

AGENDA ITEM 6b
Treasure Island Development Authority
City and County of San Francisco
Meeting of October 11, 2023

Subject: Resolution Approving and Authorizing the Execution of a First Amendment to the Professional Services Agreement between the Treasure Island Development Authority and One Treasure Island, to increase the annual Scope of Services and not to exceed Contract Amount for Fiscal Year 2023-2024 (Action Item)

Contact: Richard A. Rovetti, Deputy Director of Real Estate

Phone: 415-274-3365

BACKGROUND

On June 14, 2023, the Treasure Island Development Authority (the "Authority") Board of Directors approved a Professional Services Agreement (the "Agreement") with the One Treasure Island ("One Treasure Island"), to coordinate training and employment opportunities for economically-disadvantaged people. For over 29 years, One Treasure Island has assisted nonprofit organizations that provide services to homeless and other economically disadvantaged San Francisco residents. One Treasure Island was organized to utilize the resources of the former Naval Station Treasure Island to help fill gaps in the continuum of care for homeless persons and families, pursuant to the Base Closure Community Redevelopment and Homeless Assistance Act of 1994.

The existing Agreement has a budget of \$1,465,000.00 and a Scope of Services that includes \$300,000.00 for contract services; \$95,000.00 for Affordable Housing Financing Consultation; \$70,000.00 for Community Facilities Planning Consultation; \$500,000.00 for the Job Broker Program Subsidy funding provided by TICD to the Authority and payable to One Treasure Island upon invoice as specified in the Jobs and Equal Opportunity Program (JEOP); \$300,000.00 in continued funding for the pre-apprentice training program based on deconstruction of nuisance properties / structures on Treasure Islands; \$165,000.00 for pre-apprentice program abatement budget of nuisance properties / structures on Treasure Island; and \$35,000.00 for onsite Special Event Venue staffing. Special Event Venue staffing will be billed monthly based on actual hours worked and at a rate not to exceed thirty-three dollars (\$33.00) per hour.

Project Staff and One Treasure Island have negotiated a First Amendment to the Professional Services Agreement (the "First Amendment") commencing October 15, 2023 to increase annual Scope of Services to the pre-apprentice training / abatement program from \$165,000.00 to \$600,000.00 to address expanded Scope of Services to include funding for YMCA Gym environmental cleanup, asbestos abatement at Building 335, and removal of 4 residential properties located at 1432, 1433, 1434 and 1435 Halibut Court. On July 1, 2023, Swords to Plowshares returned 1433 and 1435 Halibut Court to the Authority as occupants of these

buildings have relocated to their new residence at the Maceo May Apartments. Project staff anticipates removal / demolition of 1433 and 1435 Halibut Court in December 2023. As to 1432 and 1434 Halibut Court, Project Staff anticipates commencement of removal / demolition in second quarter of 2024 as these buildings are partially occupied with holdover tenants that rejected relocation to the Maceo May Apartments.

Funding will be taken from the Authority's existing facilities maintenance account. Project staff anticipates using land from these parcels for parking and open space upon completion of removal / demolition while providing union jobs and wages for graduates of the One Treasure Island Pre-Apprenticeship Program. 178 low income San Franciscans with barriers to employment have graduated from this program to date, with an average starting wage of \$22.66 an hour.

PROFESSIONAL SERVICES AGREEMENT TERMS AND CONDITIONS

The salient terms and conditions of the proposed First Amendment to the Professional Services Agreement include the following:

Commencement Date: January 15, 2023

Term: Month-to-Month

Compensation:

Compensation of up to \$2,065,000.00 payable as follows: July 1, 2022 through June 30, 2023 twelve (12) monthly payments of \$25,000.00 totaling \$300,000.00 for contract services, excluding:

(i) Job Broker Program Subsidy (\$500,000.00) - funding provided by TICD to the Authority and payable to One Treasure Island upon invoice as specified in the JEOP;

(ii) Pre-apprentice training program based on deconstruction and demolition of nuisance properties / structures on Treasure Island– Training Budget (\$300,000.00) payable to One Treasure Island upon invoice;

(iii) Pre-apprentice training program based on deconstruction and demolition of nuisance properties / structures on Treasure Island – Abatement Budget (\$600,000.00) payable to One Treasure Island upon invoice;

(iv) Affordable Housing Financing Consultation (\$95,000.00) payable to One Treasure Island upon invoice;

(v) Community Facilities Planning Consultation (\$70,000.00) payable to One Treasure Island upon invoice; and

(vi) \$35,000.00 for onsite Special Event Venue staffing. Special Event Venue staffing will be billed monthly based on actual hours worked and at a rate not to exceed thirty-three dollars (\$33.00) per hour.

Services:

One Treasure Island provides several services to the Authority including coordinating and facilitating participation of community-based homeless service organizations, operating the job broker system, as well as future development planning. One Treasure Island operates the Ship Shape building free of charge to the Island community, supports TI Children and Youth Initiatives, facilitates Affordable Housing Development Planning and Implementation Plans, and provides various consultation services related to ongoing community planning, affordable housing development. Additionally, One Treasure Island will provide onsite staffing at Island facilities. Responsibilities may include opening and closing of the venues, as well as greeting and assisting event contact with any facility related issues.

BUDGET IMPACT

The First Amendment to the Professional Services Agreement provides One Treasure Island with an amount not to exceed \$2,065,000.00 during FY 2023-2024. This amount addresses increase costs related to expanded scope of services to include funding for YMCA Gym environmental cleanup, asbestos abatement at Building 335, and removal of 4 residential properties located at 1432, 1433, 1434 and 1435 Halibut Court. Funding will come from the Authority’s existing facilities maintenance account. This will result in a budget impact of \$435,000.00 for FY 2023-2024.

RECOMMENDATION

Project Staff recommends approval of the First Amendment to the Professional Services Agreement between the Treasure Island Development Authority and One Treasure Island, a California nonprofit public benefit corporation to increase the annual Scope of Services and not to exceed Contract Amount to \$2,065,000.00 for FY 2023-2024, and authorize the Treasure Island Director or his designee to execute said First Amendment subject to the additional terms and conditions set forth above.

EXHIBIT

Exhibit A: First Amendment to the Professional Services Agreement between the Treasure Island Development Authority and the One Treasure Island

Prepared by: Richard A. Rovetti, Deputy Director of Real Estate
For: Robert P. Beck, Treasure Island Director

FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT

THIS FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT (this “First Amendment”), dated for reference purposes only as of October 15, 2023, is by and between the TREASURE ISLAND DEVELOPMENT AUTHORITY, a California nonprofit public benefit corporation (the “Authority”), and One Treasure Island (formerly Treasure Island Homeless Development Initiative), a California nonprofit public benefit corporation (the “Contractor”).

RECITALS

A. The Authority and the Contractor entered into that certain Professional Services Agreement dated for reference purposes as July 1, 2023 (the "Original Agreement"), to coordinate training and employment opportunities for economically-disadvantaged people, as more particularly described in the Original Agreement. The term of the Original Agreement expires on June 30, 2024.

B. The Authority and the Contractor desire to amend the Original Agreement to increase the annual Scope of Services and not to exceed Contract Amount for Fiscal Year 2023-2024 on the terms and conditions set forth in this First Amendment

C. The Original Agreement and this First Amendment shall collectively be referred to as the “Agreement”. All capitalized terms used herein but not otherwise defined shall have the meaning given to them in the Agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and for other good and valuable consideration, the Authority and the Contractor hereby amend the Agreement as follows:

AGREEMENT

- 1. Recitals.** The foregoing recitals are true and correct and are incorporated herein by this reference as if fully set forth herein.
- 2. Effective Date.** The effective date of this First Amendment shall be October 15, 2023 (the “Effective Date”).
- 3. Services Contractor Agrees to Perform.** As of the Effective Date, Section 4 of the Original Agreement shall be amended to read as follows:

"The Contractor agrees to perform the services provided for in Appendix A, “Description of Services,” attached hereto and incorporated by reference as though fully set forth herein.”

4. **Compensation.** As of the Effective Date, the Second paragraph of Section 5 of the Original Agreement shall be amended to read as follows:

"Compensation shall be made in monthly payments on or before the **Tenth** day of each month for work, as set forth in Section 4 of this Agreement, that the Treasure Island Director, in his sole discretion, concludes has been performed as of the **Final** day of the immediately preceding month. In no event shall the amount of this Agreement exceed Two Million and Sixty-Five Thousand Dollars (\$2,065,000.00). The breakdown of costs associated with this Agreement appears in Appendix B, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein.

No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Authority as being in accordance with this Agreement. Authority may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement.

In no event shall Authority be liable for interest or late charges for any late payments."

5. **Counterparts.** This First Amendment may be executed in counterparts with the same force and effect as if the parties had executed one instrument, and each such counterpart shall constitute an original hereof.

6. **Full Force and Effect.** Except as specifically amended herein, the terms and conditions of the Sublease shall remain in full force and effect.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Authority and the Contractor have executed this First Amendment to Agreement at San Francisco, California, as of the date first above written.

AUTHORITY:

TREASURE ISLAND DEVELOPMENT AUTHORITY

By: _____
Robert P. Beck
Treasure Island Director

CONTRACTOR:

**One Treasure Island
a California nonprofit corporation**

By: _____

Its: _____

APPROVED AS TO FORM:

DAVID CHIU, City Attorney

By: _____
Deputy City Attorney

Amendment Prepared By: Richard A. Rovetti, Deputy Director of Real Estate _____
(initial)

Appendix "A"

Scope of Services Contract Year 2023-2024

Description of Services

TASK ONE

One Treasure Island ("Contractor") shall provide all labor, materials, and equipment necessary to:

- Coordinate and facilitate the participation of community-based homeless service organizations activities with all public and private agencies operating on former naval base Treasure Island in the current implementation of the One Treasure Island agreement.

Specifically:

- Operate the Job Broker System and construction jobs program for island employers to fulfill hiring objectives outlined in their leases and/or contracts with the Treasure Island Development Authority
- Coordinate participation of members of One Treasure Island where appropriate and when requested by TIDA
- Operate the "Ship Shape" as a Community Center
- Provide third-party consultant support of planning efforts to integrate community facilities needs in the new development

One Treasure Island ("Contractor") shall provide all labor, materials, and equipment necessary to:

- Coordinate and facilitate the participation and implementation of community-based service organizations in the long term development of Treasure Island

Specifically:

- Participate in the development of the affordable housing component of the proposed development plan as specified in the One Treasure Island agreement
- Implement community serving and development components, Job Broker and First Source compliance and economic development opportunities as indicated in the One Treasure Island Agreement and Jobs and Equal Opportunity Program ("JEOP")
- As per JEOP, Developer shall provide funding to Authority upon request for the exclusive purposes of funding the One Treasure Island Job Broker Program and the job training and workforce development for all Construction Work and all for permanent workforce development (the "Job Broker Program Subsidy")
- Job Broker Program Subsidy (\$500,000.00) – fourth installment of funding as provided by Treasure Island Community Development ("TICD") to TIDA and payable to One Treasure Island upon invoice
- Provide expertise in affordable housing financing, programming and planning
- Operate a pre-apprenticeship training program by remediating, demolition, and/or deconstructing nuisance buildings on Treasure Island

Appendix B Calculation of Charges

One Treasure Island 2023-2024	Income
TIDA Contract Income	500,000
<ul style="list-style-type: none"> • One Treasure Island Services contract (300,000) • Community Facilities Planning (70,000) • Affordable Housing Financing Consultation (95,000) • Event Site Management and Misc. Event Preparations – equipment rentals and related procurements (35,000) 	
Job Broker Program Subsidy	500,000
Treasure Island Community Development Payment (TICD)	
Pre Apprenticeship Program Training	300,000
Pre Apprenticeship Program Abatement Budget (TIDA)	600,000
	Total: 900,000
MOHCD	150,000
Foundation Income	
Total Foundation Income	20,000
Corporate Income	
Total Corporate Income	20,000
Donation Income	
Total Donation Income	200,000
Other Income	421,215
Total Other Income	
Total Income	2,711,215.00

Expenses

Personnel

Total Personnel & Benefits 1,187,494

Non-Personnel Expenses

Prof Fees/Contracts

Total Prof Fees/Contracts

(includes building remediation as part of Pre-apprenticeship program)

Program & Non-Personnel Expenses 847,393

Operating Expenses 241,328

Total Operating Expenses

Total Expenses 2,276,215

Compensation of up to \$2,065,000.00 payable as follows: July 1, 2023 through June 30, 2024 twelve (12) monthly payments of \$25,000.00 totaling \$300,000.00 for contract services, excluding: (i) Job Broker Program Subsidy (\$500,000.00) - funding provided by TICD to the Authority and payable to One Treasure Island upon invoice as specified in the JEOP; (ii) Pre-apprentice training program based on deconstruction and demolition of nuisance properties / structures on Treasure Island – Training Budget s (\$300,000.00); (iii) Pre-apprentice training program based on deconstruction and demolition of nuisance properties / structures on Treasure Island– Abatement Budget (\$600,000.00); (iv) Affordable Housing Financing Consultation (\$95,000.00) payable to One Treasure Island upon invoice; (v) Community Facilities Planning Consultation (\$70,000.00) payable to One Treasure Island upon invoice; and (vi) \$35,000.00 for onsite Special Event Venue staffing and Event Site Management. Special Event Venue staffing will be billed monthly based on actual hours worked and at a rate not to exceed thirty-three dollars (\$33.00) per hour. Special Event Site Management and Misc. Event Preparations including equipment rentals, food / refreshment and other related procurements payable upon monthly invoice.

1 [One Treasure Island Professional Services Agreement, First Amendment]

2 **Resolution Approving and Authorizing the Execution of a First Amendment to**
3 **the Professional Services Agreement between the Treasure Island Development**
4 **Authority and One Treasure Island, to increase the annual Scope of Services and not to**
5 **exceed Contract Amount for Fiscal Year 2023-2024.**

6 WHEREAS, Naval Station Treasure Island is a military base located on Treasure Island
7 and Yerba Buena Island (together, the "Base"), which is currently owned by the United States
8 of America ("the Federal Government"); and,

9 WHEREAS, The Base was selected for closure and disposition by the Base
10 Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its
11 subsequent amendments; and,

12 WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97,
13 authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit
14 corporation known as the Treasure Island Development Authority (the "Authority") to act as a
15 single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and
16 conversion of the Base for the public interest, convenience, welfare and common benefit of
17 the inhabitants of the City and County of San Francisco; and,

18 WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended
19 Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter
20 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority
21 as a redevelopment agency under California redevelopment law with authority over the Base
22 upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the
23 Base which are subject to Tidelands Trust, vested the authority to administer the public trust
24 for commerce, navigation and fisheries as to such property in the Authority; and,

25

1 WHEREAS, The Board of Supervisors approved the designation of the Authority as a
2 redevelopment agency for Treasure Island in 1997; and,

3 WHEREAS, The City and County of San Francisco, as the predecessor Local Reuse
4 Authority for the Base, negotiated a proposed Base Closure Homeless Assistance Agreement
5 and Option to Lease Real Property (the "Homeless Assistance Agreement") with the One
6 Treasure Island ("One Treasure Island"), a consortium of nonprofit corporations organized to
7 utilize the available resources of the Base to help fill gaps in the continuum of care for
8 homeless persons and families, pursuant to the Base Closure Community Redevelopment
9 and Homeless Assistance Act of 1994; and,

10 WHEREAS, The Authority's purchasing policy and procedures authorize non-
11 competitive negotiations for contracts in furtherance of the Homeless Assistance Agreement;
12 and,

13 WHEREAS, The Authority has supported One Treasure Island pursuant to the Base
14 Closure Community Redevelopment and Homeless Assistance Act of 1994 by contracting
15 with One Treasure Island for the performance of services related to (i) the coordination and
16 facilitation of community-based homeless service organizations in Treasure Island community
17 activities; (ii) participation in the development process to support development plans which
18 implement the executed One Treasure Island Agreement; (iii) development of housing units
19 allocated to One Treasure Island under the One Treasure Island Agreement; (iv) develop and
20 implement pre-apprentice training program based on deconstruction of nuisance properties /
21 structures on Treasure Islands (v) operation of a job broker system and economic self-
22 sufficiency programs for Island residents; and (vi) implement community serving and
23 development components, Job Broker and First Source compliance and economic
24 development opportunities as indicated in the One Treasure Island Agreement and Jobs and
25 Equal Opportunity Program ("JEOP") (collectively, the "Services");

1 WHEREAS, As per JEOP, Treasure Island Community Development (“TICD”) shall
2 provide funding to Authority upon request for the exclusive purposes of funding the One
3 Treasure Island Job Broker Program and the job training and workforce development for all
4 Construction Work and all for permanent workforce development (the “Job Broker Program
5 Subsidy”); and,

6 WHEREAS, On June 14, 2023, the Authority Board of Directors approved a
7 Professional Services Agreement with the One Treasure Island with an annual not to exceed
8 budget of \$1,465,000.00 and a Scope of Services that includes \$300,000.00 for contract
9 services; \$95,000.00 for Affordable Housing Financing Consultation; \$70,000.00 for
10 Community Facilities Planning Consultation; \$500,000.00 for the Job Broker Program Subsidy
11 funding provided by TICD to the Authority and payable to One Treasure Island upon invoice
12 as specified in the Jobs and Equal Opportunity Program (JEOP); \$300,000.00 in continued
13 funding for the pre-apprentice training program based on deconstruction of nuisance
14 properties / structures on Treasure Islands; \$165,000.00 for pre-apprentice program
15 abatement budget of nuisance properties / structures on Treasure Island; and \$35,000.00 for
16 onsite Special Event Venue staffing, billed monthly based on actual hours worked and at a
17 rate not to exceed thirty-three dollars (\$33.00) per hour; and,

18 WHEREAS, Project Staff and One Treasure Island have negotiated a First Amendment
19 to the Professional Services Agreement commencing on October 15, 2023 to increase annual
20 Scope of Services to the pre-apprentice training / abatement program from \$165,000.00 to
21 \$600,000.00 to address expanded scope of services to include funding for YMCA Gym
22 environmental cleanup, asbestos abatement at Building 335, and removal of 4 residential
23 properties located at 1432, 1433, 1434 and 1435 Halibut Court; and,

24 WHEREAS, On July 1, 2023, Swords to Plowshares returned 1433 and 1435 Halibut
25 Court to the Authority as occupants of these buildings have relocated to their new residence

1 at the Maceo May Apartments, and Project staff anticipates removal / demolition of 1433 and
2 1435 Halibut Court in December 2023; and,

3 WHEREAS, Project Staff anticipates commencement of removal / demolition of 1432
4 and 1434 Halibut Court in second quarter of 2024 as these buildings are partially occupied
5 with holdover tenants that rejected relocation to the Maceo May Apartments; and,

6 WHEREAS, Funding will be taken from the Authority's existing facilities maintenance
7 account, and will allow TICD to begin geotechnical work in the area while providing union jobs
8 and wages for graduates of the One Treasure Island Pre-Apprenticeship Program; and be it

9
10 RESOLVED, That the Authority hereby authorizes the Treasure Island Director or his
11 designee to execute the First Amendment to the Professional Services Agreement (the "First
12 Amendment") with One Treasure Island effective October 15, 2023, and expiring on June 30,
13 2025, for an amount not to exceed Two Million and Sixty-Five Thousand (\$2,065,000.00), in
14 substantially the form attached hereto as Exhibit A; and be it

15 FURTHER RESOLVED, That the Board of Directors hereby authorizes the Treasure
16 Island Director or his designee to enter into any additions, amendments or other modifications
17 to the First Amendment that the Treasure Island Director or his designee determines in
18 consultation with the City Attorney are in the best interests of the Authority, that do not
19 materially increase the obligations or liabilities of the Authority, that do not materially reduce
20 the rights of the Authority, and are necessary or advisable to complete the preparation and
21 approval of the First Amendment, such determination to be conclusively evidenced by the
22 execution and delivery by the Treasure Island Director or his designee of the documents and
23 any amendments thereto.

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CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on October 11, 2023.

Mark Dunlop, Secretary