

Marlton Square Redevelopment Project

Developer Community Benefits Program

SECTION I. PURPOSE

The purpose of the Community Benefits Program for the Marlton Square Redevelopment Project is to provide for a concerted and coordinated effort on the part of the Agency and the Developer to extend the benefits of the Marlton Square Redevelopment Project to the surrounding community. 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.

“CBP” shall mean the entirety of this Community Benefits Program, including all attachments.

“City” shall mean the City of Los Angeles.

“Coalition” shall mean Action for Grassroots Empowerment and Neighborhood Development Alternatives, Baldwin Village Community in Action, and the Los Angeles Alliance for a New Economy.

“Contract” shall mean a contract related to use, maintenance, or operation of the Development or part thereof.

“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. “Contractor” shall not include consultants, which are defined as businesses retained solely to provide expert advice or to produce a written work product.

“Developer” shall mean Capital Vision Equities and its non-profit partner (as yet to be designated).

“Development” shall mean the Marlton Square Redevelopment Project.

“Development Agreement” shall mean any Owner Participation Agreement, Disposition and Development Agreement, purchase/sale agreement, incentive agreement, subsidy agreement, or similar agreement regarding the Site, between the Developer and either the Agency or the City.

"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.

"Site" shall mean the approximately 22 acres located at the southwest corner of Marlton Avenue and Martin Luther King Jr. Boulevard, otherwise known as Santa Barbara Plaza, in the City of Los Angeles, California, as set forth in Attachment A.

"Tenant" shall mean any entity that enters into a lease agreement or similar agreement for use of space within the Development. "Tenant" shall not include any individual person whose legal residence is on-Site.

Section III. COMMUNITY SERVICES FACILITY

The Developer shall dedicate at least 1.8 acres at the Site for a facility to be used for community services, such as community meetings, recreational opportunities, job training, computer training, social and cultural events, and counseling services. The Developer shall construct a facility for such purposes, which shall comprise at least _____ square feet of built-out, tenant-ready space. The facility shall be publicly accessible.

The Developer and Baldwin Village Community in Action shall undertake, and the developer shall fund, a community design process, in which the Developer and Baldwin Village Community in Action shall evaluate, through public and private meetings, community needs and available resources. Results of the community design process shall be jointly assessed by the Developer and Baldwin Village Community in Action. Use of the facility shall be consistent with the results of the community design process.

Services and resources provided at the facility shall be available to residents of the surrounding community. The facility and the services provided therein shall be operated either by nonprofit organizations or by the City.

SECTION IV. FIRST SOURCE HIRING POLICY

A. Purpose. The purpose of this section is to facilitate the employment of Low-Income Individuals in the Marlton Square Redevelopment Project. This section aims to accomplish that goal by establishing a system for prompt referral of targeted Low-Income Individuals to employers as jobs become available. The parties hope that this program will benefit both the community and the employers in the Development.

B. First Source Hiring Policy. Through the First Source Hiring Policy, set forth in the “Tenant and Contractor Responsibilities” set forth as Attachment B, qualified Low-Income Individuals will have the opportunity to interview for job openings in the Development. The Developer, Contractors, and Tenants shall participate in the First Source Hiring Policy for all hiring for on-Site jobs. Under this Policy, a First Source Referral System will promptly refer qualified applicants to covered employers for available jobs. The Developer shall designate a liaison for issues related to the First Source Hiring Policy.

D. First Source Referral System. The First Source Referral System will maintain contact with job training programs provided by a network of community-based job training organizations. As described in Attachment B, the First Source Referral System will promptly refer qualified applicants to employers. The Developer’s First Source liaison will work with the Coalition and City officials to ensure effective implementation of the First Source Hiring Policy through the First Source Referral System. If so requested by the Coalition, the Developer shall provide at least 200 square feet of built-out, publicly accessible space at the Site for use of the First Source Referral System. The Developer may, with 60 days’ notice, change the location allocated at the Site for this purpose. If the Developer makes such a change, the Developer will reasonably facilitate the movement of the First Source Referral System between on-Site locations.

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.

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. The Developer agrees to require prospective Tenants and Contractors to provide information sufficient to enable the Developer to comply with this provision.

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 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 70% 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. Compliance with this 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 70% 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 70% requirement shall not be a breach or default under this agreement or the Development 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 70% Living Wage Proportion, 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 70% Living Wage Proportion.

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 \$16,540 per year if the employee is provided with employer-sponsored health insurance, or \$19,040 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 \$8.27 per hour if the worker is provided with employer-sponsored health insurance, or \$9.52 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, and, at the discretion of the Developer, may also contain data

regarding particular employers in the Development. 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.4, 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, and shall be made available to the public by the Developer upon request.

6. Selection of Tenants.

a. Developer Notifies Coalition Before Selecting Tenants. At least 30 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 and confer with the Coalition regarding the prospective Tenant's impact on the 70% Living Wage Proportion. If exigent circumstances so require, notice may be given less than 30 days prior to signing such a lease agreement or other contract; however, in such cases the Developer shall, at the earliest date reasonably possible, 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 date reasonably possible 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 20 days before signing a lease agreement or other contract for space within the Development, the Developer will arrange and attend a meeting between the Coalition and the prospective Tenant, if the Coalition so requests. Before any such meeting, the Coalition will request and be available for a meeting to confer with the Developer under Section VI.A.6.a, above. At a subsequent meeting with a prospective Tenant under this Section VI.A.6.b, the Coalition and the Developer will discuss with the prospective Tenant the availability of any City- or Agency-sponsored living wage incentive programs and any City- or Agency-supported health insurance programs for living wage employers. At such a meeting, the Developer will assist the Coalition in encouraging payment of a living wage and participation in any such programs. If exigent circumstances so require, such a meeting may occur less than 20 days prior to the signing of a lease agreement; however, in such cases the meeting shall be scheduled to occur on the earliest date reasonably possible 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. The Developer will explore with prospective Tenants the availability of any City- or Agency-sponsored living wage incentive programs and any City- or Agency-supported health insurance programs for living wage employers. The Coalition shall assist the Developer in preparing a description of such programs in a simple and accessible written format suitable for presentation to prospective Tenants.

d. Living Wage Incentive Program. The City and the Agency are considering development of various incentive programs, under which certain employers that pay living wages may receive benefits of substantial economic value. The Coalition, working collaboratively with the Developer, shall seek funding from governmental and private sources to support the incentives and benefits provided in City- and Agency-supported living wage incentive programs. The Developer and the Coalition will assist Tenants and prospective Tenants in accessing such programs, as described in section VI.A, above.

SECTION VII. IMPLEMENTATION OF COMMUNITY BENEFITS PROGRAM.

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

SECTION VIII. MISCELLANEOUS LEGAL PROVISIONS.

A. Inclusion of CBP, in Leases, Contracts, Purchase Agreements, and CC&Rs.

1. Lease Agreements and Contracts. The Developer shall not execute any Contract, or any lease agreement or similar agreement related to the rental, lease, or occupancy of the entirety of or any portion of the Site, unless the entirety Attachment B, "Tenant and Contractor Responsibilities," is included as a material term of the Contract or lease agreement in question.

2. Purchase Agreements. The Developer shall not execute any deed conveying title to the entirety of or any portion of the Site, unless (i) the Developer and the entity receiving title have executed a purchase agreement governing conveyance of title, and (ii) under that purchase agreement, the entity receiving title assumes as binding legal obligations all responsibilities of the Developer under this CBP.

3. Developer Assurance Regarding Preexisting Contracts. Developer warrants and represents that as of the date of mutual execution of this CBP, it has executed no lease agreement, contract, or purchase agreement that would violate any provision of this Section VIII.A had it been executed after the date of mutual execution of this CBP.

4. Release of Developer's Liability. The Developer shall have no liability for any breach of this CBP by (i) a Tenant, if the Developer has fully complied with this Section VIII.A with regard to that Tenant; (ii) a successor owner, if the Developer has fully complied with this Section VIII.A with regard to that successor owner; or (iii) a Contractor, if the Developer has complied with this Section VIII.A with regard to that Contractor.

B. Compliance with State and Federal Law. This CBP 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 CBP 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 CBP, and the conflicting provisions of this CBP shall not be enforceable.

C. Severability Clause. If any term, provision, covenant, or condition of this CBP 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.

D. Binding on Successors. This CBP shall be binding upon and inure to the benefit of the successors in interest, transferees, assigns, present and future partners, subsidiary corporations, affiliates, agents, representatives, heirs, and administrators of each of the parties hereto. Any reference in this CBP to a party shall be deemed to apply to any successor in interest, transferee, assign, present or future partner, subsidiary corporation, affiliate, agent, representative, heir, or administrator of such party.

E. Intended Beneficiaries. The City, the Agency, and the Coalition are intended third-party beneficiaries of contracts and other agreements which incorporate this CBP, with regard to the terms and provisions of this CBP. The City, the Agency and the Coalition shall each independently have the right to enforce the provisions of this CBP against all parties incorporating this CBP into contracts or other agreements.

F. Material Terms and Inclusion in Development Agreements. Developer agrees to use its best efforts to include this CBP as a material term of any and all Development Agreements. All provisions of this CBP are material terms of any deed, lease, or contract in which it is included.

G. Covenants Run with Land. The provisions of this CBP are covenants that run with the land and bind all grantees, lessees, or other transferees thereto for the benefit of and in favor of the City, the Agency and the Coalition.

H. Term. This CBP shall become effective on the date of mutual execution of this CBP and shall terminate upon the later of the following two dates: (1) the date on which the Developer has fully reimbursed or repaid the City and Agency for all subsidies or loans related to the Development and received by the Developer; or (2) the date five years from the issuance of any certificate of occupancy or similar permit for the Site subsequent to construction related to the Development. Upon termination of the effectiveness of this CBP as described in this section, all entities with responsibilities under this CBP shall have no further responsibilities. The termination date shall be uniform with regard to all entities with responsibilities under this CBP.

I. Correspondence. All correspondence shall be in writing and shall be addressed to the affected parties at the addresses set forth below. A party may change its address by giving notice in compliance with this subsection VIII.I. The addresses of the parties are:

a. If to Developer:

Attn: Christopher Hammond
Capital Vision Equities
854 West Adams Boulevard
Los Angeles, CA 90007

b. If to Coalition:

Madeline Janis-Aparicio
Los Angeles Alliance for a New Economy
548 South Spring Street, Suite 630
Los Angeles, CA 90013

with a copy to:

Julian Gross
Attorney at Law
Post Office Box 460309
San Francisco, CA 94146

J. Waiver. The waiver of any provision or term of this CBP shall not be deemed as a waiver of any other provision or term of this CBP. The mere passage of time, or failure to act upon a breach, shall not be deemed as a waiver of any provision or term of this CBP.

K. Construction. Each of the parties has been represented by counsel in the negotiation and drafting of this CBP. Accordingly, this CBP shall not be strictly construed against any party, and the rule of construction that any ambiguities be resolved against the drafting party shall not apply to this CBP.

L. Entire Agreement. This CBP contains the entire agreement between the parties and supersedes any prior agreements, whether written or oral.

M. Amendments. This CBP may not be altered, amended or modified, except by an instrument in writing signed by the parties.

N. Authority of Signatories. The individuals executing this CBP represent and warrant that they have the authority to sign on behalf of the respective parties.

O. Cooperation. From and after the date of mutual execution of this CBP, the Coalition shall not make statements in the media, in public forums, to public officials or their staffs, or to community groups or other organizations, opposing land sales or approvals related to the Marlton Square Development Project. Notwithstanding the above, the Coalition may publicly support the inclusion of this CBP into a Development Agreement. Obligations of the Coalition under this Section VIII.P shall be obligations only of Coalition member organizations signing this CBP, and of individuals who are paid staff members or members of the Board of Directors of such organizations when such individuals are speaking or acting in the capacity of members of such organizations.

P. Estoppel Certificate. The Developer may at any time request from the Coalition an estoppel certificate pertaining to any provision of this CBP that the Developer reasonably believes has been satisfied. Such request shall be in writing and shall be sent by U.S. Mail as described in Section VIII.I ("Correspondence"). Such request shall identify with particularity the provision or provisions that the Developer believes has been satisfied. If the Developer has not received a response from the Coalition in writing within twenty days of having sent the request, the Developer shall notify by telephone the Executive Director of the Los Angeles Alliance for a New Economy (213-486-9880) that a request for an estoppel certificate has been sent. If the Coalition has not responded in writing to the request within 30 days of the Coalition's receipt of the original request, the provision or provisions of the CBP to which the request pertained shall be deemed to have been satisfied by the Developer. The Coalition will not unreasonably withhold or delay provision of a written estoppel certificate.

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

Dated: _____

Capital Vision Equities

By: _____

Dated: _____

Action for Grassroots Empowerment and Neighborhood Development Alternatives.

By: _____

Dated: _____

Baldwin Village Community in Action

By: _____

Dated: _____

Los Angeles Alliance for a New Economy

By: _____

Madeline Janis-Aparicio
Executive Director

Tenant and Contractor Responsibilities

Marlton Square Redevelopment Project

Community Benefits Program

SECTION I. PURPOSE.

The purpose of the Community Benefits Program for the Marlton Square Redevelopment Project is to provide for a concerted and coordinated effort to extend the benefits of the Marlton Square Redevelopment Project to the surrounding community. This document sets forth the responsibilities of tenants and contractors in the Marlton Square Redevelopment Project, with regard to the Community Benefits Program. The parties hope and intend that fulfillment of these responsibilities will benefit tenants and contractors as well as the surrounding community.

SECTION II. DEFINITIONS.

As used in this Employer 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 Action for Grassroots Empowerment and Neighborhood Development Alternatives, Baldwin Village Community in Action, and the Los Angeles Alliance for a New Economy, as represented by the Los Angeles Alliance for a New Economy.

“Contract” shall mean a contract related to use, maintenance, or operation of the Development or part thereof.

“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. “Contractor” shall not include consultants, which are defined as businesses retained solely to provide expert advice or to produce a written work product.

“Covered Job” shall mean any job for which the work site is located on-Site, except for jobs for which hiring procedures are governed by a collective bargaining agreement that conflicts with the First Source Hiring Policy described in this Document.

“Developer” shall mean Capital Vision Equities and its non-profit partner (as yet to be designated).

“Development” shall mean the Marlton Square Redevelopment Project.

“Document” shall mean the entirety of this document, the “Tenant and Contractor Responsibilities” for the Marlton Square Redevelopment Project, including any attachments.

“Employer” shall mean a business or nonprofit corporation that conducts any portion of its operations on-Site. “Employer” includes but is not limited to Tenants, Contractors, and landowners conducting any portion of operations on-Site. “Employer” shall include the Developer.

“First Source Referral System” shall mean the system developed and operated to implement the First Source Hiring Policy described in this Document, and the organization operating or administering 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.

“Site” shall mean the approximately 22 acres located at the southwest corner of Marlton Avenue and Martin Luther King Jr. Boulevard, otherwise known as Santa Barbara Plaza, in the City of Los Angeles, California, as set forth in Attachment A.

“Targeted Job Applicants” shall mean job applicants described in Section III.G(3), below, and any applicant referred by the First Source Referral System.

“Tenant” shall mean any entity that enters into a lease agreement or similar agreement for use of space within the Development. “Tenant” shall not include any individual person whose legal residence is on-Site.

SECTION III. FIRST SOURCE HIRING POLICY.

A. Purpose. The purpose of this First Source Hiring Policy is to facilitate the employment of targeted job applicants by employers in the Marlton Square Redevelopment 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, through a non-exclusive referral system, a pool of qualified job applicants.

B. Coverage. This First Source Hiring Policy shall apply to hiring by Employers for all Covered Jobs.

C. Long-Range Planning. No later than six months prior to initial hiring for any Covered Job by an Employer, that 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. An Employer whose first enters into a Contract less than six months prior to initial hiring for Covered Jobs shall provide such information within two weeks of entering into the Contract. Each Employer shall, at the time of provision of information under this Section III.C, designate a liaison for issues related to this First Source Hiring Policy.

D. Hiring process.

(1) Notification of job opportunities. Prior to hiring for any Covered Job, an 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.

(2) Referrals. After receiving a notification under Section III.C.1, above, 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.

a. An Employer may at all times consider applicants referred or recruited through any source.

b. When making initial hires for the commencement of an Employer's operations in the Development, Employers occupying at least 5,000 square feet of space on-Site will hire only Targeted Job Applicants for a three-week period following the notification of job opportunities described in Section III.C.1, above.

c. When making initial hires for the commencement of an Employer's operations in the Development, Employers occupying less than 5,000 square feet of space on-Site will hire only Targeted Job Applicants for a two-week period following the notification of job opportunities described in Section III.C.1, above.

d. When making hires after the commencement of operations in the Development, an Employer will hire only Targeted Job Applicants for a five-day period following the notification of job opportunities.

e. During the periods described in Sections III.D.(3).b-d, above, 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.

f. After the periods described in Sections III.D.(3).b-d, above, Employers shall make good-faith efforts to hire Targeted Job Applicants, but may hire any applicant recruited or referred through any source.

g. Employers shall promptly inform the First Source Referral System once a Covered Job is filled, whether or not the Employer hired a Targeted Job Applicant for that position.

E. Goal. Any Employer who has filled more than 50% of jobs available 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.

G. Responsibilities of First Source Referral System.

The First Source Referral System will perform the following functions related to these First Source Hiring requirements:

(1) Receive Employer notification of job openings, promptly 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.

(2) Coordinate with various job-training centers to facilitate access to a pool of qualified applicants from which to draw referrals.

(3) 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:

- **First Priority:** individuals whose residence or place of employment has been displaced by the Development.
- **Second Priority:** Low-Income Individuals living within one mile of the Site.
- **Third Priority:** Low-Income Individuals living in census tracts or zip codes throughout the City for which, for more than 80% of the households, household income is no greater than 80% of the median household income for the Primary Metropolitan Statistical Area.

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

(5) Assist Employers with reporting responsibilities as set forth in Section IV.H, by supplying reporting forms and by other reasonable means.

(6) Assist the City, the Agency, and the Coalition in monitoring compliance with this First Source Hiring Policy.

H. First Source Hiring Policy Reporting And Recordkeeping Requirements; Meet & Confer

(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 for Covered Jobs 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 these First Source Hiring requirements, including records of notifications sent to the First Source Referral System, referrals from the First Source Referral System, job applications received from any source, number of Targeted Job Applicants hired, and total number of employees hired for Covered Jobs. To the extent allowed by law, and upon reasonable notice, these records shall be made available to the City or the Agency for inspection upon request. Records may be redacted so that individuals are not identified by name and so that information required by law to remain confidential is excluded.

(3) **Meet & Confer.** If the Coalition, the First Source Referral System, or the City or Agency believes that an Employer is not complying with these First Source Hiring requirements, then the Coalition, the First Source Referral System, the City or 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 60 days of written notification to the Employer of a potential problem, this First Source Hiring Policy may be enforced as a material term of any agreement into which it has been incorporated.

SECTION IV: WAGE REPORTING REQUIREMENTS FOR TENANTS AND CONTRACTORS.

A. Wage Reporting Requirements. Each Employer shall 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 Employer. Employers need not include precise salaries in such reports; rather, with regard to wages, Employers need only include the number of jobs and the percentage of these jobs that are living wage jobs, as defined in Section IV.B, below. Such reports shall be given to the Developer for any given year or partial year by January 31st of the succeeding year. Developer may elect to provide the public with data that has been aggregated and does not disclose the identity of specific Employers.

B. Definition of Living Wage Jobs. Living Wage Jobs include the following:

- jobs covered by the City's Living Wage Ordinance;
- jobs for which the employee is paid on a salaried basis at least \$16,540 per year if the employee is provided with employer-sponsored health insurance, or \$19,040 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 \$8.27 per hour if the worker is provided with employer-sponsored health insurance, or \$9.52 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 for a particular Employer 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.

SECTION V: LIVING WAGE, WORKER RETENTION, AND RESPONSIBLE CONTRACTING REQUIREMENTS FOR CONTRACTORS.

A. Living Wages. Contractors shall comply with substantive provisions of the City's Living Wage Ordinance, set forth in the Los Angeles Administrative Code, Section 10.37.

B. Service Contractor Worker Retention. Contractors shall comply with substantive provisions of the City's Worker Retention Policy as set forth in the Los Angeles Administrative Code, Section 10.36.

C. Responsible Contracting. Contractors agree not to enter into any contract related to the use, maintenance, or operation of the Development or part thereof, with 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. Contractors agree to obtain information sufficient to enable compliance with this provision.

SECTION VI: GENERAL LEGAL PROVISIONS FOR TENANTS AND CONTRACTORS.

A. Compliance with State and Federal Law. This Document 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 Document 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 Document, and the conflicting provisions of this Document shall not be enforceable.

B. Compliance with Court Order. Notwithstanding the provisions of this Document, the Developer, Employers, and Contractors shall be deemed to be in compliance with this Document 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 Document.

C. Severability Clause. If any term, provision, covenant, or condition of this Document is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of this Document shall continue in full force and effect.

D. Binding on Successors. This Document shall be binding upon and inure to the benefit of the successors in interest, transferees, assigns, present and future partners, subsidiary corporations, affiliates, agents, representatives, heirs, and administrators of each party that agrees to the terms of this Document. Any reference in this Document to a party shall be deemed to apply to any successor in interest, transferee, assign, present or future partner, subsidiary corporation, affiliate, agent, representative, heir, or administrator of such party.

E. Lease Agreements and Contracts. Tenants and Contractors shall not execute any Contract, or any lease agreement or similar agreement related to the rental, lease, or occupancy of the entirety of or any portion of the Site, unless the entirety of this Document is included as a material term of the Contract or lease agreement in question.

F. Material Terms. The provisions of this Document are material terms of any deed, lease, or contract in which it is included.

G. Assurance Regarding Preexisting Contracts. Each Tenant and Contractor warrants that as of the date of execution of this Document, it has executed no lease agreement, contract, or purchase agreement that would violate any provision of this Document had it been executed after the effective date of this Document.

H. Intended Beneficiaries. The City, the Agency, and the Coalition are intended third-party beneficiaries of contracts and other agreements which incorporate this Document, with regard to the terms and provisions of this Document. The City, the Agency and the Coalition shall each independently have the right to enforce the provisions of this Document against all parties incorporating this Document into contracts or other agreements.

I. Term. This Document shall become effective on the date of mutual execution of any contract or agreement into which it is incorporated, and shall terminate upon the later of the following two dates: (1) the date on which the Developer has fully reimbursed or repaid the City and Agency for all subsidies or loans related to the Development and received by the Developer; or (2) the date five years from the issuance of any certificate of occupancy or similar permit for the Site subsequent to construction related to the Development. Upon termination of the effectiveness of this Document as described in this section, all entities with responsibilities under this Document shall have no further responsibilities. The termination date shall be uniform with regard to all entities with responsibilities under this Document.