

**COMMUNITY BENEFIT AGREEMENT 2013
MEMORANDUM OF UNDERSTANDING**
(CCSF Business & Tax Regulations Code §906.3(c)(5))

between

CITY AND COUNTY OF SAN FRANCISCO CITY ADMINISTRATOR,

and

ONE KINGS LANE, INC.

THIS COMMUNITY BENEFIT AGREEMENT 2013 MEMORANDUM OF UNDERSTANDING is made as of January 1, 2013 in the City and County of San Francisco, State of California, by and between **ONE KINGS LANE, INC. ("One Kings Lane")** and the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation ("City") acting by and through the City Administrator,

WITNESSETH:

WHEREAS, San Francisco Business and Tax Regulations Code Article 12-A ("Payroll Expense Tax Ordinance") establishes a Payroll Expense Tax within the City and County of San Francisco; and,

WHEREAS, Section 906.3 "Central Market Street and Tenderloin Area Payroll Expense Tax Exclusion" ("Section 906.3") of the Payroll Expense Tax Ordinance provides an exclusion from the Payroll Expense Tax for defined persons and businesses within the Central Market Street and Tenderloin Area, for certain periods of time; and,

WHEREAS, pursuant to Payroll Expense Tax Ordinance §902, a "person" or business is defined for this purpose by San Francisco Business and Tax Regulations Code Article 6, §6.2-15; and,

WHEREAS, in order for a person or business to qualify for the Central Market Street and Tenderloin Area Payroll Expense Tax Exclusion, Section 906.3 requires filing of a timely application with the City's Office of Economic and Workforce Development ("OEWD") on a form that has been approved by OEWD and the City's Treasurer-Tax Collector; and,

WHEREAS, Section 906.3(c)(5) further provides that, as part of the application, a person or business with an annual payroll expense that exceeds one million dollars as defined, "shall enter into a binding Community Benefit Agreement with the City Administrator in order to be eligible for the payroll expense tax exclusion under this Section;" and,

WHEREAS, One Kings Lane submitted an initial application for Central Market Street and Tenderloin Area Payroll Expense Tax Exclusion to OEWD utilizing an application form approved by OEWD and the City's Treasurer-Tax Collector, and One Kings Lane now wishes to enter into a binding Community Benefit Agreement in 2013 with the City Administrator as required by Section 906.3(c)(5) in order to be granted a payroll tax exclusion; and,

WHEREAS, on behalf of the City, the City Administrator wishes to enter into the Community Benefit Agreement with One Kings Lane for this purpose; and,

WHEREAS, One Kings Lane and the City Administrator have mutually agreed to the terms of One Kings Lane Community Benefit Agreement 2013 that is attached and incorporated herein by reference as Appendix A; and,

WHEREAS, as set forth in this Community Benefit Agreement 2013, One Kings Lane will seek to:

1. Create meaningful engagement in the community;
2. Support workforce development;
3. Establish a local nonprofit grants program;
4. Improve educational outcomes for youth;
5. Support local arts and cultural groups;
6. Support physical neighborhood improvements;
7. Commit to local purchasing;
8. Embrace digital inclusion to reverse the digital divide; and,
9. Appoint a community liaison;

WHEREAS, One Kings Lane will expend commercially reasonable efforts to fulfill its responsibilities under this Community Benefit Agreement 2013; and,

WHEREAS, the Parties each acknowledge and understand that this Community Benefit Agreement is entered into and binding upon One Kings Lane for calendar year 2013 pursuant to Section 906.3, provided that OEWD (as verified by the Treasurer-Tax Collector) finally determines that One Kings Lane is eligible for the exclusion; and,

WHEREAS, the Parties each acknowledge and understand that, pursuant to Section 906.3(c)(5), One Kings Lane may request that the City Administrator enter into other Community Benefit Agreements with One Kings Lane in future years and that the City Administrator may require different or additional provisions in such future Agreements; and,

WHEREAS, the Parties wish to memorialize their agreement to the One Kings Lane Community Benefit Agreement 2013 that is attached and incorporated herein by reference as Appendix A, by a Memorandum of Understanding:

NOW, THEREFORE, the Parties voluntarily enter into this Community Benefit Agreement 2013 Memorandum of Understanding and hereby adopt the One Kings Lane Community Benefit Agreement 2013 that is attached and incorporated herein by reference as Appendix A, as One Kings Lane's calendar year 2013 binding Community Benefit Agreement with the City Administrator under San Francisco Business and Tax Regulations Code §906.3(c)(5).

IN WITNESS WHEREOF, the parties hereto have caused this One Kings Lane Community Benefit Agreement 2013 Memorandum of Understanding to be duly executed as of the date first specified herein.

CITY ADMINISTRATOR

ONE KINGS LANE, INC.

By: _____

NAOMI KELLY
CITY ADMINISTRATOR

DINESH LATHI
CHIEF FINANCIAL OFFICER

-- Appendix A --

ONE KINGS LANE COMMUNITY BENEFIT AGREEMENT 2013

One Kings Lane, Inc. ("One Kings Lane") will focus its efforts in establishing, as set forth in this community benefit agreement, those issues deemed the highest priority by the Central Market Street and Tenderloin Area Citizens Advisory Committee ("CAC," San Francisco Business and Tax Regulations Code §906.3-1), and the residents, small businesses, and the various community organizations advocating for the Central Market Street neighborhood and the Tenderloin.

As defined in City Business Tax & Regulations Code §906.3(b)(1): "The "Central Market Street and Tenderloin Area" means the area located in downtown San Francisco, generally including: parcels fronting the south side of Market Street from Eleventh Street to Sixth Street; a portion of parcels fronting the south side of Market Street from Sixth Street to Fifth Street (odd numbered addresses from 999 to 933 Market Street); parcels fronting the north side of Market Street from Van Ness Avenue to Eighth Street; 875 Stevenson Street; and parcels in the area bordered by: Ellis Street from Polk Street to Mason Street (south side only); Mason Street, from Ellis Street to Market Street (west side only); Market Street, from Mason Street to Charles J. Brenham Place (north side only); Charles J. Brenham Place, from Market Street to McAllister Street (east side only); McAllister Street, from Charles J. Brenham Place to Larkin Street (north side only); Larkin Street, from McAllister Street to Eddy Street (east side only); Eddy Street, from Larkin Street to Polk Street (north side only); and Polk Street from Eddy Street to Ellis Street (east side only)." Collectively called "mid-Market."

As One Kings Lane enters its first Community Benefits Agreement, it believes that the highest priorities for the community are workforce development and job stability, creating equity and bridging the digital divide, and fostering an intimate and organic relationship with the numerous community organizations working to improve the Tenderloin and the mid-Market area.

In creating this Community Benefits Agreement with the City and County of San Francisco, an agreement included in the application process for the payroll expense tax exclusion in Central Market Street and Tenderloin area, One Kings Lane would like to emphasize that its intention is to grow the Community Benefit Agreement each consecutive year that it takes advantage of the payroll tax exclusion. Therefore we have created a Community Benefit Agreement that is scalable, and as it grows, will not exhaust One Kings Lane's resources so that it can continue to deliver an increasingly robust CBA.

One Kings Lane believes it can fulfill its commitment to the community and honor the required Community Benefit Agreement in the following ways:

KEY FEATURE #1: Create meaningful engagement with the community.

As a new neighbor in the Central Market and Tenderloin, One Kings Lane is committed to meaningful engagement with the community. It is especially important for employees to have direct and sustained engagement with the community.

One Kings Lane will encourage employees to volunteer in the Central Market and Tenderloin neighborhoods. Employees will be compensated for these community volunteer activities as if they were usual work days.

One Kings Lane's community liaison and employees will select community-based organizations for volunteer days, consistent with the Citizens Advisory Committee framework, and will notify the City Administrator's Office of its selections. Areas of interest expressed by One Kings Lane in Year One include affordable housing and homeless programs for women and families.

One Kings Lane will encourage employees to join Boards of Directors of local community nonprofits, to lend their fiscal and personal expertise to governance of local community based organizations.

KEY FEATURE #2: Support workforce development.

As good-paying jobs are created in the Central Market and Tenderloin, it is crucial that all people have access to economic growth. Since some San Franciscans face barriers to employment or lack required skills, the United States Department of Labor has funded TechSF, an initiative to train and place workers in these companies. Mayor Lee announced a commitment to creating 2,500 tech jobs for these individuals in the next five years. This Community Benefit Agreement will help support these goals as follows:

- *Training and hiring San Franciscans.* One Kings Lane will partner with the City and County of San Francisco to train and hire eligible and qualified San Franciscans through the First Source Hiring program, which works in conjunction with community-based organizations specializing in providing training and placement for jobs or internships.
- *TechSF.* One Kings Lane will participate in the TechSF initiative by attending at least one TechSF event in 2013, and maintaining regular contact with the City Administrator's Office of Innovation on its progress.

KEY FEATURE #3: Establish a local nonprofit product donation program.

One Kings Lane is interested in providing support to organizations whose work benefits the Central Market and Tenderloin neighborhood, through the donation of products offered for sale on One Kings Lane.

One Kings Lane will establish a local nonprofit grant program to support nonprofits in the Central Market and Tenderloin with donated product.

In Year One, One Kings Lane will partner with Hamilton Family Center to provide product to benefit homeless families, and with Tenderloin Housing Clinic, to provide product to

residents of single-room occupancy hotels. The total value of the donation will be a minimum of \$25,000.

Decisions on additional groups to support during 2013, if any, shall be determined solely by One Kings Lane and are not subject to protest or appeal.

KEY FEATURE #4: Improve educational outcomes for youth.

One Kings Lane is committed to improving educational outcomes for youth, and ending disparities that impact young women and people of color.

One Kings Lane will encourage employees to volunteer as tutors at local schools, including the Tenderloin Community School, Bessie Carmichael Elementary School and other independent schools in the Central Market and Tenderloin area.

One Kings Lane will partner with at least one organization serving transitional age youth (aged 18-24) to provide opportunities for internships, mentoring, or matching grants for youth led programs.

KEY FEATURE #5: Support local arts and cultural groups.

One Kings Lane is committed to support local arts and cultural institutions in the area. Over the course of the first year of the One Kings Lane CBA, One Kings Lane's community liaison and interested employees will visit arts organizations to determine the best partnerships moving forward.

One Kings Lane will encourage employees to attend local arts and cultural programming by making information on these opportunities available to employees.

KEY FEATURE #6: Support physical neighborhood improvements.

Like every community, the Central Market and Tenderloin needs neighborhood improvements to continually provide safe, clean spaces for people to work and play, and to move people and goods throughout the area. In Year One of the CBA, One Kings Lane will work with community members to improve the urban forest and support transportation improvements that benefit the entire community in the following ways:

- One Kings Lane employees will participate in at least one street tree planting day in 2013, through a combination of employee volunteerism or direct contribution. This planting day may be combined with either of the two volunteer days.
- One Kings Lane will make employees aware of the Department of Public Works' Community Clean Team event in District Six next year so they may participate.
- One Kings Lane will participate in the public process to determine improvements to local transportation, including the process to renovate BART station entrances.
- If there is a "Sunday Streets" event in Central Market/Tenderloin, One Kings Lane will make employees aware of it.

- One Kings Lane will consult with the San Francisco Bicycle Coalition on ideas for improvements in the Central Market and Tenderloin that would benefit those who bicycle.

KEY FEATURE #7: Embrace digital inclusion to reverse the digital divide.

It is essential that all neighborhood residents have access to technology. While many have devices that allow them the ability to access the Internet, there is a need for greater wireless access at community facilities, hardware for low-income residents, and training for all. One Kings Lane is committed to embracing digital inclusion to reverse the digital divide in the following ways:

- One Kings Lane, in concert with other CBA companies, will assist the Mayor's Office of Innovation in the City's effort to conduct an assessment of opportunities to expand digital inclusion at nonprofit locations and in public rights of way in the local area, a process that will result in recommendations by the end of 2013.
- One Kings Lane, in concert with other CBA companies, will engage with the Mayor's Office of Innovation and the City Administrator's office, to explore ways for implementing any of the recommendations contained in the City's assessment described above.

KEY FEATURE #8: Commit to local purchasing.

Keeping dollars in the local community is an important part of community benefits agreements. In making purchasing decisions, it is critical that One Kings Lane source from local small businesses, caterers, suppliers and restaurants where feasible.

One Kings Lane will use commercially reasonable efforts to purchase goods and services from small businesses, local caterers, suppliers, and restaurants in the local community, in 2013.

KEY FEATURE #9: Appoint a community liaison.

It is imperative that community members have a single point of contact to submit requests, concerns or compliments to One Kings Lane. This liaison will ensure that community voices are heard and that employees know which internal person to contact when they are interested in getting involved in the community.

One Kings Lane designates Gabrielle Wagner as the community liaison. Gabrielle can be reached at Gabrielle@OneKingsLane.com.

EVALUATION & REPORTING.

The legislation authorizing the Central Market and Tenderloin Payroll Tax Exclusion requires the City Administrator to report on an annual basis on the program's success. In addition, the Citizens' Advisory Committee is required to report to the Board of Supervisors on a regular basis. To meet these reporting requirements, it is necessary for One Kings Lane to report on its progress in meeting the Community Benefits Agreement's goals and objectives.

One Kings Lane will report on its progress meeting goals and objectives in this CBA by reporting to the City Administrator once each quarter on which items have been completed, which have begun and are in progress, and which have not yet begun. A form will be provided for this report.

Completion of at least 80% of items in the CBA will be deemed as successful, provided that a good faith effort was made to achieve all items.

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