

## ATTACHMENT 16

### HEALTH CARE ACCOUNTABILITY POLICY

This Health Care Accountability Policy (the “Policy”) is attached to and made a part of the Disposition and Development Agreement (the “Agreement”) for Hunters Point, Phase 1 (“Phase 1”). Terms not defined in this Attachment have the meanings given to them in the Agreement. Developer is bound by this Attachment as part of the obligations it assumes and benefits it receives under the Agreement.

#### **Section 1. Findings and Declarations.**

**1.1** The San Francisco Redevelopment Agency of the City and County of San Francisco (the “Agency”) enters into many contracts, including, without limitation, service contracts, loan and grant agreements and property agreements, in furtherance of the objectives of the California Community Redevelopment Law (Health and Safety Code §§ 33000 *et seq.*) in the interest of the health, safety and general welfare of the City of San Francisco’s (the “City”) residents.

**1.2** These contracts and agreements have at times involved compensation to the contracting parties’ or their subcontractors’ employees that does not include health benefits or does not provide a high enough level of compensation that would allow an employee to acquire their own health insurance. Uninsured persons seeking medical assistance place an immediate burden on the City’s limited public health resources and place the uninsured at a far greater level of health risk. Requiring these contracting parties and their subcontractors to offer health benefits to their employees, or to make payments to the City’s Department of Public Health to provide for the care of such persons, or to participate in a health benefits program developed by the City’s Director of Health, will improve the health, safety and general welfare of San Francisco’s residents by ensuring health benefits for many more of the City’s residents who are now uninsured.

#### **Section 2. Definitions.**

**Agency** means the Redevelopment Agency of the City and County of San Francisco.

**Agency Property** means real property that is owned by the Agency or over which the Agency has exclusive use. “Exclusive use” means the right to use or occupy real property to the exclusion of all others, subject to the rights reserved by the party granting such exclusive use.

**Agreement** has the meaning set forth in the Preamble.

**Business Day** means a day other than Saturday, Sunday or a bank, City, or Agency holiday.

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

**Contract** means an agreement or portion of an agreement that provides for services to be purchased at the expense of the Agency or out of funds established by ordinance or Memorandum of Understanding (MOU), or otherwise controlled by the Agency. The term Contract includes, without limitation, Property Agreements, Subcontracts and agreements such as grant agreements, pursuant to which agreements the Agency grants funds to a Contractor for services (including, without limitation, cultural activities, performances or exhibitions) to be rendered to all or any portion of the public rather than to Agency. Notwithstanding the foregoing, the term Contract excludes:

- (a) Agreements for a duration of less than one (1) year. Contractors are prohibited from entering into multiple contracts of short duration in order to evade the requirements of this Policy;
- (b) Agreements for the purchase or lease of goods, or for guarantees, warranties, shipping, delivery, installation or maintenance of such goods. Where an agreement is for the purchase or lease of both goods and other services, the agreement shall not be deemed a Contract if a preponderance of the contract amount is for goods;
- (c) Agreements entered into pursuant to settlement of legal proceedings;
- (d) Agreements for urgent or specialized advice, consultation or litigation services for the Agency where the General Counsel finds that it would be in the best interests of the Agency not to include the requirements of this Policy;
- (e) Agreements with any person or entity if the amount of the agreement is less than twenty-five thousand dollars (\$25,000.00) (in the case of a for-profit entity or person) or less than fifty thousand dollars (\$50,000.00) (in the case of a Nonprofit Corporation). However, if the Contracting Party has multiple agreements with the Agency in a given fiscal year (which agreements would be considered Contracts under this Policy except that the individual dollar amounts are below the thresholds set forth in the preceding sentence) and the cumulative amount of such agreements is seventy-five thousand dollars (\$75,000.00) or more, the provisions of this Policy shall apply to each such agreement from the date on which the triggering Contract is executed;
- (f) Agreements for the investment, management or use of trust assets where compliance would violate the fiduciary duties of the trustee;
- (g) Agreements executed prior to the Effective Date (unless and until a Contract Amendment is executed);
- (h) Agreements executed after the Effective Date (unless and until a Contract Amendment is entered into) pursuant to, and within the scope of, bid packages or requests for proposals advertised and made available to the

public prior to the Effective Date, unless the bid packages or requests for proposals are materially amended on or after the Effective Date;

- (i) Agreements that require the expenditure of grant funds awarded to the Agency by another entity. If a Contract is funded both by grant funds and non-grant funds, the entire Contract is exempt; provided that, if the use of the grant funds is severable from the non-grant funds, the Contract is exempt only with respect to the use of the grant funds;
- (j) Agreements pursuant to which the Agency awards a grant to a Nonprofit Corporation;
- (k) Agreements with a public entity;
- (l) Agreements for employee benefits to be provided to Agency employees, where the Agency Executive Director finds that no person or entity is willing to comply with this Policy and is capable of providing the required employee benefits;
- (m) Agreements for the investment, management or use of Agency monies where the Agency Executive Director finds that requiring compliance with this Policy will violate the Agency's fiduciary duties and agreements for the investment of retirement, health or other funds held in trust pursuant to Charter, statute, ordinance or MOU where the official or officials responsible for investing or managing such funds find that requiring compliance with this Policy will violate their fiduciary duties;
- (n) Loan agreements and agreements made in connection with loans or grants under which the Agency, as creditor or grantor, is providing funds to be used by the debtor or grantee to:
  - (1) Acquire an interest in real property on which residential improvements for low- or moderate-income households will be constructed;
  - (2) Construct improvements owned or leased by the debtor or grantee, on condition that residents of the improvements qualify as low-or-moderate-income households; or
  - (3) Rehabilitate improvements owned or leased by the debtor or grantee;
- (o) Disposition and development or ground lease agreements of Agency Property on which residential improvements for low-or-moderate income households will be constructed or existing improvements will be operated for low-or-moderate income households; provided, however, that any leases for commercial space in such properties shall be considered Included Leases and shall be subject to the requirements of this Policy;

- (p) Agreements between a Tenant or Subtenant and a Contractor to perform services on property covered by a Lease if the Contractor does not provide such services on a regular and on-going basis. For purposes of this exemption, if employees of the Contractor and any Subcontractors cumulatively work on the Lease property less than one hundred and thirty (130) days within a twelve (12) month period, the agreement shall not be considered regular and on-going.
- (q) Agreements with an owner (such as owner participation agreements) where such agreement is granted in the exercise of the Agency's regulatory or police powers.

**Contract Amendment** means a modification to an agreement which extends the term, increases the total amount of payments due from the Agency (except where such increase is due solely to cost of living adjustments), or modifies the scope of services to be performed by the Contractor; provided that the resulting agreement falls within the definition of Contract.

Notwithstanding the foregoing, the term Contract Amendment does not include a one-time extension of the term of a Contract for up to six (6) months, or a construction change order, modification or amendment to a Contract executed by the Agency for its benefit (as determined by the Agency Executive Director).

**Contracting Party** means a Contractor who enters into a Contract.

**Contractor** means the person or entity that enters into a Contract with the Agency. The term Contractor also means any person or entity that enters into a Contract with a Tenant or Subtenant to perform services on property covered by a Lease.

**Covered Employee** means:

- (a) An Employee of a Contractor or Subcontractor who works on an Agency Contract or Subcontract for fifteen (15) hours or more per Week, (1) Within the geographic boundaries of the City of San Francisco; or (2) Elsewhere in the United States.
- (b) An Employee of a Tenant or Subtenant who works fifteen (15) hours or more per Week on property that is covered by a Lease or Sublease; and
- (c) An Employee of a Contractor or Subcontractor that has a Contract or Subcontract to perform services on property covered by a Lease or Sublease if the Employee works fifteen (15) hours or more per Week on the property.

Notwithstanding the foregoing, the term Covered Employee does not include the following:

- (1) Any Employee under the age of eighteen (18) who is a student, provided that the Employee does not replace, displace or lower the wage or benefits of any existing position or Employee; or
- (2) Any Employee employed as a trainee in a bona fide training program consistent with federal law, which training program enables the Employee to advance into a permanent position, provided that the Employee does not replace, displace or lower the wage or benefits of any existing position or Employee; or
- (3) Any Employee that the Contracting Party is required to pay no less than the “prevailing rate of wage” in accordance with the Agency’s Prevailing Wage Policy; or
- (4) Any disabled Employee who:
  - (A) Is covered by a current sub-minimum wage certificate issued to the employer by the U.S. Department of Labor; or
  - (B) Would be covered by such a certificate but for the fact that the employer is paying a wage equal to or higher than the minimum wage.

**Effective Date** means the date the Agency Commission approves this Policy.

**Employee** means any person who is employed by a Contractor, including part-time and temporary employees.

**Included Lease** means a lease, sublease or other agreement with any person or entity for the exclusive right to occupy or use all or any portion of real property owned, leased or otherwise controlled by the Agency in which the Agency has a Proprietary Interest.

**Lease** means a written agreement (including, without limitation, any lease, concession or license) in which:

- (a) the Agency gives to another party the exclusive use of Agency Property for a term exceeding one (1) year, whether by single or cumulative instruments. If cumulative instruments cause the term of the agreement to exceed one (1) year, the agreement shall be subject to this Policy only on or after the effective date of the instrument which causes the term to exceed one (1) year. The term Lease includes Lease Amendment.
- (b) the Contractor gives to another party the exclusive use of property in which the Agency has a Proprietary Interest for a term exceeding one (1) year, whether by single or cumulative instruments. If cumulative instruments cause the term of the agreement to exceed one (1) year, the

agreement shall be subject to this Policy only on or after the effective date of the instrument which causes the term to exceed one (1) year.

**Lease Amendment** means a modification to a Lease that extends the term or materially changes any other provision of the Lease. Notwithstanding the foregoing, the term Lease Amendment does not include a one-time extension of the term of a Lease for up to six (6) months, or relocation of the leased premises at the request of the Agency for its benefit or convenience (as determined by the Agency Executive Director).

**Nonprofit Corporation** means a nonprofit corporation, duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and (if a foreign corporation) in good standing under the laws of the State of California, which corporation has established and maintains valid nonprofit status under Section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended, and all rules and regulations promulgated under such Section.

**Policy** has the meaning set forth in the Preamble.

**Property Agreements** means Disposition and Development Agreements (DDAs), ground leases, and any other agreements with the Agency (other than Excluded Subcontracts) in which the Agency has a Proprietary Interest.

**Proprietary Interest** means any nonregulatory arrangement or circumstance in which the financial or other nonregulatory interests of the Agency in a Contract could be adversely affected, in the following circumstances:

- (a) The Agency receives significant ongoing revenue (such as rent payments) under a lease or ground lease of real property owned by the Agency for the development of a project pursuant to a Contract, excluding government fees or tax or assessment revenues, or the like (except for tax revenues under the circumstances specified in (b) below); or
- (b) The Agency receives ongoing revenue from a project pursuant to a Contract to pay debt service on bonds or loans provided by the Agency to assist the development of such project (including incremental tax revenues generated by the project or the development project in which it is located and used), directly or indirectly, to pay debt service on bonds or to repay a loan by the Agency where the proceeds are used for development of that project or the development project in which it is located;
- (c) The Agency has agreed in a Contract to underwrite or guarantee the development or operation of a development project, or loans related thereto;
- (d) The Agency pursuant to a Contract receives a continuing financial payment that is specific to that project, which is not a tax or other charge of general applicability or a one-time payment for the land;

- (e) The Agency receives a share in the profits of a project in a negotiated economic participation agreement pursuant to a Contract;
- (f) In addition to the circumstances described above, the Agency shall be deemed to have a Proprietary Interest in a Contract for a project if the Agency determines or an interested party demonstrates, prior to the effective date of the Contract pursuant to which a project will be operated, that there is a significant risk that the Agency's financial or other nonregulatory interest in the project could be adversely affected, except that no circumstance or arrangement shall be considered "financial or non-regulatory" under this definition if it arises from the exercise of regulatory or police powers such as taxation or the receipt of tax increment funds as provided in Article 16, section 16 of the California Constitution (except as provided in (b) above), zoning or the issuance of regulatory permits.

**Subcontract** means an agreement between a Contractor and a person or entity pursuant to which the person or entity agrees to perform all or a portion of the services covered by a Contract. Notwithstanding the foregoing, the term Subcontract does not include:

- (a) Agreements for the purchase or lease of goods, or for guarantees, warranties, shipping, delivery, installation or maintenance of such goods. When an agreement is for the purchase or lease of both goods and other services, the agreement shall not be deemed a Subcontract if a preponderance of the Contract amount is for goods; or
- (b) Agreements with a public entity.

**Subcontractor** means a person or entity that enters into a Subcontract.

**Sublease** means any agreement with any person or entity for the exclusive right to occupy or use all or any portion of City Property covered by a Lease or Property Agreement. Notwithstanding the foregoing, the term Sublease does not include each of the circumstances that constitutes an exclusion from the definition of Lease or Property Agreement.

**Subtenant** means a person or entity that enters into a Sublease.

**Tenant** means the person or entity that enters into a Lease or Property Agreement with the City.

**Week** shall mean a consecutive seven (7)-day period. If the Contractor's regular pay period is other than a seven (7)-day period, the number of hours worked by an employee during a seven (7)-day Week, for purposes of this Policy, shall be calculated by adjusting the number of hours actually worked during the Contractor's regular pay period to determine the average over a seven (7)-day Week. However, such period of averaging shall not exceed a duration of one (1) month.

### **Section 3. Health Care Accountability Components.**

**3.1** With respect to each Covered Employee who either resides in San Francisco (regardless of where the Covered Employee provides services) or provides services covered by this Policy in San Francisco, each Contractor shall do one of the following, at the Contractor's option:

(a) Offer to the Covered Employee health plan benefits that meet minimum standards prepared by the City's Health Director and approved by the City's Health Commission. The minimum standards shall provide for a maximum period for each Covered Employee's health benefits to become effective, not to exceed thirty (30) days from the start of employment on a covered Contract, Subcontract, Lease or Sublease. The Health Commission shall review such standards every two (2) years to ensure that the standards stay current with State and Federal regulations and existing health benefits practices; or

(b) For each Week in which the Covered Employee works the applicable minimum number of hours set forth in the definition of Covered Employee), pay to the City one dollar and fifty cents (\$1.50) **[check current rate]** per hour for each hour the Covered Employee is employed by the Contracting Party on the Contract or Subcontract or on property covered by a Lease, but not to exceed sixty dollars (\$60.00) **[check current rate]** in any Week. The City shall appropriate money received pursuant to this Section 3.1(b) for the use of the Department of Public Health. The Department of Public Health shall use the monies appropriated for staffing and other resources to provide medical care for the uninsured. The Health Commission may increase this hourly rate and Weekly maximum in accordance with the Bureau of Labor Statistics Consumer Price Index for Medical Care in the San Francisco Bay Area or such other factors as the Health Commission finds appropriate; provided, however, the Health Commission shall take this action no more than once a year and any adjustments in such hourly rate or Weekly maximum must be approved by the Board of Supervisors by resolution; or

(c) Participate in a health benefits program developed by the Health Director in consultation with the City's Purchasing Department. The Health Director shall obtain Health Commission approval of the program before implementing it. The Health Director shall seek such approval within twelve (12) months after this Policy is finally approved. Prior to implementation of the health benefits program provided in this Section 3.1(c), each Contractor shall comply with Section 3.1(a) or 3.1(b). After the Health Director implements the program, in addition to the options provided in Sections 3.1(a) and 3.1(b), Contractors may satisfy their obligations under this Policy by complying with the requirements of the health benefits program. In developing the program, the Health Director shall (i) attempt to make health coverage available for uninsured Covered Employees and, if feasible, other uninsured City residents; (ii) use public health facilities to the maximum extent practicable; (iii) make the program economically viable; and (iv) provide a mechanism for funding which relies, as much as possible, on contributions by participating employers and employees.

**3.2** With respect to each Covered Employee who does not reside in San Francisco, but who provides services covered by this Policy, each Contractor shall do one of the options set forth in Section 3.1, at the Contractor's option.

**3.3** With respect to each Covered Employee who does not reside in San Francisco, and does not provide services covered by this Policy in San Francisco, each Contractor shall do one of the following, at the Contractor's option:

(a) Offer to the Covered Employee health plan benefits that meet minimum standards prepared by the Health Director and approved by the Health Commission pursuant to Section 3.1(a) above; or

(b) For each Week in which the Covered Employee works the applicable minimum number of hours set forth in the definition of Covered Employee), pay to the Covered Employee an additional one dollar and fifty cents (\$1.50) [**check current rate**] per hour for each hour the Covered Employee is employed by the Contracting Party on the Contract or Subcontract or on property covered by a Lease, but not to exceed sixty dollars (\$60.00) [**check current rate**] in any Week, to enable the employee to obtain health insurance coverage. This represents the City's current estimate of the average cost of obtaining individual health insurance benefits. The Health Commission may increase this hourly rate and Weekly maximum in accordance with the Bureau of Labor Statistics Consumer Price Index for Medical Care in the San Francisco Bay Area or such other factors as the Health Commission finds appropriate in order to track the cost of obtaining individual health insurance; provided, however, the Health Commission shall take this action no more than once a year and any adjustments in such hourly rate or Weekly maximum must be approved by the City's Board of Supervisors by resolution.

**3.4** Notwithstanding the above, if, at the time a Contract, Subcontract, Lease, or Sublease is executed, the Contractor has twenty (20) or fewer employees (or, in the case of a Nonprofit Corporation, fifty (50) or fewer employees), including any employees the Contractor plans to hire to implement the Contract, Subcontract, Lease or Sublease, the Contractor shall not be obligated to provide the Health Care Accountability Components set forth in this Section 3 to its Covered Employees. In determining the number of employees a Contractor has, all employees of all entities that own or control the Contractor and that the Contractor owns or controls, shall be included.

#### **Section 4. Contractual Obligations.**

**4.1** Each Contractor that enters into a Contract, Subcontract, Lease, or Sublease shall agree:

(a) To comply with the requirements of this Policy, including the requirement to choose and perform one of the Health Care Accountability Components set forth in Section 3;

(b) To comply with regulations adopted by the Agency pursuant to this Policy;

(c) To provide information and reports to the Agency in accordance with any reporting standards promulgated by the Agency in consultation with the City's Director of Health;

(d) To provide the Agency with access to pertinent records relating to the number of employees employed and terms of medical coverage as allowed by law after receiving a written request to do so and being provided at least five (5) Business Days to respond;

(e) To cooperate with the Agency when it conducts audits;

(f) To include in every Contract, Subcontract, Lease, or Sublease subject to this Policy provisions requiring compliance with this Policy, consistent with any directives or standards adopted by the Agency;

(g) To notify the Agency promptly of any Subcontractors performing services covered by this Policy and certify to the Agency that it has notified the Subcontractors of their obligations under this Policy; and

(h) To represent and warrant that it is not an entity that was set up, or is being used, for the purpose of evading the intent of this Policy.

**4.2** A Contractor shall not discharge, reduce in compensation, or otherwise discriminate against any Employee for notifying the City regarding the Contractor's noncompliance or anticipated noncompliance with this Policy, for opposing any practice proscribed by this Policy, for participating in proceedings related to this Policy, or for seeking to assert or enforce any rights under this Policy by any lawful means.

## **Section 5. Administration and Enforcement.**

**5.1** The Agency shall implement the City's Department of Public Health regulations for the interpretation and administration of this Policy, to the extent such regulations are consistent with adopted Agency Policy.

**5.2** The Agency's General Counsel shall develop contractual provisions for use by Agency staff designed to enable the Agency to pursue the remedies set forth in this Section against every person or entity required to comply with this Policy.

**5.3** The Agency, or at its request, the City's Department of Public Health, may conduct audits of Contractors, although such audits shall be conducted only with at least ten (10) Business Days' advance written notice to the Contractor and after making good faith efforts for a mutually agreed upon time and location.

**5.4** The Agency's Contract Compliance Division shall provide an annual joint report to the Agency Commission on compliance with this Policy. Such report shall include cumulative information regarding the number of waivers granted pursuant to this Policy.

**5.5** A Covered Employee may report in writing to the Agency's Contract Compliance Division any alleged violation of this Policy by a Contractor or other person or entity subject to this Policy. The Agency shall investigate any such report. If the Agency determines that any person or entity has violated this Policy, the Agency shall notify the Contractor of its findings. In order to ensure compliance with this Policy and to enhance the monitoring activities of the Agency, the Agency encourages reporting by Covered Employees pursuant to this Section 5.5. The Agency shall keep confidential the Covered Employee's name and other identifying information, to the maximum extent permitted by applicable law.

**5.6** The Agency has the right to assign the enforcement provisions of this section, including Sections 5.3, 5.7, 5.8(a), 5.8(b), 5.8(c) and 5.9 to the appropriate City department to act on behalf of the Agency;

**5.7** In addition to any other rights or remedies available to the Agency under the terms of any agreement of a Contractor or under applicable law, the Agency, or the City acting on behalf of the Agency, shall have the following rights:

(a) The right to charge the Contractor for any amounts that the Contractor should have paid to the City for hours worked by Covered Employees pursuant to Sections 3.1(b) and 3.2, together with interest on such amount from the date payment was due at the maximum rate then permitted by law;

(b) The right to assess liquidated damages of fifty dollars (\$50.00) [**check current rate**] a day for each Covered Employee each day that the Contractor fails to pay to the City the amounts required by Sections 3.1(b) and 3.2;

(c) The right to set off all or any portion of the amount that a Contractor is required to pay to the City pursuant to preceding Sections 5.7(a) and (b) against amounts due to a Contractor;

(d) The right to terminate the Contract or Lease in whole or in part;

(e) The right to bar a Contractor from entering into future Contracts or Leases with the Agency for three (3) years.

**5.8** Each Contractor shall be responsible for its Subcontractors with respect to compliance with this Policy. If a Subcontractor fails to comply, the Agency, or the City acting on behalf of the Agency, may pursue the remedies set forth in this Section 5 against the Contractor based on the Subcontractor's failure to comply, provided that the Agency has first provided the Contractor with notice and an opportunity to obtain a cure of the violation.

**5.9** Each Tenant shall be responsible for each Subtenant, Contractor and Subcontractor performing services on property covered by the Tenant's Lease, with respect to compliance with this Policy. If any Subtenant, Contractor or Subcontractor fails to comply, the Agency, or the City acting on behalf of the Agency, may pursue the remedies set forth in this Section 5 against the Tenant based on the Subtenant's, Contractor's or Subcontractor's failure to comply, provided that the Agency has first provided the Tenant with notice and an opportunity to obtain a cure of the violation.

**5.10** Each of the rights set forth in this Section 5 shall be exercisable individually or in combination with any other rights or remedies available to the Agency. Any amounts realized by the Agency pursuant to this Section 5 shall be used first to cover the costs of enforcing this Policy and thereafter appropriated for the use of the Department of Public Health.

**Section 6. Waivers by the Agency Executive Director.**

**6.1** The Agency Executive Director or designee shall waive the requirements of this Policy when the relevant Agency staff has provided justification to the Agency Executive Director, and the Agency Executive Director has found that one of the following circumstances exists:

(a) There is only one prospective Contractor or Tenant willing to enter into the applicable Contract or Lease on the terms and conditions established by the Agency (other than the requirements of this Policy);

(b) The needed service, project or property arrangement under the Contract or Lease is available only from a sole source;

(c) The Contract or Lease is necessary to respond to an emergency that endangers the public health or safety;

(d) There are no qualified responsive bidders or prospective vendors or tenants that comply with the requirements of this Policy and the agreement is for a service, lease or project that is essential to the Agency, City or the public;

(e) The public interest warrants the granting of a waiver because application of this Policy would constitute an adverse impact on services or an unreasonable adverse financial impact on the Agency or City; or

(f) The services to be purchased are available under a bulk purchasing arrangement with a federal, state or local governmental entity;

(g) Purchase under such arrangement will substantially reduce the Agency's cost of purchasing such services; and

(h) Purchase under such an arrangement is in the best interest of the Agency or the public.

6.2 Each waiver shall be effective for the duration of the Contract or Lease. Subsequent waivers may be requested and either granted or denied.

**Section 7. Special Waiver by the Agency Commission.**

A special waiver is available if, upon receipt of an application from the Contractor, stating fully the grounds of the request and the facts pertaining thereto, the Agency finds following its own further investigation that the application of the Policy would result in an adverse impact on services or an unreasonable financial impact on the Contract. In order to permit any such waiver, the Agency must determine that:

7.1 The application of the Policy would result in practical difficulties or unnecessary hardships inconsistent with the general purpose and intent of the applicable Redevelopment Plan;

7.2 There are exceptional circumstances or conditions applicable to the property, the intended development of the property, or the services proposed through a contract, which do not apply generally to other properties or contracts having the same standards, restrictions and controls;

7.3 Permitting a waiver, for a specified period of time, will not be materially detrimental to the public welfare or injurious to property or improvement in the area; and,

7.4 Permitting a waiver, for a specified period of time, will not be contrary to the objectives of the applicable redevelopment plan.

Waivers shall only be granted for a limited time period as determined to be needed to promote the general purpose and intent of the applicable redevelopment plan. Subsequent waivers may be requested and either granted or denied. The Agency anticipates the all covered Projects and Contracts will eventually transition to achieving a viability that will allow for covered Contractors to comply with the Policy.

**Section 8. Preemption.**

Nothing in this Policy shall be interpreted or applied so as to create any power or duty in conflict with any federal or state law.

**Section 9. Effective Date.**

This Policy shall become effective on the date of Agency Commission approval.

**Section 10. Period of Suspension.**

Contractors shall not be required to provide any of the Health Care Accountability Components provided in Section 3 to their Covered Employees until such time as the City's Health Director has prepared, and the Health Commission has approved, minimum standards for health plan benefits pursuant to Section 3.1(a). The Health Director and Health Commission shall proceed promptly to take these actions. From the date upon which the Health Commission approves such minimum standards forward, Contractors shall provide the Health Care Accountability Components set forth in Section 3 to their Covered Employees.

**Section 11. Severability.**

If any part or provision of this Policy, or the application of this Policy to any person, location or circumstance, is enjoined or held invalid by a court of law, the remainder of this Policy, including the application of such part or provisions to other persons, locations or circumstances, shall not be affected by such action and shall continue in full force and effect. To this end, the provisions of this Policy are severable. Further, to the extent Section 3.1(b)(a)(2) may be enjoined or held invalid by a court of law, the Contracting Party may alternatively comply in accordance with Section 3.3(b).