAR. Since the Contractor Liaison entered into its contract with Lennar/BVHP on February 1, 2005, the Contractor Liaison has performed or has assisted with the following services and events:

- Though the Demolition and Deconstruction has ended final invoices from RSI have yet to be reconciled. RSI has claimed a shortfall of \$2,865.89.
- Oliver Transbay did not submit a complete bid for the buildings 100 and 110 sewer system. The Oliver Transbay bid has been rescinded. Negotiations with the next lowest bidder, Yerba Buena Engineering is currently under way.
- Gordon N Ball/Yerba Buena Engineering Joint Venture sent a Notice to Cure to Bayview Rock. Hal Stober had been in dialogue with Jerold Taylor to perform crushing on-site. According to Hal Stober, Bayview Rock did not bring equipment to the site that met the agreed upon specifications. GNB/YBE immediately hired GDI and HSR to replace Bayview Rock. A Lennar team of Gary McIntyre, Project Manager, John Scott, Contractor Liaison, Bill Davis, Construction Manger, and Dave Bogdanoff,

Resident Engineer met with Jerold Taylor, Bayview Rock, and Ken Winters, consultant to Bayview Rock to discuss the failure of Bayview Rock to perform crushing operations. After careful examination, the Lennar team did not find reason to substantiate claims of non-responsiveness on the part of GNB/YBE.

- RSI has two outstanding invoices with the following Truckers, 1) D&W Trucking; 2) Eighteen Trucking has realized a discrepancy in an earlier invoice to RSI and is attempting to correct that invoice.
- Oliver Transbay has signed a contract with GNB/YBE for a portion of the Grading and Retaining Wall contract.
- Local and minority contractors yet to sign contracts with GNB/YBE are Remediation Services Incorporated (RSI) and Spencer Masonry. Their negotiations with GNB/YBE are going according to plan.
- RSI has a contract to remove bricks from the job site. The bricks were from chimneys of structures that were previously torn down. A Lennar/BVHP Trucker will haul this material off-site.

Trucking Program

Trucking opportunities remain sparse. The rains of March and early April have continued to limit the trucking opportunities and it is expected to remain as such until the eventual acceleration of work under the GNB/YBE contract. Meanwhile, there continues to be periodic days of one and possibly two truckers hauling concrete, rubble, and debris on the Lennar/BVHP construction site.

- One Trucker, Gary Brown has initiated an issue within the Lennar/BVHP Truckers. He has not been clear in describing his issue. So at this point, Lennar cannot fully report on this issue. However, Lennar did host a Truckers meeting Wednesday, April 5, at 6 p.m. to discern any issues with the trucking program.
- Truckers to this date have made a financial gain of approximately \$150,000 divided among six (6) Lennar/BVHP Truckers and thirty (30) different drivers.
- A total of thirty-four (34) truck drivers have received ABM training and are qualified to haul material on-site for Lennar/BVHP.

Workshops

There are several workshops scheduled for the near future. An Infrastructure Workshop is scheduled for Saturday, April 15 and a General Construction Matters Workshop is scheduled to be held on May 13. Both Workshops will be held at Dago Mary's restaurant on the Shipyard. Media outreach has already begun for the April 15 workshop. Plans and specs will not be available at the April 15th workshop. In accordance with the CBA, Plans and Specs are not required for this workshop.

Grading and Retaining Wall Contractor Award

Construction companies Yerba Buena Engineering, headquartered in the Bayview Hunters Point community, and Gordon Ball, headquartered in Alamo, Calif., have created a joint venture and have begun work under their contract with Lennar/BVHP.

The elements, logistics, and engineering concerns have slowed their immediate progress.

Next Steps

- Continue dialogue with local contractors and assist in their preparation to bid on Lennar/BVHP contracts
- Prepare for the next round of workshops. Further, ascertain what technical or financial assistance the local contractors need
- Continue providing progress reports and other documentation as required by the CBA

Attachments #1 & #2 (BVHP Trucking Program Summary, BVHP Truckers ABM Training Schedule)

Trucking Program Summary

Trucking Firm	Owner/ Operator	Affiliated Companies/Drivers	Employees	# Drivers ABM Trained	Approximate Dollar Amt. To Date (Based on total Invoices Received)
Al Curry	<input type="checkbox"/>	Raymond Pinkston	<input checked="" type="checkbox"/>	4	\$ 26,042.55
		Timothy Eckford			
		Gus Gaines			
Brown & Son	<input checked="" type="checkbox"/>	Jenkins Trucking	<input type="checkbox"/>	2	\$ 27,410.00
D & W	<input checked="" type="checkbox"/>	Durkee Trucking	<input type="checkbox"/>	10	\$ 23,025.00
		Keep It Moving			
		Larry D. Williams Trucking			
		R & B Trucking			
		RJ Trucking			
		Steve Anderson Trucking			
Eighteen	<input checked="" type="checkbox"/>	David Guerrero	<input type="checkbox"/>	9	\$ 9,991.00
		Mark Gilmore			
		Miguel Velera			
		Jauan Lopez			
		Jesus Magallenes			
		Bayron Fuentes			

		Leo Villalobos			
		David Bedwell			
		Ronald Camese (Camese Transport)			
J.J. Allen	<input checked="" type="checkbox"/>	Steve Anderson	<input type="checkbox"/>	2	\$ 17,027.50
Network	<input checked="" type="checkbox"/>	Frank Allen	<input type="checkbox"/>	4	\$ 38,199.67
		Joe Denham			
		Will Osibin			
		Larry Blankenship			
				Total	\$ 141,695.72
Rain Days since January= 44					

BVHP Truckers ABM Training Schedule

BVHP/ Trucker	Trucking Firm	Driver	Date	Time
18 Trucking		David Guerrero	1/24/2006	
		Mark Gilmore	1/24/2006	
		Miguel Velera	1/24/2006	
		Juan Lopez	1/24/2006	
		Jesus Magallaes	1/24/2006	
		Bayron Fuentes	2/3/2006	
		Leo Villalobos	2/3/2006	
		David Bedwell	2/3/2006	
	Camese Transport	Ronald Camese	2/3/2006	
Al Curry Trucking		Raymond Pinkston	1/19/2006	1:00 PM
		Timothy Eckford	1/19/2006	1:00 PM
		Al Curry	1/19/2006	1:00 PM
		Gus Gaines	1/19/2006	1:00 PM
BG Trucking		Lee Gray	1/20/2006	1:00 PM
Brown & Son		Geary Brown	1/19/2006	7:30 AM
	Jenkins Trucking	John Jenkins	2/8/2006	

D & W Trucking

	George Drake	1/19/2006	7:30 AM
	Leslie Mulhair	1/19/2006	1:00 PM
	Anthony Beasley	2/15/2006	
Durkee Trucking	Don Durkee	1/20/2006	1:00 PM
Keep It Moving	Darren Cleveland	2/8/2006	
Larry D. Williams Trucking	Larry D. Williams	1/20/2006	1:00 PM
R & B Trucking	Ronald B. Beasley	1/20/2006	1:00 PM
RJ Trucking	Rahman D. Harden	1/20/2006	1:00 PM
RJ Trucking	Elton Allen	1/20/2006	1:00 PM
Steve Anderson Trucking	Steve Anderson	2/10/2006	

JJ Allen

	John Allen	1/25/2006	
	Keith Crowell	1/26/2006	

Network Trucking

	Frank Allen	1/20/2006	1:00 PM
	Joe Denham	1/19/2006	1:00 PM
	Will Osibin	1/19/2006	1:00 PM
	Larry Blanlorship	1/19/2006	1:00 PM

RCD Tire Service

	Robert C. Dunkley	1/19/2006	7:30 AM
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FINANCIAL ASSISTANCE PROGRAM

Introduction

A requirement of the Financial Assistance Program is that Lennar/BVHP initiate outreach to financial institutions with which it currently has relationships to introduce them to the Shipyard development, explain the general financial needs of the BVHP Area Contractors, and assist BVHP Area Contractors in accessing necessary financing, such as lines of credit, loans or other financial assistance based on conventional underwriting practices.

Lennar/BVHP is also required to host informational events for and provide BVHP Area Contractors with technical and financial assistance resources. The foregoing is required to occur within no less than sixty (60) days prior to the advertisement of the first contract for each of the Deconstruction and Demolition, Infrastructure Improvements, and Vertical Development phases and at least one (1) more time during each phase.

Financial Assistance Program Contact

John Scott, of Business Development, Inc. (BDI) serves as the Lennar/BVHP Contractor Liaison and Financial Assistance Program Liaison. Please contact Mr. Scott with any questions regarding all components of the Construction Assistance Program, with the exception of the Mentorship Program. John Scott can be reached at his office at 415-671-0829 or by email at: eunlimited@comcast.net

Workshop

As required by the CBA we will provide a Financial Assistance Workshop associated with the Infrastructure phase of work on Saturday, April 29, 10:00 A.M. to 12:30 P.M. at Dago Mary's Restaurant on the Hunters Point Shipyard. Outreach material is prepared and on target for distribution for this workshop.

The previous workshop held on February 18, was well attended. Nineteen completed the survey out of 42 overall attendees. The survey provided us with these key points: 53% heard of the workshop via fax, mail, or friend; 67% would have preferred to hear about the workshop or future workshops via, fax, e-mail, or conventional mail; 93% felt the format of the workshop was beneficial.

In conclusion, our format will remain the same.

Additional information (February Workshop)

The financial institutions set up their booths and greeted attendees after sign-in. Banks were not allowed to make formal presentations to the audience; however, bank personnel were able to present their products and services before and after the panel discussion.

John Scott began the thirty-minute interactive discussion by introducing a hypothetical contractor with a profile that represented some of the more common issues of local contractors.

The Profile: Minority contractor; in business 10 years with three full-time/permanent employees; has had prior work as a subcontractor; gets work by bidding mostly on public projects; does not have the bonding capacity to bid as a prime contractor for jobs over \$250,000; all business finances are under the personal credit profile of the owner; the owner has a poor and/or an unknown credit rating; the company has consistent cash flow problems with payroll and would like to compete for larger and more viable contracts.

The Goal: To substantially increase bonding capacity; to be able to competitively bid on jobs up to \$2 million; separate business finances from personal finances; eliminate cash flow concerns; expand their client list, and remain successful in business until retirement.

The panel members exchanged ideas and insights on the path such a company might take to reach its goal. A forty-five minute question and answer session with the audience followed the panel discussion.

Workshop Outreach Efforts

Media outreach is handled by Singer Associates and community outreach is handled by Butler Enterprises.

Additional workshops

The fourth and final Financial Assistance Program Workshop required by the CBA under the horizontal phase of work, is not yet scheduled. However, it will occur in the appropriate time to meet vertical construction requirements as determined by the CBA.

Update(s)

Lennar representatives Paul Menaker, Clem Clarke, Alton Byrd, and John Scott met with Union Bank representatives on two different occasions. The Union Bank representatives were Richard Chacon, Vice President of Supplier Diversity Office for Union Bank of California, Julius Robinson, Senior Vice President Regional Manager, Frank Robinson, Vice President Business Diversity Lending Segment Manager, Sonya Merritt Bayview Office, and Ronald Legaux Bayview office.

Union Bank’s Business Diversity Lending program is very much in line with the Lennar/BVHP objectives. Julius is working out the internal operations to allow for a single point of contact for Lennar/BVHP referred business.

On April 11, 2006, we will meet with Bank of America. This meeting is a follow-up meeting to an earlier meeting among Lennar executives and Bank of America’s executives.

During the month of April we expect to meet with US Bank (Bayview Location) and Comerica Bank surrounding Lennar/BVHP CBA objectives.

Challenges

- There is a need to encourage more financial institutions to tailor their product-line to meet the needs of BVHP area contractors and businesses, and to encourage more businesses to seek the assistance they need from financial institutions.

Next Steps

- Continue to outreach to financial institutions and seek their involvement
- Continue to meet the requirements of the CBA

Attachment #3 (Financial Assistance Workshop Survey Compilation)

Financial Assistance Workshop Survey Compilation

1. How did you hear about the workshop? (19 Responses)

	<u>Number</u>	<u>%</u>
John Scott	3/19	16%
Associate/ Friend	4/19	21%
Butler Enterprises	1/19	5%
Mail	4/19	21%
Phone Call	1/19	5%
Fax	2/19	11%
SFRA	1/19	5%
Internet (sfgov.org)	1/19	5%
Newsletter	1/19	5%
1/28 General Construction Workshop	1/19	5%

2. How would you have preferred to hear about the workshop or future workshops? (18 Responses)

	<u>Number</u>	<u>%</u>
Email	5/18	28%
Fax	3/18	17%
Mail	4/18	22%
John Scott	1/18	6%
Flyer	1/18	6%
Community Paper	1/18	6%
Local Radio	1/18	6%
Craigslist.org	1/18	6%
Other Web Posting	1/18	6%

3. Was the format of this workshop beneficial? (15 Responses)

	<u>Number</u>	<u>%</u>
Yes	14/15	93%
No	1/15	7%

4. What information or insight did you get from this workshop?

- ◆ The need in the community.
- ◆ Contracts Assistance and Financial Assistance
- ◆ Relationships with Bankers
- ◆ Bonding difficulties and solutions- financial strategy
- ◆ Money Managing and Networking
- ◆ Making it clear to all in attendance
- ◆ How to position ourselves to get ready for the bid project.
- ◆ How important it is to develop relationships with your bank.
- ◆ My FICO score is very low such as most often people in our community. Not really a race problem although: this is a black community.
- ◆ Good financial information.
- ◆ "Step up to the plate."
- ◆ Importance of evaluating businesses for financing.
- ◆ Good accounting and financial statement workshop.

5. Which institution, person, or profession from this workshop would you most likely want to make contact with? (19 responses)

	<u>Number</u>	<u>%</u>
John Scott	1/19	5%
CeCe Phillips	3/19	16%
Edwin Stephens	2/19	11%
Bonding & Banking	1/19	5%
Wells Fargo Bank	2/19	11%
Banker or Business Assistance Center	1/19	5%
Banking & Insurance	1/19	5%
Several	1/19	5%
Fred Williamson	3/19	16%

Ulysses Cozart, Jr.	1/19	5%
Union Bank	1/19	5%
Banks	1/19	5%
All vendors	1/19	5%

6. If you would want to evaluate how beneficial this workshop is to businesses such as yours, what would be the criteria?

- ◆ Homebuyers or Loan Request
- ◆ What results in terms of participation in contracting opportunities are realized
- ◆ Meeting people (networking with bankers and other businesses)
- ◆ Very useful and informative
- ◆ Keep it consistent to the agenda
- ◆ Don't Know
- ◆ Contracts
- ◆ More information about financials/bank relations

7. What do you suggest we change or add to the workshop?

- ◆ Send agenda before workshop (include in fax)
- ◆ A plan on how to meet contract requirements and a possible internship relationship on a trial basis.
- ◆ Continue to have them as is.
- ◆ The workshop is very successful
- ◆ Help with low FICO scores of people who have more energy and proof of struggling for a certain amount of time as to opposed good credit gas energy

Comments:

- ◆ I am pleased the panel is interested in working with the community.
- ◆ Thank you for the information
- ◆ We all need each other

Technical Assistance Resources: The Financial Assistance Liaison prepared a list of financial assistance and technical assistance resources that are available at the Lennar/BVHP trailers and on the Lennar/BVHP website.

MBE/WBE MENTORSHIP PROGRAM

Introduction

The MBE/WBE Mentorship Program is designed to support emerging MBE/WBE Protégés (defined below). The two main goals of the Mentorship Program are (i) to increase the volume of work that Protégés are capable of winning in open competition and (ii) to broaden the base of activity of, increase the long-term stability of and expand the construction-industry service provided by the Protégés. The program is also designed to improve the Protégés' ability to successfully perform under contracts and/or subcontracts, to foster the establishment of long-term business relationships between Lennar/BVHP Contractors and Protégés and to increase subcontracting opportunities with Lennar/BVHP Contractors.

The contact for the Mentorship Program is Alton Byrd of Project Complete. Alton is the Mentorship Program Sponsor and he is responsible for organizing, coordinating and administering the Mentorship Program. The public can contact Mr. Byrd with any questions or comments about the MBE/WBE Mentorship Program Monday through Friday between the hours of 9am to 5pm, or by calling 1-888-381-7731 ext. 1 and Anne

Ferguson, Mr. Byrd's assistant may be reached at ext. 4. Mr. Byrd can also be reached on his cell phone at 1-916-600-9968. The Project Complete offices are located at 41 Dorman Street, San Francisco, CA 94124.

Definitions

(a) "MBE/WBE" has the same definition as used in the Development and Disposition Agreement, or the successor definition used in any successor program to the Agency's Equal Opportunity Program that the Agency may adopt.

(b) "Mentor," as used in the Mentorship Program, means a large business concern that demonstrates the commitment and capability to assist in the development of a Protégé. The concern must have at least 7 years experience within the construction industry.

(c) "Professional Services Provider," as used in the Mentorship Program, means a reputable and successful organization or individual that will use its knowledge of construction business issues to educate Protégés and provide them with professional services, including, without limitation, financial administration, insurance and bonding, business management and other services that Protégés and Mentors may identify as beneficial to Protégés.

(c) "Protégé," as used in the Mentor-Protégé Program, means a construction-related small business enterprise that is independently owned and operated, not dominant in its field and is doing business in and with a primary business address in the BVHP Area, or with an owner who provides satisfactory evidence to Lennar/BVHP that such owner lives in the BVHP Area.

Mentorship Program Sponsor

The Community Benefits Agreement requires that the Mentorship Program Sponsor be under contract with Lennar/BVHP before the commencement of the deconstruction and demolition work. The Mentorship Program Sponsor entered into its contract with Lennar/BVHP on March 1, 2005.

Mentorship Program Updates

1. Monthly GROW Newsletter outlining benefits for becoming involved with local businesses. The newsletter debuted in November 2005 and is being sent monthly to 200 businesses and leaders in San Francisco.
2. Continued to forge a partnership with Union Bank of California. Two protégé companies are in the process of applying for lines of credit from UBOC. Further continuing to build relationships with other potential partners, such as Bank of America, Union Commercial Bank, and Citibank.
3. Implemented as standard procedure that all future protégé applicants are required to meet with either the San Francisco Small Business Development Center or the Bayview Business Resource Center to determine their eligibility as a protégé. If the prospective protégé is not in a position to be a viable participant in the Program, the Centers will work with the applicant to become qualified. Al Dixon, Director of the SF Small Business Development Center is a member of the Advisory Board; Ulysses J. Cozart, Jr., Assistant Director, is a consultant to the CB Program. Monika Hudson, Director of the Bayview Business Resource Center, is also a member of the Advisory Board. Due to their active contributions and participation in the Program, both Centers are familiar with the Program's objectives and will work closely with PC.

4. Distributed a special edition of GROW to the subscriber list on March 24, 2006 regarding The Isabela Project Procurement Training Initiative with a link to Project Complete website for more information. This project will train qualified vendors to work directly with PG&E. The Project will also assist companies with their certification to become MBE, WBE or DBE.

Program Status

Advisory Board

The Advisory Board is composed of eight members representing a broad spectrum of expertise. The Advisory Board's last meeting was held February 13, 2006. Its next meeting is scheduled for May 1, 2006.

Advisory Board members are:

Al Dixon, Director, [San Francisco Small Business Development Center](#),
Manny Flores, Field Representative/Organizer, Carpenters Union Local #22
Monika Hudson, Director, [Bayview Business Resource Center](#)
Laura Luster, Principal, LLuster Associates
Ingrid Merriwether, Principal, [Merriwether & Williams Insurance Services](#)
Rick Moore, VP & Director Community Affairs, [Swinerton Incorporated](#) Fred B. Williamson, VP &
Commercial Lending Officer, [Wells Fargo Bank](#)
Paul Washington, Esq.

Status of Current Mentor/Protégé Participants

1. Sterling Environmental//Remediation Services, Inc.: RSI has bid on 5 jobs compared to 2 jobs to date last year. RSI is now part of a team bidding for demolition work at the PG&E BVHP station. Timeliness of filing reports is an issue.
2. Ranger Pipelines//Oliver Transbay Construction. Frank Oliver has shown a reluctance to respond to paperwork and to program guidelines. Frank Oliver is very busy on the Shipyard projects, but does not see benefits to program. Stuart Wachter has been very helpful to the program and has been attempting to work with Frank on developing his business. Oliver Transbay has completed two contracts on the site totaling \$260,000.
3. ASF Electric//Southeast Electric: Alton Byrd met with James Richards of SE Electric and requested that he prepare a business plan by the end of March 2006, and make an appointment for an assessment by Ulysses Cozart of the San Francisco Small Business Development Center.
4. Peak Engineering//Space Saver Designs: Linda Hunter of Space Saver Designs has shown significant progress: Ms. Hunter has joined Carpenters Union Local 22; she is seeking marketing consultation; rebuilding her website; developing a safety outline; she no longer needs control funding for her company when attaining a bond; she is preparing to take State Licensing Exam for Class "A" license; writing a policy and procedures program; passed Asbestos Contractor Supervisor Initial Course; now preparing for Hazardous Substance Removal certification.

5. Cahill Construction//Let's Get Busy have been matched. Alton Byrd met with Miguel Gilman (Cahill) and Darryl Bishop (Let's Get Busy) to orient them to the Program. Both have now completed the Joint Development Agreement.
6. Rubecon General Contractors//R&M/H&H Builders have been matched. Alton Byrd met with Ruben Santana (Rubecon) and Rhonda Harris (R&M/H&H) to orient them to the Program. No reports have been received as of yet though we have been advised verbally that they are working closely together. They have also met with Clem Clarke to voice their concerns over lack of communication about the Community Builder Program.
7. Coverall Engineering//Applied Remedial Technologies. Still awaiting joint development agreement.

Update on Prospective Protégés:

The Oakes Group Development: This property development company is submitting a business plan for review and for matching with Lennar/BVHP as their mentor.

Update on Prospective Mentors:

The Program recruited two mentors in early January 2006, who have since been matched:

Ruben Santana, President, Rubecon Construction

Rubecon General Contracting

3450 3rd Street, Bldg. 1B

San Francisco, CA 94124

Rubecon is a general contractor and construction manager (GC/CM) providing construction services in the immediate San Francisco Bay Area.

www.rubecon.com/

Miguel Guzman, Senior Project Manager, Cahill Construction

Cahill Construction, Inc.

415 California Street

San Francisco, CA 94104

Cahill Construction is recognized as a leader in the Bay Area construction industry for over 90 years, Cahill's construction experience includes a wide range of commercial and residential structures.

www.cahill-sf.com

Challenges: The challenges remain the same. The acceptance rate for both Mentors and Protégés is low because a number of potential Mentors and Protégés informed the Mentorship Program Sponsor that they believe that the program will benefit them more during the Vertical Development phase, rather than during the Horizontal Development phase.

Thus far, the Horizontal phase yields the least amount of interest due to the limited contract work. The expectation is that as soon as the Vertical Development phase begins, there will be a significant uptake on program response and inclusion.

The anticipated Lennar/BVHP Mentor Incentive Plan which will reward mentors for their active participation in the Plan, even before opportunities for bids present themselves, will improve the prospect of recruiting mentors for the Program. This draft policy and procedure is now being reviewed by Lennar, and we are optimistic that there will be clearly defined advantages for participation in the Mentor Protégé Program.

Next Steps

- Continue mentor and protégé recruitment process, as well as monitor existing mentor/protégé relationships. Conduct 30-minute bi-monthly conference calls with each Mentor-Protégé Partnership
- Continue hosting Mentorship Advisory Board meetings, as well as developing the GROW E-Newsletter
- Continue to advise mentors and protégés of other opportunities, both educational and work-related, as they come to our attention.
- Continue providing progress reports and other documentation, as required by the CBA.

SUMMARY OF PROGRAM ACCOMPLISHMENTS: FIRST QUARTER 2006

- Recruitment of two prominent Mentors from local San Francisco region;
- Recruitment of potential protégé from Bay View Hunters Point for Lennar;
- Increase in business for Oliver Transbay for \$260,000 in contracts;
- Creation of strategic partnership with Union Bank of California;
- Increase in training/educational resources for Proteges (CCSF/Bay View Res.);
- Continued exposure to other business opportunities (Isabella Project/PG&E);
- Continued close working relationship with Contractor Liaison John Scott.

COMMUNITY BUILDER PROGRAM

Introduction

The Community Builder Program is a requirement under the Hunters Point Shipyard Phase I Community Benefits Agreement (the “CBA”) and the Hunters Point Shipyard Phase I Disposition and Development Agreement (the “DDA”). Under the CBA and the DDA, with respect to Parcel A’, Lennar-BVHP, LLC (“Developer”) agreed that thirty percent (30%) of the Phase I lots designated for private housing development would be developed either (1) by a joint venture arrangement between Developer (or affiliate(s) thereof) and a “BVHP Area Builder” selected by Developer from the Joint Venture Community Builders Pool or (2) in the event a Developer (or affiliate(s) thereof) and a Joint Venture Community Builder did not timely enter into a joint venture or other arrangement consistent with the DDA for the vertical development of a particular Community Builder Lot, potentially by a “BVHP Area Builder” included in the Independent Community Builders Pool by the Selection Panel (comprised of representatives of Developer and The Redevelopment Agency of the City and County of San Francisco (the “Agency”).

Community Builder Program Contact

The Community Builder Program Liaison for Lennar is Clem Clarke. Ms. Clarke’s contact information is below and she is available to answer questions regarding all components of the Community Builder Program Monday – Friday, 9:00 a.m. – 5:00 p.m.

Lennar Office
49 Stevenson, Suite #600
San Francisco, CA 94105
415.995.1770 (P)
415.995-1778 (f)
clem.clarke@lennar.com e-mail

Community Builders Lots

Exhibit “E” attached to the CBA shows the current location of the Community Builder Lots. You should note, however, that Section 4.1(b) of the CBA expressly contemplates that, upon mutual agreement between Developer and Agency, such locations may be changed to create more flexibility based on the housing types most suitable for such designated locations. Developer currently suspects market conditions will dictate future changes in housing types, which may lead to future changes in Community Builder Lot locations.

Selection Process

In accordance with the CBA, Clem Clarke of Developer led a community outreach process in the early summer of 2005 aimed at informing potential community builders of the Community Builder Program. This was done by advertising in community newspapers, creating a link on Developer’s website, direct mail and conducting workshops, all of which were targeted at BVHP Area Builders, including faith-based organizations.

In June 2005, Developer, with the Agency’s input, circulated a Request for Qualifications (the “RFQ”) for the Community Builder Program, consistent with the form attached to the CBA. Although the RFQ specified a deadline of August 3, 2005 for submission of applications, the deadline was later extended to ensure greater participation. Such an extension was done in accordance with Section 4.2(c) of the CBA, which requires Developer to accept community builder applications until a Vertical DDA has been executed for the last Community Builder Lot.

As of September 16, 2005, Developer received 13 community builder applications. Interviews with each applicant were conducted at the Shipyard during September 28-30, 2005. The interview panel consisted of Anthony Flanagan, Gary McIntyre, Clem Clarke and Victor Ogu, representing Developer, and Sylvester McGuire and Nicole Franklin, representing the Agency. Although members of the Citizen Action Committee (CAC) were invited, they declined to participate in the interview process. To ensure fairness, all applicants were asked the same pre-determined questions (based on the selection criteria below) and given equal time to present their qualifications.

Selection Pool Criteria

The selection criteria for community builders are set forth in the RFQ. The selection criteria for the Joint Venture Community Builders Pool and the Independent Community Builders Pool are identical with one exception: applicants for the Independent Community Builders Pool need to demonstrate the ability to access capital sources needed to purchase a Community Builder Lot at its fair market value, but in no event less than the Minimum Purchase Price, in accordance with the terms set forth in the DDA.

Analysis of Applicant Qualifications

After the September 2005 community builder interviews, Developer's Clem Clarke and Victor Ogu prepared a matrix of applicant responses. A summary of some of their findings is as follows:

- The applicants had varying levels of expertise in developing and/or building apartments, condominiums and single-family homes. Such experience levels ranged from fair to extensive
- All 13 applicants had more than 2 years experience as a builder
- The financial capacity of the 13 applicants ranged from \$2M to \$20M
- 12 out of 13 applicants had a business location in the impact area – 94107, 94124 and 94134.
- All applicants acknowledged the CBA as an existing and relevant document

Selection Pool

Based on the CBA selection criteria, eleven (11) firms met the selection criteria for both the Joint Venture Community Builders Pool and the Independent Community Builders Pool.

Developer's Selection of Joint Venture Community Builders

In December 2005, Developer conducted additional reviews of the community builder applications in order to finalize Joint Venture Community Builder selections. In January 2006, five (5) applicants received letters from Developer indicating that they had been selected by Developer as a Joint Venture Community Builder for the vertical development of Parcel A' Hilltop Community Builder Lots.

Four (4) of the five (5) companies chosen, to date, as joint venture community builders by Lennar are:

- Tabernacle Affiliated Developers
- Dr. George Davis and Baines & Robertson, Inc.
- Bethel A.M.E. Church (BAMEC)
- Dr. Caesar Churchwell and McCoy Developments & Associates

As part of their individual joint venture partnerships with Lennar, these community developers will be responsible for constructing a portion of the homes in the Parcel A development.

The remaining six (6) qualifying applicants were informed in a January 2006 letter sent by Developer that they had been selected as one of the Joint Venture Community Builders to be considered for Parcel A' Hillside development, and Developer would be in touch with them within approximately 60 days after the date of such letters for further discussions.

Update

- During the month of February and March, Lennar met individually with the Tabernacle Affiliated Developers, BAMEC and McCoy Development to have preliminary discussions about potential lot assignments and to review some real preliminary architectural designs for the Hilltop parcels.
- Lennar is going to move forward and set up meetings with the remaining six (6) qualified applicants who are being considered for Parcel A' Hillside development

INTERIM AFRICAN MARKETPLACE

Introduction

Lennar/BVHP must establish an Interim African Marketplace to serve as an African-themed temporary festive, outdoor setting for the display and sale of arts, crafts, sculptures, fabrics, clothing, books and fresh and healthy foods as commonly found in a farmer's market. Additionally, the Interim African Marketplace will serve as a venue for the presentation of musical performances such as gospel, jazz and blues and world music. The Interim African Marketplace will establish the Shipyard as a music entertainment, cultural and tourist destination, as well as provide economic opportunities for local artists.

Interim African Marketplace Contacts

James Burks, Director of the Los Angeles African Marketplace, Inc. (LAAM) serves as the operator of the Interim African Marketplace. Please contact Mr. Burks with any questions regarding the vision and business plan for the IAM at his office at (213) 847-1540 or e-mail at jvburks@earthlink.net.

The Bayview Opera House serves as the local, community-based arts and cultural development organization (Local Arts and Cultural Development Organization "LACDO"). The LACDO is responsible for outreach to the arts and cultural communities for participation in the development of the Interim African Marketplace (IAM) business plan and overall implementation. Additionally, the LACDO is to assist the Operator with the planning efforts for the Interim African Marketplace. Please contact Shelley Bradford Bell with any questions or comments regarding the outreach for the IAM at her office at 415-824-0386, fax 415-824-7124 or e-mail at sbb@bayviewoperahouse.org

Alton Byrd of Project Complete is the Developer's newly appointed San Francisco Coordinator for the Interim African Marketplace (IAM). James Burks, the Operator, is working closely with Alton Byrd by providing valuable insight, recommendations, ideas and the necessary guidance needed to make the IAM a success. Mr. Byrd can be reached on his cell phone at 1-916-600-9968 or by e-mail at jaltonbyrd@sbcglobal.net. The Project Complete offices are located at 41 Dorman Street, San Francisco, CA 94124.

Updates

The IAM consultants have officially submitted to Lennar and the City the final draft of the IAM operations plan. Several components are included in this CB quarterly report.

Operations Plan

The International African Marketplace

The International African Marketplace is envisioned as a cultural tourism destination, permanent cultural event location, and retail/business outlet for local, regional, national and international vendors and artists. It is a commercial site for displaying and selling arts, crafts, and food. As such, it will serve as an economic development vehicle for smaller, local vendors and artists. As an event location, the IAM will regularly sponsor cultural events such as musical or dance performances, film viewings, and fine art shows, drawing upon the rich cultural heritage of the African Diaspora (locations throughout the world where people of African descent have

dispersed to include the United States, Europe, Caribbean, Mexico, South and Central America, etc.) to attract and entice shoppers and tourists to its offerings. Equally important, is the fact that the IAM will be a focal point and vehicle for building community within the new Hunters Point Shipyard.

Additionally, the IAM includes an organizational structure which will develop and direct the operations of these cultural and economic development activities. In its current, earliest stages, the IAM organization consists of consultants with whom Lennar/BVHP has contracted to launch the IAM. They are responsible for translating the IAM concept into the reality of actual events and opportunities for local artists and vendors. As these initial activities are planned and carried out, and as community support and participation grows, the IAM's organizational structure will mature.

The concept of the International African Marketplace is directly derived from that of the African Marketplace, Inc. in Los Angeles, California, an annual festival that produces opportunities to display and celebrate the culture and arts of the people of Africa and the African Diaspora. The idea behind the Los Angeles African Marketplace is that the rich arts and culture of the people of the African Diaspora provide tremendous, frequently untapped, economic tools to reclaim, revitalize and develop the economic base of urban African-American communities. The Los Angeles African Marketplace's celebration includes opportunities for artists and vendors to showcase and sell their work to thousands of Los Angeles County residents and tourists that attend the weekend festival each year.

The Los Angeles African Marketplace has been operating successfully for twenty-one (21) years. The American Bus Association added it to the prestigious List of Top 100 Events in North America in 1996 and 2002. This annual event has drawn as many as 367,000 visitors, attracts over 350 vendors, and produces an average of 900 temporary jobs annually. For the past three years its economic impact and dollars generated for the local economy are estimated at \$94,300,000, including revenues for local, regional, national and international artists, performers and vendors.

Building on the experience and success of the African Marketplace, Inc., the Shipyard's IAM expands the African Marketplace, Inc. concept into a year-round business outlet and vehicle for local and regional artists and vendors. It will connect the Bayview community with San Francisco's tourism and retail economic engines.

As a key part of the Hunters Points Shipyard redevelopment scheme, the IAM will develop as the Shipyard itself develops. Initially, in its early years IAM activities will focus primarily on:

- Establishing concept and name recognition ("branding") within the community, City and region.
- Co-sponsoring local events and partnering with existing entities, such as the Bayview Hunters Point Farmers' Market, to establish an active presence within the Bayview, the City and the region.
- Hosting an annual festival that showcases local artists and vendors.

Until very recently, Lennar/BVHP intended to launch the IAM with a festival in 2006 at the interim site on the Shipyard. However, as the interim site is quite small and does not contain space for festival parking, Lennar/BVHP approached the U. S. Navy to seek approval for a festival parking area on Navy owned and controlled property. The Navy responded negatively. Adequate parking for both festival attendees and organizers was identified as a key element for festival success.

Lennar/BVHP investigated the possibility of renting off-site parking space and providing a shuttle service to the Shipyard. However, it found that doing so would thwart easy festival access for attendees and push festival costs into an unreasonable range. As a result, Lennar/BVHP has adopted a **PLAN B** strategy and opted to schedule the first IAM Festival for September 2007. To build momentum toward the 2007 Festival, Lennar/BVHP will concentrate on extending the IAM concept and name branding through a series of strategic sponsorships of existing events and alliances with related organizations. The extended festival timeline will also increase the likelihood for engaging more festival sponsors and corporate participants. The Plan reflects this shift in scheduling.

IAM CONSULTANTS

Lennar/BVHP has engaged a team of consultants to assist in the creation and implementation of the IAM. The various roles and responsibilities of each consultant are delineated below.

IAM Operator.

Pursuant to the CBA, the Los Angeles African Marketplace, Inc. (LAAM) is the operator of the IAM. Its director, James Burks, serves as the IAM's senior advisor.

Contribution:

Conceptual designer of the IAM

Vendor and artist contacts

Festival operations

Corporate sponsorship contacts

Strategic planning

Local Community-based Arts and Cultural Development Organization (LACDO).

Pursuant to the CBA, the Bayview Opera House has been selected as the IAM's local community-based arts and cultural development organization to provide general assistance to the IAM and, specifically, work on outreach matters. Under the leadership of Shelley Bradford-Bell, the Opera House will assist in the effort to ensure that BVHP area artists have opportunities to participate in the IAM.

Contribution:

Local artist contacts

Local community outreach

Local Operations Manager.

Project Complete/Clear-Focus principal, Alton Byrd, will serve as the San Francisco- based day-to-day operations manager for the IAM. He will coordinate both planning and implementation of IAM activities with James Burks, and be responsible for local execution.

Contribution:

Strategic planning and partnership building

Identification and engagement of sponsors

Management of San Francisco-based day-to-day operations

Coordination of the preparation of the Feasibility Study, Revenue/Cost Structure, Leasing Program

Budget preparation

SF Coordinator 2007 Festival

Fund Development.

Iiona McGriff of LSM Legacies has been brought on board to help generate interest in the IAM within the philanthropic community, and to prepare grant applications to support IAM operations.

Contribution:

Identification of potential philanthropic partners

Preparation of grant submissions

Site Planning.

Korve Engineering has prepared site plans for the interim IAM site to include grading and paving operations, utility lay out and connections.

Contribution:

Engineering plan for interim IAM site

Architectural Site Plans.

Myles Stephens Associates has prepared the plans for basic enhancements to the interim IAM site to support festival activities, such as location of vendor booths, performance stages, and food areas.

Contribution:

Interim Site Plan Drawings

Operations Plan Writer.

L. Luster & Associates has been engaged to prepare the initial Operations Plan for the IAM.

Contribution:

Operations Plan Production

Marketing and Public Relations

Project Complete/Clear Focus and Davis & Associates will share marketing and public relations responsibilities for the IAM.

Contribution:

Press and advertising

Logo development

Production of marketing materials

General and grass roots marketing

Location and Site Plan

The IAM will operate initially from Project Complete/Clear Focus's office located in the Bayview Business Resource Center in the Bayview Plaza at Third and Evans Streets. All IAM activities will be coordinated from this office and Project Complete/Clear Focus will serve as the primary point of contact for all IAM operations. The IAM interim site on the Shipyard will be activated in 2007 several months prior to the festival. Following is a description of the site.

The interim IAM site is located on the Shipyard on 1.2 acres of land at the base of the hill between Galvez Steps, Galvez Avenue, the Hilltop area and the parking lot north of Building 101. (See map in Appendix). This interim site will serve as the location for the Annual International African Marketplace festival event that will take place each year until it can be moved to a permanent site on Parcel B.

At present, the site is partially cleared and requires a number of improvements to ready it for IAM use. Specifically, Lennar/BVHP will have the site cleared, graded and paved with blacktop/asphalt. A trailer to

house IAM operations with appropriate water and utility connections will also be put in place. As part of the utility connections, there will be two fire hydrants on the site for potable water uses. One hydrant will be located by the administration trailer and the rest room facilities. The other hydrant will be at the end of the site, towards Buildings 101 & 110. The IAM trailer will be on site and connected to Lennar/BVHP's other trailers' permanent power by underground conduits.

All of the essential site preparation activities will be completed by June 15, 2007 to include: Site clearing and grading, asphalt paving, installation of the IAM trailer, electrical/utility connections, and availability of potable water.

For the IAM festival, this site will house the entertainment/performance stages and approximately 50 vendors and exhibitors. The rear portion of the site, the area that borders the hillside, will handle the food vendors and include an eating area. The proposed lay out for the interim site is detailed in the IAM Site Map in the Appendix.

Operations & Financial Feasibility

The financial feasibility of the IAM stems from the fundamental strategy of utilizing the seed funds contributed by Lennar/BVHP to establish the IAM as a self-sustaining entity within the next three years. In this way, the groundwork will be laid for development of the permanent International African Marketplace on Parcel B. To attain a self-sustaining state, the IAM will need to meet the following four objectives:

1. Successfully market the IAM concept and name within the Bay Area corporate and philanthropic communities over the next two years, establishing the IAM as a viable and desirable donor option.
2. Market the IAM and its annual festival to the BVHP and San Francisco communities, as well as a broader Bay Area, California regional and tourist audience so that festival attendance and revenues expand each year.
3. Host a successful IAM Festival that achieves attendance and vendor sales goals, and establishes the IAM festival as a desirable, annual affair.
4. Establish a vendor leasing and/or profit sharing plan that will generate revenue for the IAM to eventually contribute to its operating costs.

Following are the strategies the IAM will employ to achieve each of the objectives.

Marketing of IAM

One of the key goals of initial IAM activities is to attract local and regional participants to the events that the IAM sponsors. Participation goals will be achieved through the ongoing marketing campaign described in the Plan's Marketing & Public Relations section. However, the main marketing thrust will be to present the IAM as a collaborator, facilitator and producer of existing, popular festivals and special events throughout the Bay Area. These strategic partnerships will be extremely important in building the name and reputation of the IAM in its initial years.

With regards to the 2007 Festival, an overall attendance goal of 7,000 people, generating \$14,000 in admission fees, has been set. The analysis conducted by Project Complete/Clear Focus, which included a review of attendance levels for San Francisco street fairs and the Third Street Festival in years past, suggests that the overall attendance goal of 7,000 is realistic and achievable. To attract the targeted number of attendees, the IAM will employ a multi-pronged, early marketing approach of the IAM concept and Festival that will begin well in advance of the Festival date. This effort is also described in more detail in the Marketing Plan section.

IAM Partnership With Other Local Events

To extend and launch the IAM brand and build momentum for future years, the IAM will sponsor a number of local events within San Francisco's District 10 area and also around the Bay Area region. This will provide multiple, ongoing opportunities to directly inform the public about the IAM and the September 2007 festival. For example, the IAM has generated a partnership with the Bayview Hunters Point Farmers Market. Participation in the Farmers Market will provide weekly exposure for the IAM in the Bayview from May through October each year. Other such event partnership and sponsorship opportunities include:

- Bayview Farmers Market (weekly May through October)
- Bay Area Black Restaurant Tour with John Templeton
- San Francisco and Oakland Juneteenth Festivals
- Fillmore Jazz Festival
- San Francisco International Arts Festival
- (The IAM has been included in the festival's grant application submitted to the San Francisco Arts Commission for its 2007 festival)
- Lorraine Hansberry Theater Season
- African American Restaurant Association Food Festival
- MOAD Openings
- Oakland's African American Museum Events
- February 2007 Black History Month Events

These events are reasonably priced and will be branded with the IAM logo and with mention of the IAM 2007 Festival dates. The IAM resources will be channeled into existing marketing efforts for each of these events, giving name exposure and recognition to the IAM. The responsibility for the event itself would be that of the organizations and individuals producing the events. In some instances, as with the SF International Arts Festival, there are also potential fundraising benefits that can be achieved as well.

Strategic Alliances

The IAM will seek out and establish alliances with BVHP community stakeholders such as the local artists groups, community organizations, churches, and individual artists to obtain input and buy-in for the IAM, its activities and the 2007 festival. IAM consultants will work closely with the Bayview Opera House with regards to establishing relationships with local artists and craftspeople. Similarly, the IAM will partner with other Lennar/BVHP community benefits consultants to tap into the extensive community network that has now been established.

In 2007 three months prior to the IAM festival date, event information will be circulated every 30 days to the extensive network of community organizations in the Bayview and throughout San Francisco with whom Lennar/BVHP has now established connections. IAM Festival advertising materials – posters, flyers, handbills – will be placed in and distributed via email blasts to job training organizations, community colleges, youth

serving agencies, merchants groups, business organizations, neighborhood associations, artists groups, churches, individual artists, community organizations, Chambers of Commerce, as well as city agencies such as SFRA and MOCD.

The IAM will extend this community stakeholder inclusion effort to African consulate offices or other foreign consulates representing countries with sizable populations of African descent. Again, the intent will be to generate interest and support for the IAM, and, hopefully in the case of the consulates encourage participation in the Festival. Further, the IAM will explore the possibility of establishing honorary advisory council for the IAM Festival, marketing it as an annual Citywide Pan African Festival and Celebration of African Americans in San Francisco.

Finally, the IAM will keep city agencies such as the SFRA and MOCD apprised of all marketing activities. It will seek opportunities to coordinate efforts

IAM Management

Initially, the IAM will be locally managed on a day-to-day basis by Project Complete/Clear Focus. Project Complete/Clear Focus's principal, Alton Byrd, will work closely with James Burks of the LAAM, who will provide operational support and strategic planning input. Project Complete/Clear Focus will draw heavily on the LAAM's expertise for planning and executing all aspects of the IAM Festival. Project Complete/Clear Focus will be responsible for initiating all IAM activities, coordinating the activities of the IAM consultants, and implementing the Operations Plan. After the 2007 festival event, Project Complete/Clear Focus, the LAAM, and Lennar/BVHP management will assess the IAM's initial launch and determine a path forward. By that time IAM efforts and activities leading up to the festival and the event itself will provide much needed information about the viability of the IAM concept as part of the Shipyard redevelopment plan.

Project Complete/Clear Focus's scope of work includes providing leadership and guidance to the other IAM consultants, coordinating work efforts toward and during the September 2007 festival, assisting with preparation of advertising and promotional materials, establishing strategic partnerships, working with Bayview Opera House to identify potential artists and vendors, identifying and soliciting IAM sponsors, assisting in fund development, contracting for the event management, accounting, and other professional services needed by the IAM, maintaining program records, and preparing status reports.

Alton Byrd and Project Complete/Clear Focus will serve as the local, primary point of contact for the IAM. Lennar/BVHP will continue to oversee the management of the IAM. Project Complete/Clear Focus and the other IAM consultants under contract with Lennar/BVHP and their fees are underwritten by the seed money Lennar/BVHP has contributed toward the initiation of the IAM.

As the IAM develops, undoubtedly a more mature management structure will need to be created. It is highly likely that this may include forming a not-for-profit organization, or aligning the IAM with an existing and related not-for-profit entity. The post launch event assessment by Project Complete/Clear Focus, the LAAM, and Lennar/BVHP will include discussion of this aspect of IAM management

Outreach

Outreach plays a key role in ensuring adequate participation of the local Bayview community, particularly local artists and vendors, in the IAM. This is particularly true during the IAM's initiation phase and for the 2007 Festival. The IAM is employing a multi-pronged approach to outreach that includes both generating

community “buy-in” and input as well as direct participation recruitment. The IAM’s main partner in community outreach is the Bayview Opera House.

Bayview Opera House. The main thrust of the Bayview Opera House’s charge is to assist the IAM in identifying and reaching out to the local community, particularly local artists and performers, to generate interest in the IAM and obtain feedback about the nature of IAM activities. To date, the Bayview Opera House has hosted two IAM community workshops to provide information about the IAM to the local community and gather input on IAM priority activities and operations. One of these workshops was directed at local artists, and a number of BVHP Area artists attended. The artists had the opportunity to weigh-in on the concept of the IAM as well as offer specific suggestions.

In going forward towards 2007 Festival, the Opera House will continue to reach out to local artists, particularly when the IAM begins to solicit applications for the display space and vendor booths for the September Festival. The Opera House will contact artists through email blasts, direct mailings, telephone calls, and face-to-face meetings to get the word out about the display and selling opportunities at the IAM festival. Beginning in January 2007, the IAM will begin to advertise the availability of vendor space for the September Festival and begin working with the Opera House to make these initial connections with local artists. The Opera House will be one of the IAM’s main avenues for soliciting applications from BVHP and San Francisco-based arts and crafts vendors and performers. The Opera House will also provide assistance, if required, to Best Beverages Catering to identify area food vendors. These direct solicitation efforts will continue through June 2007 when applications will no longer be accepted.

In addition to Opera House outreach efforts, the IAM will directly market the September festival to area merchants, community organizations, churches, and business associations with the aim of promoting community support for the event. Such support will be an important element in guaranteeing adequate festival attendance. It may also prove to be a source of local Festival financial sponsorship. In May 2006, the IAM will open its office in the Bayview Plaza so that community members can call or stop by for information. Additionally, the IAM will distribute information via a monthly electronic newsletter that will be linked to the existing Shipyard website. Publication of the newsletter will begin in summer 2006. This will be complimented with direct mailings and email to local organizations, followed up by either face-to-face meetings or telephone calls.

Likewise the IAM will continue to work with the Citizen’s Advisory Committee, specifically the Planning Subcommittee, as another avenue for keeping the community informed about IAM intent and activities. IAM consultants will attend the monthly Planning Subcommittee meetings, and provide ongoing status updates on the IAM. Consultants will also be available to committee and community members for informal meetings. This activity will begin in June 2006 and continue on an ongoing basis.

Issues & Constraints

The concept of the African Marketplace was first introduced to the BVHP community and SFRA during Lennar/BVHP’s presentation of the preliminary development concept. The notion of a permanent cultural and artistic presence on the Shipyard that reflected the cultural heritage of the African Diaspora, and that would also serve as an avenue for local economic development was well received. To ensure that the African Marketplace concept would not be lost or set aside, it was determined that the Marketplace should be initiated in Phase 1, even if only on a limited “interim” basis, and then moved to a permanent site later in the project. How this will be accomplished is the subject of this Plan.

However, there are a number of logistical issues confronting the IAM that could not be anticipated during the conceptual development of the project but are now presenting themselves. Lennar/BVHP and its IAM consultants are working through each issue as it arises, attempting a positive resolution. Nonetheless, each issue has a serious potential impact on the viability of IAM implementation. They are set forth below.

IAM Sponsorship.

As discussed previously, obtaining adequate levels of corporate sponsorship and foundation support for the IAM's 2007 Festival is critical to its financial success. At this time, Project Complete/Clear Focus and the LAAM believe that there is adequate time to solicit and engage targeted sponsorship levels for a September event. Other proposed IAM activities, such as the weekly participation in the Bayview Farmers Market and partnerships with other local cultural events will not be impacted by sponsorship levels. They will proceed and the goal of establishing the IAM concept and name recognition will go forward.

Phase 1 Construction Schedule

At the time of the 2007 September festival, the IAM interim site will abut an active shipyard construction site. Lennar/BVHP's project manager has assured IAM consultants that despite this, the festival should be able to proceed without the construction posing any potential hazard to festival attendees. Nonetheless, unforeseen circumstances could arise during the construction which may require either adjustment to the festival site plans. IAM consultants will continue to meet regularly with the project manager, stay apprised of construction progress, and make sure that the project manager is fully aware of all festival related site set up and operational needs and activities. This is an issue that will remain a concern throughout IAM operations while the Shipyard continues to be under development.

Next Steps

- Allow Lennar, SFRA, the City and the CAC an opportunity to review the operations plan recently submitted by IAM consultants.
- Make a formal presentation to the CAC and provide an update on next steps

CULTURAL/HISTORICAL RECOGNITION PROGRAM

Introduction

Pursuant to Section 5.1 of DDA Attachment 24B, Lennar/BVHP shall develop a design program that (a) through the urban design process identifies opportunities for recognizing and enhancing the cultural and historical context of the Shipyard and its surrounding community in both the development and design of the Shipyard; (b) integrates cultural features and facilities throughout the Shipyard, starting with Phase 1 through the Interim African Marketplace; and (c) provides opportunities for local artists (both at the Shipyard and from the surrounding community) to participate in creating public art for the Shipyard, working with the community to identify appropriate locations and art forms for the public art program.

Cultural/Historical Recognition Program (CHRP) Contact

Iiona McGriff of LSM Legacy is the fundraising consultant for the Cultural Historical Recognition Program (CHRP). Please contact Ms. McGriff with any questions or comments about the CHRP at 510-238-8428, and also at 510-238-8493 or e-mail her at LSMLegacies@sbcglobal.net

Additional Information

(a) **Open Space Master Plan**. Lennar/BVHP agrees to include in the Open Space Master Plan required by the DDA, the location for the installation of 500 square feet of tiles designed by youth participants at a San Francisco Bayview Opera House program, and the creation of a walkway connecting Galvez Steps to the site of the Interim African Marketplace. The walkway shall incorporate the following three (3) elements identified in the design process:

- (i) A timeline of events to recognize all the inhabitants of the Shipyard from the earliest settlers to today;
- (ii) Anecdotal narratives to preserve the stories of the people who worked at the former Shipyard Naval base through oral, written and illustrative works; and
- (iii) Physical markers to incorporate into the Shipyard certain artifacts, representations or symbols of its early Native American inhabitants, the shipbuilding era, the African Diaspora and more.

(b) **Interim African Marketplace**. Lennar/BVHP shall develop the Interim African Marketplace as described in Section 5 in a manner that will integrate cultural features and facilities on the Shipyard in Phase 1. Lennar/BVHP recognizes that its obligation to integrate cultural features and facilities throughout the Shipyard shall be a continuing obligation during all other Phases of Shipyard development in which Lennar/BVHP or an Affiliate obtains any development rights.

(c) **Art Program and Implementation**. Within one hundred and twenty (120) days after the Close of Escrow, Lennar/BVHP shall form an exploratory committee with representatives of BVHP Area arts organizations and artists, BVHP Area residents and the CAC to (i) design an arts program that provides opportunities for local artists (both at the Shipyard and from the surrounding community) to participate in creating public art for the Shipyard and identify appropriate locations and art forms for such arts program; and (ii) develop a strategy for implementing the Cultural/Historical Recognition Program. Lennar/BVHP shall provide the Agency and the CAC with a written report (“Progress Report”) that describes in detail the arts program and the implementation strategy within two hundred and ten (210) days after the Close of Escrow, and shall revise such strategy as requested by the Agency and the CAC.

(d) **Fundraising Consultant**. As part of its commitment to the success of the Cultural/Historical Recognition Program, within sixty (60) days after the Close of Escrow, Lennar/BVHP shall engage and maintain a fundraising consultant to pursue government, foundation and private funding to underwrite the creation of the arts program, the public art and the implementation of the Cultural/Historical Recognition Program.

Project Status

Art Component

The Cultural Historical Recognition Program held an “Artist Input Opportunity” Workshop on February 25, 2006. The workshop was well attended and provided the anticipated outcomes. Based upon that initial

workshop, we realized that we need to host two or three more workshops that will be area specific (94107 & 94124) and one that will focus solely on youth. The artist community on the Shipyard is engaged in the project and participated to the point of developing their own “next steps.”

This workshop was a key milestone for the Exploratory Committee, and for CHRP. To engage the artists community is a fundamental component of developing a successful program. Moreover, it was a necessary step on the road to obtaining funding.

On Friday, April 7, 2006, the design team will hold its project kick-off meeting. This meeting should allow for the development of a realistic timeline for building of the Open Spaces.

The consultant is also reaching out to San Francisco Foundation to co host a funders informational meeting in May 2006.

Historical Component

The historical component of the program is moving forward. The kickoff event will be a fundraiser. The fundraiser is one in a series of events. This initial event “An Evening with Kevin Epps” is tentatively scheduled for May 6, 2006. This series will introduce local artists and their work. Kevin Epps has gathered footage from the Shipyard and is filming the redevelopment process from the CHRP perspective.

A letter has been submitted to San Francisco State University to provide a student to assist on the historical component of the program. Next Steps include a focus group to develop the program.

Challenges/Process

I thought it would be helpful to provide an overview of how funding is obtained and the specific challenges of this project. Therefore I have included this section that will look at process and how this project differs from the typical.

In a normal fund development process, an organization has formed and has determined its direction and focus. The organization has determined the types of programs it would like to offer and has developed a program model. Once the program is designed, the organization seeks funding matches and develops the necessary relationships to obtain funding.

In the case of the Cultural/Historical Recognition program, the following challenges existed at the commencement of program:

- No non-profit affiliation
- No track record
- No program
- No seed money

- No accountable entity (board of directors, etc.)

Moreover, other key elements were not in place. For instance, the Community Benefits Agreement called for the mandatory inclusion of an Exploratory Committee and the development of a program, yet it did not identify an agency/organization from which this program would operate, how it would be funded and who would be accountable. Therefore before any money could be raised an exploratory committee had to be identified, convened, educated and then that group was tasked to develop a program. However, without the input of the artists a comprehensive program could not be developed. Additionally, an organization with integrity and community interest had to be cultivated to become the fiscal agent for the CHRP. While various organizations were and are interested in being the fiscal agent, many require as much as 20% in administrative fees. Fortunately, we have identified an local non profit that will only require ten percent in administrative fees. All of these processes take time, strategic alliances and partnerships. The current mode of operation in the non profit funding community is to have organizations partner/collaborate on projects as a program that wasn't fully developed and that did not have an organizational home, CHRP was at a distinct disadvantage in terms of seeking funding. This disadvantage is clearly evidenced by the San Francisco Foundation's challenge match to the program,- a way to force CHRP to partner with others to raise seed money.

The past twelve months has allowed the program to gain the foundation necessary to move to the point where actual development can begin. The purpose of the "Conversations With" series is to bring attention to the program and thereby generate support. CHRP is now almost to a point where serious and thoughtful fund development can occur.

Next Steps

The Cultural/Historical Recognition Program consultant will engage in the following through June 2006:

1. Conversations series (planning and implementation)
2. History program focus group
3. Artist Input Opportunity workshops
4. Funders Informational meeting (focus on CHRP,IAM and Employment-but will include all CBA programs)
5. Grant writing

BUSINESS INCUBATOR SPACE PROGRAM

Introduction

In an effort to facilitate the growth and development of a variety of businesses at the Shipyard, Lennar/BVHP must set aside space for a small business incubator program.

The Business Incubator Space Program will be implemented in connection with the vertical development phase. Lennar/BVHP must include in all of its purchase agreements for lots zoned to permit retail space, provisions that require the applicable Vertical Developers to (i) cooperate with Lennar/BVHP in drafting and revising, as required by the Agency, the Business Incubator Space Plan and submit such plan to the Agency for approval prior to awarding any vertical commercial contracts on an Affiliate Lot; and (ii) provide the lease for the

Business Incubator Program Space to the Agency for prior approval. Additionally, prior to the awarding of the first vertical commercial construction contract, Lennar/BVHP must submit to the Agency for the Agency's review and approval, a proposed plan delineating the outline and square footage of the premises proposed for the Business Incubator Space Plan and a budget of the development costs (including developer's overhead and cost of funds, but excluding profit) and resulting rent required to recover such costs (the "Business Incubator Space Plan"). Based on the current construction schedule, Lennar/BVHP expects to submit the Business Incubator Space Plan to the Agency by Spring 2007.

HOMEBUYERS' ASSISTANCE PROGRAM

Introduction

Lennar/BVHP must develop a program to provide information to qualified Shipyard homebuyers of affordable as well as market rate homes. The Homebuyers' Program will include down payment assistance, first-time buyer financing programs and homeownership counseling services. Lennar/BVHP is required to (i) offer a zero-down payment option through its affiliate mortgage company, Universal American Mortgage Company (UAMC), to qualified buyers of market rate homes; (ii) provide buyers of affordable homes with a list of programs that could be a source of gift funds for 2% of the required 5% down payment required by the Agency's affordable housing program; (iii) provide qualified homebuyers with a choice of financial lenders that provide 30 year fixed mortgage loans for low and moderate income home buyers; (iv) notify community-based homeownership counseling services, such as the Consumer Credit Counseling of San Francisco, of the opportunity for homeownership at the Shipyard in advance of marketing the homes for sale; (v) provide an orientation to the counseling services' staff; (vi) provide loan application information to prospective homeowners; and (vii) conduct certain outreach efforts.

Homebuyers' Assistance Program Contact Person

Lynn Bell, of Lennar/BVHP, serves as the Homebuyers' Assistance Program Liaison. Please direct any questions or comments regarding the Homebuyers' Assistance Program to Lynn Bell. Lynn Bell can be reached at her office at 415-995-1770, fax at 415-995-1778 or by email at lynn.bell@lennar.com.

Updates:

Our community outreach program is beginning to pick up some steam! We have completed as of January 2006 seven (7) workshops. As we complete a full three-session cycle we for a review of past workshops and to collaborate on future workshop ideas. In the initial three sessions we appeared to capture more attendance by holding the workshops on Saturdays. Since the initial three (3) workshops, we have seen higher numbers in attendance during the weekday nights. We will continue to monitor our capture to ensure we are holding our workshop at the most desired times. Also, we initially made the decision to hold our workshops in each of the respective communities targeted. We will continue to hold the workshops on a monthly basis and rotate throughout the communities. We believe continued reinforcement and providing the opportunity for attendees to participate multiple times in the workshop motivates our potential homeowners to take action and solidify their financing sooner than later. The SFHDC currently has 31 clients working in their program with one-on-one counseling. Of the 31, 15 are from the target zip codes, 15 are from surrounding city neighborhoods and 1 is from Pinole. In the month of November we conducted our 6th workshop in the Potrero Hill Neighborhood House for the target zip code 94107. We had 29 attendees at the workshop, which was significantly less than

the first workshop conducted in the community on 6/14/05, which had an attendance of 40. The variation has initially supported our decision to conduct the workshops during the weeknights. The first workshop was held on a Tuesday. The advertising for the November 12, 2005 workshop and the January 18, 2006 workshop was mainly community-based flyer distribution.

Fifteen hundred (1500) flyers for the Saturday, November 12, 2005 workshop held in the Potrero Hill community (94107), were distributed within the community starting on Wednesday, November 12 to Friday, November 14. These flyers were double-sided and bilingual (English/Spanish). For the Wednesday, January 18 workshop, 3000 copies of our Homebuyers Assistance flyer (English only) were distributed within the 94124 community. In the case of both workshops, a blast fax/e-mail was sent to the majority of the community organizations listed in Exhibit L in the Community Benefits Agreement, with the exception of unions and schools.

We have set out a tentative schedule for the year of 2006; however, it is subject to adjustment depending on the on-going results. Our 7th workshop conducted mid week at the Ruth Williams Memorial Theater had 55 attendees. We delivered 3000 flyers to residents of the 94124 community; in addition, we did a fax blast to all the community organizations listed on the Exhibit L and our on-going list of interested buyers. At each workshop we are requesting our “future homebuyers” complete a survey, which provides feedback on how they heard about the presentation and how we performed. At each follow-up team review meeting we analyze potential changes to the presentation, etc. We will continue to update the presentation as we make progress in the BVHP community.

Challenges:

The greatest challenge in the program is getting the interested homebuyers to take the necessary steps to position themselves for home purchase. The workshop is the first step in the process. Motivating buyers to prepare well in advance of an actual home close is difficult. This reinforces our decision to keep the fire hot! Continuing the workshops on a monthly basis provides more opportunity to deliver the message of preparedness.

Additionally, we have not identified any sources of down payment assistance that could be used to cover the mandated 2% portion of the down payment required by the City. San Francisco Housing Development Corporation, The Department of Housing and Urban Development and Freddie Mac are not aware of any down payment assistance funding targeting the San Francisco Area. Although, UAMC does have programs available to first time homebuyers that would require less than the City’s mandated five (5) percent.

Next Steps:

We will continue to refine our program and seek-out ways to capture more audience. We will also encourage direct lenders, real estate brokers and other city credit counseling services that are abreast of the on-going workshops and encourage their attendance and, additionally, encourage their independent outreach to their immediate clientele base. Our next workshop (10th) target zip code 94124 is scheduled on April 13 at the Bayview Opera House. The remaining 2006 calendar year has an identified “tentative” schedule of workshops for each zip code. At each workshop, we will provide the next sequence of dates and times and continually encourage repeated attendance. At this point, we have not had repeated attendees, but we imagine that as we

continue to make progress with construction our target audience will become more motivated to be a BVHP homeowner.

BVHP Outreach Statistics

BVHP OUTREACH STATISTICS - FIRST TIME HOMEBUYERS WORKSHOPS			
WORKSHOP	SEVENTH	EIGHTH	NINTH
Date of Workshop:	1/18/2006 Wednesday	2/15/2006 Wednesday	3/15/2006 Wednesday
Location of Workshop:	Ruth Williams Memorial Theater	John W. King Senior Center	Potrero Hill Neighborhood House
PRESENTATION			
Representatives:	Doris Vincent - CAC Vice Chair - Gary McIntyre Debbi Gubbins Ed Donaldson Kate Hartley	Welcome Project Overview Market Rate Housing SFHDC SFRA	Willie B. Kennedy Lynn Bell David Sobel David Sobel Jannette Fisher-Koudo
Booths:	General Session	General Session	General Session
FORMAT:	Sessions: 6:00 - 8:00	Sessions: 6:00 - 8:00	Sessions: 6:00 - 8:00
Advertising venues:	3000 Flyers Faxes: Blast to community organizations listed on the Exhibit L	4000 Eng/Chinese Mailed: 2/6 Faxes: Blast Community organizations 2/1, 2/91	4000 English/Spanish Mailed: 3/6, 3/14 Faxes: Blast Community organizations 3/6, 3/14

	Newspapers:	Newspapers:	Newspapers:
Mailer Time-line:	_1_ Weeks Lead Time for Flyers	_1_ Weeks Lead Time	_2_ Weeks Lead Time (3/6)
Target Zip Code:	94124	94134	94107
Attendees:	55	15	35
Attendees who signed up for SFHDC Workshop:	25	4	
% of Attendees:	45%	25%	
Attendees who actually attended the SFHDC WS:	3	0	
% of those who signed up:	12%	0%	
% of Initial Attendees:	5%	0%	
% of SFHDC Attendees from Solicitation:	0.10%	0%	

JOB TRAINING AND EMPLOYEE ASSISTANCE PROGRAM

Introduction

Lennar/BVHP is awarding \$225,000 in 2005 and 2006 for a total of \$450,000 to fund job training and employee assistance programs serving Bayview Hunters Point Area (BVHP Area) residents; that is residents of zip codes 94124, 94134 and 94107 within the boundaries of the City and County of San Francisco Supervisory District 10. The awards for 2005 and 2006 represent the first round of job training and employee assistance funding that Lennar/BVHP will make available during Phase 1 of the Hunters Point Shipyard development project. Based on a survey conducted by Lennar/BVHP, Lennar/BVHP determined that the types of training programs most in need of funding for BVHP Area residents are for occupational skills, youth development, construction skilled trades and professional services.

Job Training and Employee Assistance Program Contact Person

Laura Luster, of L. Luster & Associates (a sub consultant to Luster National, Inc.), serves as the Job Training and Employee Assistance Program Liaison. Please contact Dr. Luster with all questions and comments

regarding the Job Training and Employee Assistance Program. Laura Luster can be reached at her office at 510-282-7769, fax at 510-238-8493 or by e-mail at llusterassociates@comcast.net.

Milestone One:

Job Training Solicitation Activities

- Prepared draft of solicitation process for team and SFRA review and approval that included a list and contact information for BVHP Area job training organizations, as well as the preparation of a Request for Proposals (RFP) notice for BVHP Area publications.
- Request for Proposals was revised, finalized and released in May 2005; all forms and attachments were prepared and included with the RFP.
- RFP was posted on Shipyard website.
- Job training organizations, vocational education institutions and youth serving agencies were notified through direct mail and e-mail of the availability of Lennar/BVHP funds for job training.
- Copies of the RFP were placed in Lennar/BVHP Shipyard trailers, Citizens' Advisory Committee office, Project Area Committee office, and other sites in the BVHP area.
- Funding availability and RFP release were advertised in BVHP Area newspapers.

Milestone Two:

Job Training Information and Selection Activities

- RFP Information meeting was planned and held in May 2005.
- Written responses to questions posed at the information meeting and received via email or telephone were prepared and posted to the Shipyard website.
- Proposal review panels were assembled for three main areas: Construction, Occupational Skills and Youth Development.
- The assessment protocol and rating sheets were prepared, submitted to the Lennar team and SFRA for review and approval.
- Panel review sessions were hosted for each of the three training areas and the job training providers were selected.
- Written notifications (letters) of the outcome of the selection process were prepared and mailed to all applicants.
- Contracts between the selected job training providers (with the exception of one) and Lennar/BVHP were executed.

Job Training Grant Recipients:

- **Construction**
 - Grant recipient - Chinese for Affirmative Action @ 17 Walter Lum Place San Francisco, CA - Amount: \$25,000 for 2005 and \$25,000 for 2006; **Total Award=\$50,000**
 - Grant recipient – City College of San Francisco @ 1400 Evans Avenue San Francisco, CA – Amount: \$25,000 for 2005 and \$25,000 for 2006; **Total Award=\$50,000**
- **Professional Services**

- Grant recipient – Visitacion Valley Jobs, Education & Training (VVJET) @ 1099 Sunnydale Avenue San Francisco, CA – Amount: \$25,000 for 2005 and \$25,000 for 2006; **Total Award=\$50,000**
- **Occupational Skills**
 - Grant recipient – BAYCAT (Bayview Hunters Point Center for Arts & Technology) @ 2415 Third Street, Ste. #230 San Francisco, CA – Amount: \$75,000 for 2005 and \$75,000 for 2006; **Total Award=\$150,000**
- **Youth Development**
 - Grant recipient – City College of San Francisco Hekima Youth Program @ 1800 Oakdale Ave. Room 200 San Francisco, CA – Amount: \$37,500 for 2005 and \$37,500 for 2006; **Total Award=\$75,000**
 - Grant recipient – San Francisco Renaissance Parents for Success @ 1485 Bayshore Blvd. Ste. #348 San Francisco, CA – Amount: \$37,500 for 2005 and \$37,500 for 2006; **Total Award=\$75,000**

Milestone Three:

Execution of Job Training Contracts

Lennar/BVHP now has executed its contracts with all of the job training grant recipients mentioned previously with the exception of CCSF-Evans and VVJET. (An explanation of the situation with these organizations follows.) The first training programs are getting underway. Currently,

- Hekima Youth Program is recruiting students for its spring program
- BAYCAT has begun developing its new media and digital arts curriculum aimed at young adults and is also recruiting program participants for its first training classes which will begin in June 2006.
- Renaissance Parents of Success has begun the job readiness training classes and job development efforts for its first cycle of foster youth trainees.
- CAA is providing construction employment counseling and union apprenticeship entry support to Bayview Area clients

CCSF-Evans – Electrical and Plumbing Pre-Apprenticeship Pilot Program

- At the request of Construction Review Panel, a partnership between City College of San Francisco-Evans Campus (CCSF), Chinese for Affirmative Action (CAA) and Young Community Developers (YCD) was facilitated to develop an expanded pilot electrical and plumbing pre-apprenticeship program for BVHP Area residents.
- The partnership was assisted in developing an expanded program and budget that includes outreach, recruitment, case management, retention and follow-up services that were not included in the original program proposal.
- Lennar/BVHP consultant prepared and submitted a proposal and budget to Haas, Jr. Fund for Pilot Electrical and Plumbing Pre-Apprenticeship Program that includes Lennar/BVHP funds, in-kind contributions from CAA, YCD and CCSF, as well as a request for additional funding from the Haas, Jr. Fund.
- Haas, Jr. Fund awarded \$75,000 to the Electrical and Plumbing Pre-Apprenticeship Pilot Program in December.

- Proposals were also submitted to the Haas, Sr. Fund and P. G & E. to raise additional monies for the program. Responses to these proposals have not been received to date, but both potential funders have expressed great interest in the pilot program.
- The partnership has agreed to move ahead with implementing the program and an operating agreement is being developed. The Electrical & Plumbing Pre-Apprenticeship Pilot Program will begin recruiting participant candidates during the 2006 summer with classes beginning in October 2006.

VVJET – Professional Services Training

After receiving its grant award letter from Lennar/BVHP, VVJET underwent some significant organizational changes. In March 2006, VVJET and Lennar/BVHP mutually determined that due to these changes the organization would not be able to proceed forward with the professional services training program. Therefore, Lennar/BVHP is currently exploring training options with another potential provider. Lennar/BVHP hopes to have the training in place within the next two months.

Challenges

1. One of the carry-overs from the difficulties in getting each of the training providers through the contracting process has been difficulty in generating the program descriptions, with quarterly goals and objectives, and establishing the program monitoring schedules for each of the job training programs. This should have been a part of the contracting process but monitoring language was originally omitted from the provider contracts and other challenges with meeting strict insurance requirements distracted everyone involved from these tasks.
2. During the quarter, the Lennar consultant met with each of the job training providers, and reviewed the monitoring requirements, documents and process. Submission of a monthly status report is a prerequisite for payment.
3. Bringing to closure the situation with VVJET has been challenging as the organization proposed to provide much needed training that was not available from other providers. The Lennar consultant wanted to provide the organization enough time to assess its situation to see if the training could be mounted even if it had to be delayed. However, this did not prove to be the case. Identifying another potential provider required additional time and expense, as will the subsequent proposal review and approval process. The intention and hope are that the new provider will be ready to recruit and place professional service trainees by summer 2006.

Next Steps:

- Complete contract process for CCSF Electrical and Plumbing Pre-Apprenticeship Pilot Program.
- Prepare one additional request for funding for the Electrical and Plumbing Pre-Apprenticeship Pilot Program.
- Complete selection and contracting process for new professional services training provider.
- Carry out monitoring requirements for each of the job training programs; provide status reports to Lennar/BVHP, SFRA, and CAC.

LOCAL COMMUNITY PRIORITY LEASING PROGRAM

Introduction

Lennar/BVHP and all Vertical Developers shall implement a local priority-leasing program for businesses that have a primary business address in the BVHP Area with an established, fixed office in a non-portable building where regular business is transacted and that is appropriately equipped for the business of the enterprise. Such businesses must be listed in the Permits and License Tax Paid File with the City and County of San Francisco with a business address in the BVHP Area, possess a current Business Tax Registration Certificate issued by the City and County of San Francisco and show a primary business address in the BVHP Area. If the primary business address is not in the BVHP Area, then the business must include one or more owners of the business with at least a fifty-one percent (51%) ownership interest in the business and must provide Lennar/BVHP or the applicable Vertical Developer with satisfactory evidence that such owner(s) lives in the BVHP Area. The goals of the Priority Leasing Program are (i) to generate interest from BVHP Area Businesses so that a significant portion of the total prospective tenants who make inquiries, request brochures, attend tours and make offers on available lease space are BVHP Area Businesses; and (ii) to give priority consideration to displaced BVHP Area Businesses.

Local Community Priority Leasing Program Contact Person

Cliff Miller is the Local Community Priority Leasing Program Liaison. Please direct all questions and comments regarding this program to Cliff Miller at his office at 415-995-1770, fax at 415-995-1778 or e-mail at CMiller@lnrmail.lnrproperty.com.

Leasing Plan

Lennar/BVHP shall include in all Purchase Agreements for the Lots requirement that (i) within 90 days following the commencement of the Vertical Development on the particular Lot, the Vertical Developer shall provide to the Agency for the Agency's approval a leasing plan; (ii) all vertical construction shall cease if the leasing plan is not delivered to and approved by the Agency within such 90 day period; and that among other things, the BVHP Area businesses must be equitably distributed throughout the retail areas.

The Priority Leasing Program aspect of the project will not be implemented until the Vertical Development phase of the commercial building parcels is developed. In the case of Parcel A, that is the development of Block 1, with 70,000 square feet of commercial space on the lot at Donahue Street and Innes Avenue.

SMALL BUSINESS ASSISTANCE PROGRAM

Introduction

Lennar/BVHP must establish a Small Business Assistance Program that identifies opportunities to assist small businesses in the BVHP Area to obtain contracts for and participate in other business opportunities at the Shipyard. Lennar/BVHP shall require all of its contractors and consultants (other than legal and auditing) in connection with the Shipyard Project 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.

Small Business Assistance Program Contact Person

Cliff Miller of Lennar serves as the Small Business Assistance Program Liaison. Please contact Mr. Miller with any questions or comments regarding the Small Business Assistance Program. Cliff Miller can be reached at his office at 415-995-1770, fax at 415-995-1778 or e-mail at CMiller@lnrproperty.com.

Contractor and Consultant Participation

Lennar/BVHP has included in all contractors' and consultants' contracts (other than legal and auditing) the requirement to use their best efforts to purchase no less than twenty percent (20%) of the dollar value of all their Shipyard Project related purchases from BVHP Area Small Businesses.

Small Business Assistance Program Directory

Within 60 days after the Close of Escrow, Lennar/BVHP was required to develop a directory of BVHP Area Small Businesses (the "Directory"), post it on the Shipyard website and make it available at the Project Office and other outreach venues described in the Outreach Program. Lennar/BVHP has generated and maintains a small business database of BVHP Area Small Businesses including business contact information, a description of the business and how that business can provide products and services needed by Shipyard contractors, consultants and other parties doing business at the Shipyard or associated with the Shipyard project.

Lennar/BVHP is required to update the Directory no less than biannually. Lennar/BVHP has most recently updated the directory on March 30, 2006 and will continue to do so on a monthly basis, or as needed.

Lennar/BVHP shall supply each contractor and consultant with a current copy of the Directory prior to executing its contracts with them. The Directory was sent to all current consultants and it will be included with all future contracts.

Monthly Reports

Lennar/BVHP shall require each contractor and consultant to provide monthly progress reports on the dollars they spend with BVHP Area Small Businesses, (A) compared with the dollars they spend on their total Shipyard Project-related purchases; and (B) compared with the dollars they spend on their Shipyard Project-related purchases with non-BVHP Area businesses with less than 50 employees. All monthly reports were requested in a letter to all consultants. Dave Garland and Cliff Miller are discussing/explaining this requirement with each individual consultant and collecting their reports to provide to the Agency.

As of March 31, 2006, \$380,339 has been spent on Hunters Point related purchases. Of this amount, 37.5%, or \$142,677 have been spent with BVHP Area Small Businesses.

As of March 31, 2006, twenty (20) of our twenty-seven (27) consultants/contractors have provided reports of their monthly purchases.

Additionally, Kofi Bonner, President of Lennar Land Division, sent a letter dated March 1, 2006 to all of Lennar's consultants and contractors re-emphasizing the importance of their complying with the CBA required 20% BVHP Area Small Businesses purchases each month.

Networking Workshops

At least once each quarter during Phase 1, or less if such lesser number is determined by the Agency and Lennar/BVHP to be warranted, Lennar/BVHP shall host a small business networking workshop for BVHP Area Small Businesses. The purpose of the workshops will be two-fold; (i) to inform BVHP Area Small Businesses of the upcoming needs of contractors, consultants and Shipyard businesses; and (ii) to provide BVHP Area Small Businesses with an opportunity to market their goods and services to Lennar/BVHP and its contractors and consultants.

Lennar/BVHP held its third Small Business Assistance Program Mixer on January 19, 2006 at Dago Mary's restaurant, on the Hunters Point shipyard. Unfortunately a blackout forced this meeting to be cancelled and it was therefore rescheduled for February 16, 2006. There were 32 people in attendance providing BVHP small businesses an opportunity to meet our consultants/contractors but also other local businesses. The Small Business Assistance Program added two new businesses to the BVHP Small Business Directory.

Outreach efforts included:

1. An ad was placed in the Sun Reporter, which ran from 1/12/06 to 1/18/06.
2. 171 invitations were mailed to BVHP Area small businesses.
3. 275 e-mail invitations were sent to BVHP small businesses on two separate occasions.
4. Invitations were sent to our 27 current consultants/contractors.
5. Other community organizations were notified and requested to please invite their membership (San Francisco Black Chamber of Commerce and Renaissance Entrepreneurship Center).

Items Discussed:

1. Small Business Assistance Program Goals
2. Components of the Small Business Assistance Program: directory of BVHP Area Small Businesses
3. Purchasing goals for shipyard contractors and consultants
4. Shared a calendar of Networking events
5. Discussed the monthly survey of purchasing needs of the shipyard's contractors, consultants and tenants.

Next step:

- o Plan the Small Business Assistance Program fourth mixer that is scheduled for May 18th, 2006

Marketing and Outreach

Lennar/BVHP is required to outreach to various merchants and business associations in the BVHP Area (such as the Rotary), utilize the media and coordinate with organizations such as the San Francisco Mayor's Office and the Small Business Administration to keep them informed of opportunities for small businesses and vendors at the Shipyard, encourage their members to submit information to Lennar/BVHP for distribution to contractors and consultants, and to participate in the networking workshops.

Lennar/BVHP outreached to Mel Washington and Michael Penn of the San Francisco Black Chamber of Commerce, Marcus Clarke of the Renaissance Entrepreneurship Center and Ulysses Cozart of the San Francisco Small Business Development Center regarding the January 19, 2006 Small Business Assistance

workshop. The above entities were contacted by telephone and e-mail and they were informed that Lennar was hosting a workshop to describe ways small businesses in the BVHP area can get involved in the Shipyard project. Additional outreach for the January 19, 2006 workshop was done through the Sun Reporter as well as being posted on the Shipyard website.