

North Hollywood Mixed-Use Redevelopment Project

Community Benefits Program

SECTION I. PURPOSE

The purpose of the Community Benefits Program for the North Hollywood Redevelopment Mixed-Use Project is to provide for a concerted and coordinated effort on the part of the City, the Agency, and the Developer to extend the benefits of the Development to the community. It should also serve to maximize community involvement in the planning, development and use of area resources to ensure that low-income individuals residing in the Valley Community benefit from the Development. For these reasons, and in consideration of mutual promises, undertakings, and covenants, the adequacy of which the Coalition and the Developer hereby acknowledge, the Coalition and the Developer, on behalf of themselves and their respective successors, partners, and assigns, agree to the terms set forth in this Community Benefits Program.

SECTION II. DEFINITIONS

As used in this Community Benefits Program, the following capitalized terms shall have the following meanings. All definitions include both the singular and plural form.

“Agency” shall mean the Community Redevelopment Agency of the City of Los Angeles.

“City” shall mean the City of Los Angeles.

“Coalition” shall mean the Valley Jobs Coalition, as represented by the Los Angeles Alliance for a New Economy.

“Developer” shall mean SL NO HO LLC.

“Development” shall mean the North Hollywood Mixed-Use Redevelopment Project.

“Contract” shall mean a contract related to use, maintenance, or operation of the Development or part thereof. “Contract” shall not include lease agreements or contracts primarily concerning construction.

“Contractor” shall mean a prime contractor, a subcontractor, or any other business entering into a contract related to the use, maintenance, or operation of the Development or part thereof. “Contractor” shall not include Tenants or construction contractors.

“Low-Income Individual” shall mean an individual whose household income is no greater than 80% of the median income for the Standard Metropolitan Statistical Area.

“Tenant” shall mean any entity that enters into a lease agreement or similar agreement for use of space within the Development. Notwithstanding the above, Tenant shall not mean any occupant, individual or entity entering into a lease agreement involving a residential component of the Project.

SECTION III. CHILD CARE CENTER

Child Care Program and Facility. The Developer agrees to plan an on-site location for a child care center and to enter into a lease agreement with a child care provider for use of that location as a child care center. This child care center shall offer affordable, accessible and quality child care for both on-site employees and the surrounding community. Developer in its lease with the childcare provider shall require that a minimum of 50 spaces shall be made available to very low, low and moderate-income families. The childcare provider shall operate the site on an ongoing basis and shall secure government subsidies for families in need.

The Developer will work with the Valley Jobs Coalition and the Child Care Resource Center to select a quality child care provider to lease the facility. The quality and affordability of the child care center will be the long-term responsibility of the provider. The Valley Jobs Coalition will assist the provider in fundraising and other efforts to maintain the quality and affordability of the child care center.

SECTION IV. CUSTOMIZED AND FIRST SOURCE HIRING PROGRAM

A. Purpose . The purpose of this section is to develop pilot programs that will facilitate the customized training and employment of Low-Income Individuals in the North Hollywood Redevelopment Mixed-Use Project. This section aims to accomplish that goal by (1) establishing a mechanism whereby low-income individuals will receive job training in the precise skills requested by employers in the development, and (2) establishing a system for prompt referral of applicants to employers as jobs become available. It is hoped that these pilot programs will benefit both the community and the employers in the North Hollywood Redevelopment Project.

B. Customized Job Training Program. The First Source Referral System, described below, will coordinate job training programs with a network of community-based job training organizations. Prior to hiring for jobs within the Development, Tenants may request specialized job training for applicants they intend to hire, tailored to the Tenants' particular needs, by contacting the First Source Referral System. The First Source Referral System will then work with its network of job-training organizations to ensure that these applicants are provided with the requested training.

C. First Source Hiring Policy. Through the First Source Hiring Policy, qualified Low-Income Individuals, particularly those trained through the Customized Job Training program described above, will have the opportunity to interview for job openings in the Development. The Developer, Contractors, and Tenants may participate in the First Source Hiring Policy, attached hereto as attachment No.1 . Under this Policy, the First Source Referral System will promptly refer qualified, applicants to Tenants for available jobs.

D. First Source Referral System. The First Source Referral System will coordinate with Tenants and a network of community-based job training organizations to provide the services described in this section. The Valley Jobs Coalition, in conjunction with the Valley Economic Development Center, will raise funds to staff the First Source Referral System. The Developer will provide approximately 500 square feet of rent-free space within the Valley Clinic facility for the offices of the First Source Referral System. This space shall be large enough for a reasonable work space for two staff members, including space for files and records, and shall allow for public access.

E. Developer's Efforts Regarding First Source Hiring. The Developer shall make reasonable efforts to encourage tenant participation in, and to foster the success of, the First Source Hiring Policy. Such efforts include:

1. providing space for the First Source Referral System, as described in section IV.D, above;
2. working with the Coalition to encourage Tenant participation and to facilitate the success of the First Source Hiring Policy, by arranging meetings attended by the Developer, the Coalition, Tenants, and prospective Tenants;
3. collaborate with the Coalition and the First Source Referral System to hold a job fair regarding employment opportunities available in the Development, and provide reasonable funding for the job fair in an amount adequate to facilitate its success; and
4. designating a contact person for issues related to the First Source Hiring Policy.

F. Day Laborer Center. Developer shall provide \$10,000 as seed money for a job training program at the North Hollywood Day Laborer Site, operated by the Coalition for Humane Immigrant's Rights of Los Angeles (CHIRLA).

SECTION V. DEVELOPER COMPLIANCE WITH CITY ORDINANCES

A. Service Contractor Worker Retention. The Developer and Contractors shall follow the City's Worker Retention Policy as set forth in the Los Angeles Administrative Code, Section 10.36. Developer shall not lease to any supermarket Tenant that does not agree to follow the City's Worker Retention ordinance.

B. Responsible Contracting. The Developer agrees not to retain as a Contractor or select as a Tenant any business that has been declared not to be a responsible contractor under the City's Contractor Responsibility Program (Los Angeles Administrative Code, Section 10.40.), or that has within the past three years been found by a court, an arbitrator, or an administrative agency to be in violation of labor relations, workplace safety, employment discrimination, or other workplace-related laws.

SECTION VI. LIVING WAGE POLICY.

A. Developer Responsibilities Regarding Living Wages.

1. Compliance With Living Wage Ordinance. The Developer and Contractors shall comply with substantive provisions of the City's Living Wage Ordinance, set forth in the Los Angeles Administrative Code, Section 10.37.

2. Seventy-Five Percent Living Wage Proportion. The Developer shall make all reasonable efforts to maximize the number of living wage jobs in the Development. The Developer and the Coalition agree that at least 75% of the jobs in the Development will be living wage jobs. The Developer and the Coalition agree that this is a reasonable requirement in light

of all of the circumstances. Achievement of the Living Wage Proportion shall be measured each year on January 1, but shall be reported biannually, as described in section VI.A.5, below. In the event that actual performance is less than 75% of the Living Wage Proportion for two consecutive years, Developer shall promptly meet and confer with the Coalition to determine mutually agreeable additional steps which can and will be taken to meet the Living Wage Proportion. Notwithstanding anything to the contrary, Developer's failure to meet the above mentioned 75% requirement shall not be a breach or default under this agreement or the Owners Participation Agreement. However if the Agency determines in its reasonable discretion that the Developer has not in any two calendar year period used reasonable efforts to meet the 75% requirement, then the Agency may assess a penalty of \$10,000 for each such applicable period. This penalty shall be the only liability that Developer shall have regarding the 75% Living Wage requirement.

3. Exemption for Small Businesses. Developer's responsibilities with regard to the Living Wage Proportion shall not apply to jobs at businesses that employ fewer than ten workers.

4. Calculation of Proportion of Living Wage Jobs. For purposes of determining the percentage of living wage jobs in the Development, the following jobs shall be considered living wage jobs:

- jobs covered by the City's Living Wage Ordinance;
- jobs for which the employee is paid on a salaried basis at least \$16,057.60 per year if the employee is provided with employer-sponsored health insurance, or \$18,657.60 per year otherwise (these amounts will be adjusted in concert with cost-of-living adjustments to wages required under the City's Living Wage Ordinance);
- jobs for which the employee is paid at least \$7.99 per hour if the worker is provided with employer-sponsored health insurance, or \$9.24 per hour otherwise (these amounts will be adjusted in concert with cost-of-living adjustments to wages required under the City's Living Wage Ordinance); and
- jobs covered by a collective bargaining agreement.

The percentage of living wage jobs in the Development will be calculated as the number of on-site jobs falling into any of the above four categories, divided by the total number of on-site jobs. No part of this calculation shall take into account jobs covered by the exemption for small businesses, described in section VI.A.3, above. The resulting number will be compared to the Living Wage Proportion to determine whether the Living Wage Proportion has been met.

5. Reporting Requirements. The Developer will provide a bi-annual report to the Agency on the percentage of jobs in the Development that are living wage jobs. The report will contain project-wide data as well as data regarding each employer in the Development. Data regarding particular employers will not include precise salaries; rather, such data will only include the number of jobs and the percentage of these jobs that are living wage jobs, as defined in Section VI.A.3, above. If the report indicates that the Living Wage Proportion is not being met, the Developer will include as part of the report a discussion of the reasons why that is the case. In compiling this report, Developer shall be entitled to rely on information provided by Tenants and Contractors, without responsibility to perform independent investigation. This report shall be filed for any given year or partial year by April 30th of the succeeding year.

6. Selection of Tenants.

a. Developer Notifies Coalition Before Selecting Tenants. At least 45 days before signing any lease agreement or other contract for space within the Development, the

Developer shall notify the Coalition that the Developer is considering entering into such lease or contract, shall notify the Coalition of the identity of the prospective Tenant, and shall, if the Coalition so requests, meet with the Coalition regarding the prospective Tenant's impact on the 75% Living Wage Proportion. If exigent circumstances so require, notice may be given less than 45 days prior to signing such a lease agreement or other contract; however, in such cases the Developer shall at the earliest possible date give the Coalition notice of the identity of the prospective Tenant, and, if the Coalition requests a meeting, the meeting shall occur on the earliest possible date and shall in any event occur prior to the signing of the lease agreement or other contract.

b. Coalition Meeting with Prospective Tenants. At least 30 days before signing a lease agreement or other contract for space within the Proposed Development, the Developer will arrange and attend a meeting between the Coalition and the prospective Tenant, if the Coalition so requests. At such a meeting, the Coalition and the Developer will discuss with the prospective Tenant the Living Wage Incentive Program and the Health Insurance Trust Fund, and will assist the Coalition in encouraging participation in these programs. If exigent circumstances so require, such a meeting may occur less than 30 days prior to the signing of a lease agreement; however, in such cases the meeting shall be scheduled to occur on the earliest possible date and shall in any event occur prior to the signing of the lease agreement or other contract.

c. Consideration of Impact on Living Wage Proportion. When choosing between prospective Tenants for a particular space within the Development, the Developer will reasonably take into account as a substantial factor each prospective Tenant's potential impact on achievement of the Living Wage Proportion.

d. Tenants Agree to Reporting Requirements. Tenants shall make annual reports as set forth in Section VI.B.3, below. The Developer will use best efforts to include these reporting requirements as a material term of all lease agreements or other contracts for space within the Development.

B. Tenants' opportunities and responsibilities.

1. Living Wage Incentive Program. All Tenants will be offered the opportunity to participate in a Living Wage Incentive Program. Under the Living Wage Incentive Program, Tenants providing living wage jobs may receive various benefits of substantial economic value. At no cost to the Developer, without the Developer's prior and sole consent, the Coalition, the Developer, and the Agency will collaborate to attempt to structure a set of incentives to assist the Development in meeting the Living Wage Proportion. The Living Wage Incentive Program shall be described in a simple and accessible written format suitable for presentation to prospective Tenants. The Coalition, working collaboratively with the Developer, shall seek funding from governmental and private sources to support the incentives and benefits provided in the Living Wage Incentive Program.

2. Health Insurance Trust Fund. The Agency, the City and the Coalition are attempting to create a Health Insurance Trust Fund, which is intended to provide Tenants with a low-cost method of providing employees with basic health insurance. When available, all Tenants will be offered the opportunity to participate in the Health Insurance Trust Fund. Tenants are not required to participate in this program, but may choose to participate.

3. Reporting Requirements. Developer shall require each Tenant to annually report to the Developer its number of on-site jobs, the percentage of these jobs that are living wage jobs, and the percentage of these jobs for which employees are provided health insurance by the Tenant. Tenants need not include precise salaries in such reports; rather, with regard to wages, Tenants need only include the number of jobs and the percentage of these jobs

that are living wage jobs, as defined in Section VI.A.4, above. Such reports shall be filed for any given year or partial year by January 31st of the succeeding year.

SECTION VII. IMPLEMENTATION OF COMMUNITY BENEFITS PROGRAM.

The Developer and the Agency will continue to meet with community-based organizations and affected parties in a good-faith effort to develop strategies for implementation of the policies and programs set forth in this Community Benefits Program.

Attachment 1

First Source Hiring Policy

SECTION I. PURPOSE.

The purpose of this First Source Hiring Policy is to facilitate the employment of targeted job applicants by employers in the North Hollywood Redevelopment Mixed-Use Project. It is a goal of this First Source Hiring Policy that the First Source Referral System contemplated herein will benefit employers in the project by providing a pool of qualified job applicants whose job training has been specifically tailored to the needs of employers in the project through a non-exclusive referral system.

SECTION II. DEFINITIONS.

As used in this policy, the following capitalized terms shall have the following meanings. All definitions include both the singular and plural form.

“Agency” shall mean the Community Redevelopment Agency of the City of Los Angeles.

“Contractor” shall mean a prime contractor, a subcontractor, or any other business entering into a contract related to the use, maintenance, or operation of the Development or part thereof. “Contractor” shall not include Tenants or construction contractors.

“Developer” shall mean SL NO HO .LLC

“Development” shall mean the North Hollywood Redevelopment Mixed-Use Project.

“Employer” shall mean a business or nonprofit corporation that conducts any portion of its operations within the Project; provided, however, this First Source Hiring Policy shall only apply to any such portion of operations within the Project. Employer includes but is not limited to lessees, landowners, and Contractors on location at the Project.

“First Source Referral System” shall mean the system developed and operated to implement this First Source Hiring Policy, and the nonprofit organization operating it.

“Low-Income Individual” shall mean an individual whose household income is no greater than 80% of the median household income for the Primary Metropolitan Statistical Area.

“Targeted Job Applicants” shall mean job applicants described in Section IV.D, below, and any applicant referred by the First Source Referral System.

“Transferee” shall mean a person or entity that acquires a fee simple interest or a ground lease from the Developer for the purpose of developing all or any portion of the Proposed Development.

SECTION III. EMPLOYER RESPONSIBILITIES

A. Coverage. This First Source Hiring Policy shall apply to hiring by Employers for all jobs for which the work site is located within the Development, except for jobs for which hiring procedures are governed by a collective bargaining agreement which conflicts with this First Source Hiring Policy.

B. Long-Range Planning. Within a reasonable time after the information is available following execution of a lease by Developer and Employer for space within the Development, the Employer shall provide to the First Source Referral System the approximate number and type of jobs that will need to be filled and the basic qualifications necessary.

C. Hiring process.

(1) Notification of job opportunities. Prior to hiring for any job for which the job site will be in the Development, the Employer will notify the First Source Referral System of available job openings and provide a description of job responsibilities and qualifications, including expectations, salary, work schedule, duration of employment, required standard of appearance, and any special requirements (e.g. language skills, drivers’ license, etc.). Job qualifications shall be limited to skills directly related to performance of job duties, in the reasonable discretion of the Employer.

(2) Referrals. The First Source Referral System will, as quickly as possible, refer to the Employer Targeted Job Applicants who meet the Employer’s qualifications. The First Source Referral System will also, as quickly as possible, provide to the Employer an estimate of the number of qualified applicants it will refer.

(3) Hiring. The Employer may at all times consider applicants referred or recruited through any source. When making initial hires for the commencement of the Employer’s operations in the Development, the Employer will hire only Targeted Job Applicants for a three-week period following the notification of job opportunities described in subparagraph III.C.1, above. When making hires after the commencement of operations in the Development, the Employer will hire only Targeted Job Applicants for a five-day period following the notification of job opportunities. During such periods Employers may hire Targeted Job Applicants recruited or referred through any source. During such periods Employers will use normal hiring practices, including interviews, to consider all applicants referred by the First Source Referral System. After such periods Employers shall make good-faith efforts to hire Targeted Job Applicants, but may hire any applicant recruited or referred through any source.

E. Goal. Any Employer who has filled more than 50% of jobs available either during a particular six-month period with Targeted Job Applicants (whether referred by the First Source Referral System or not), shall be deemed to be in compliance with this First Source Hiring Policy for all hiring during that six-month period. Any Employer who has complied with remaining provisions of this First Source Hiring Policy is in compliance with this First Source Hiring Policy even it has not met this 50% goal during a particular six-month period.

F. No Referral Fees. Employers shall not be required to pay any fee, cost or expense of the First Source Referral System or any potential employees referred to the Employer by the First Source Referral System in connection with such referral.

SECTION IV. RESPONSIBILITIES OF FIRST SOURCE REFERRAL SYSTEM.

The First Source Referral System will perform the following functions related to this First Source Hiring Policy:

A. Receive Employer notification of job openings, immediately initiate recruitment and pre-screening activities, and provide an estimate to Employers of the number of qualified applicants it is likely to refer, as described above.

B. Recruit Targeted Job Applicants to create a pool of applicants for jobs who match Employer job specifications.

C. Coordinate with various job-training centers.

D. Screen and refer Targeted Job Applicants according to qualifications and specific selection criteria submitted by Employers. Targeted Job Applicants shall be referred in the following order:

(1) **First Priority:** individuals whose residence or place of employment has been displaced by the Development.

(2) **Second Priority:** individuals living in the Agency's North Hollywood Redevelopment Project Area.

(3) **Third Priority:** Low-income individuals living in the San Fernando Valley.

E. Maintain contact with Employers with respect to Employers' hiring decisions regarding applicants referred by the First Source Referral System.

F. Assist Employers with reporting responsibilities as set forth in Section V of this First Source Hiring Policy, below, including but not limited to supplying reporting forms and recognizing Targeted Job Applicants.

G. Prepare and submit compliance reports to the Agency as set forth in Section V of this First Source Hiring Policy, below.

SECTION V. REPORTING REQUIREMENTS.

A. Reporting Requirements and Recordkeeping.

(1) **Reports.** During the time that this First Source Hiring Policy is applicable to any Employer, that Employer shall, on a quarterly basis, notify the First Source Referral System of the number, by job classification, of Targeted Job Applicants hired by the Employer during that quarter and the total number of employees hired by the Employer during that quarter. The First Source Referral System shall submit annual aggregate reports for all Employers to the Agency, with a copy to the Coalition, detailing the employment of Targeted Job Applicants in the Development.

(2) **Recordkeeping.** During the time that this First Source Hiring Policy is applicable to any Employer, that Employer shall retain records sufficient to report compliance with this First Source Hiring Policy, including records of referrals from the First Source Referral System, job applications, and number of Targeted Job Applicants hired. To the extent allowed by law, and upon reasonable notice, these records shall be made available to the Agency for inspection upon request. Records may be redacted so that individuals are not identified by name and so that other confidential information is excluded.

(3) **Failure to Meet Goal.** In the event an Employer has not met the 50% goal during a particular six-month period, the Agency may require the Employer to provide reasons it has not met the goal and the Agency may determine whether the Employer has nonetheless adhered to this Policy.

SECTION VI. GENERAL PROVISIONS.

A. Meet & Confer, Enforcement. If the Coalition, the First Source Referral System, or the Agency believes that an Employer is not complying with this First Source Hiring Policy, then the Coalition, the First Source Referral System, the Agency, and the Employer shall meet and confer in a good faith attempt to resolve the issue. If the issue is not resolved through the meet and confer process within a reasonable period of time, the Agency may enforce the First Source Hiring Policy against the Developer as a term of any agreement between the Agency and the Developer into which the First Source Hiring Policy has been incorporated.

B. Miscellaneous.

(1) **Compliance with State and Federal Law.** This First Source Hiring Policy shall only be enforced to the extent that it is consistent with the laws of the State of California and the United States. If any provision of this First Source Hiring Policy is held by a court of law to be in conflict with state or federal law, the applicable law shall prevail over the terms of this First Source Hiring Policy, and the conflicting provisions of this First Source Hiring Policy shall not be enforceable.

(2) **Indemnification.** The First Source Referral System shall, jointly and severally, indemnify, hold harmless and defend the Developer and any Employer, and their officers, directors, partners, agents, employees and funding sources, if required by any such funding source (the "Indemnified Parties") from and against all fines, suits, liabilities, proceedings, claims, costs, damages, losses and expenses, including, but not limited, to attorney's fees and court costs, demands, actions, or causes of action, of any kind and of whatsoever nature, whether in contract or in tort, arising from, growing out of, or in any way related to the breach by the First Source Referral System or their affiliates, officers, directors, partners, agents, employees, subcontractors (the "First Source Parties") of the terms and provisions of this First Source Hiring Policy or the negligence, fraud or willful misconduct of First Source Parties. The indemnification obligations of the First Source Parties shall survive the termination or expiration of this First Source Hiring Policy, with respect to any claims arising as the result of events occurring during the effective term of this First Source Hiring Policy .

(3) **Compliance with Court Order.** Notwithstanding the provisions of this Policy, the Developer, Employers, Contractors, or Subcontractors shall be deemed to be in compliance with this First Source Hiring Policy if subject to by a court or administrative order or decree, arising from a labor relations dispute, which governs the hiring of workers and contains provisions which conflict with terms of this Policy.

(4) **Severability Clause.** If any term, provision, covenant, or condition of this First Source Hiring Policy is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall continue in full force and effect.

(5) **Binding on Successors.** This First Source Hiring Policy shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors in interest, and assigns of each of the parties. Any reference in this Policy to a specifically named party shall be deemed to apply to any successor in interest, heir, administrator, executor, or assign of such party.

(6) **Material Terms.** The provisions of this First Source Hiring Policy are material terms of any deed, lease, or contract in which it is included.

(7) **Coverage.** All entities entering into a deed, lease, or contract relating to the rental, sale, lease, use, maintenance, or operation of the Development or part thereof shall be covered by the First Source Hiring Policy, through the incorporation of this First Source Hiring Policy into the deed, lease, or contract. Substantive provisions set forth in Section III. "Employer Responsibilities," apply only to jobs for which the work site is located within the Development.

IN WITNESS WHEREOF, the parties hereto caused this Community Benefits Plan to be duly executed by their respective authorized officers.

Dated: _____ SL NO HO LLC. a California limited liability company,

By:

J.H. Snyder & Company, a California corporation, its managing member,

By: _____
Cliff Goldstein
Partner

Dated: _____ The Valley Jobs Coalition

As represented by:

The Los Angeles Alliance for a New Economy, a California Nonprofit Corporation

By: _____
Madeline Janis-Aparicio
Executive Director