Memo to the Planning and Health Commissions

HEARING DATE: DECEMBER 4, 2014

**Date:** November 25, 2014
**Case No.:** 2012.0403W
**Project:** CPMC - 2013 Annual Compliance Statement
**Project Sponsor:**

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**Staff Contact:**
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Elizabeth.Watty@sfgov.org

**Recommendation:** Informational Only

**BACKGROUND**

The item before you is an informational presentation in keeping with the Annual Review Process required by the Development Agreement with California Pacific Medical Center.

**Annual Review Process**

The DA requires an annual review process to ensure that both the City and CPMC are in compliance with their respective obligations and that Community Benefits are being delivered. The annual review requires that CPMC submit an Annual Compliance Statement to the City no later than 150 days after the end of their fiscal year (currently, the calendar year). The City is then required to post CPMC’s statement and receive public comment for 30 days. At the conclusion of the public comment period, the City has 45 days to publish a report on whether CPMC is in compliance with the Development Agreement. Both the Health and Planning Commissions will then hold public hearings on CPMC’s compliance with 60 days’ notice to the public. After these hearings, the Planning and DPH Directors will forward their findings onto an independent third party monitor. The monitor will have 30 days to review the findings and evidence of CPMC’s compliance with the DA before sending a letter to the Board of Supervisors stating whether or not he or she concurs with the Commissions’ findings. If the Directors find CPMC to not be in material compliance with the terms of the Development Agreement, they will immediately notify the City Attorney for consideration and pursuit of appropriate action in accordance with Chapter 56 of the Administrative Code and remedies outlined in the Development Agreement.

Per the City’s Annual Report for the reporting period of August 10 – December 31, 2013, the findings indicate that CPMC was in compliance on each of the obligations contained in the DA. Many of the community benefit action item obligations and public funding payments are multi-year commitments and are still in progress of being completed.

www.sfplanning.org
Issues to Highlight
There are three areas of concern for the upcoming 2014 compliance reporting period. These issues will be discussed in more detail during the presentation at the hearing.

- Anticipated 2014 Baseline Charity Care patients shortfall
  - The number of unduplicated charity care and Medi-Cal patients is projected to not meet the two year average required in the DA

- Status of Tenderloin Medi-Cal Managed Care provider
  - There continues to be no eligible existing, or new, Tenderloin-serving primary care provider able to contract with Medi-Cal

- Status of First Source Hiring Program Entry-level non-construction positions shortfall
  - CPMC’s entry-level non-construction positions hiring deficiency will roll over and be added to the 2014 annual hiring target

Staff will respond in detail to the letter sent to the Commissions on November 24, 2014 during its presentation.

REQUIRED COMMISSION ACTION
None; this is an informational hearing only.

RECOMMENDATION: Informational Only

Attachments:
CPMC Long Range Development Plan Development Agreement - 2013 Compliance Statement
City Report
Public Comments
CALIFORNIA PACIFIC MEDICAL CENTER
LONG RANGE DEVELOPMENT PLAN
DEVELOPMENT AGREEMENT

2013 COMPLIANCE STATEMENT

and

INCLUDING HEALTHCARE COMPLIANCE REPORT

(August 10, 2013 Effective Date – December 31, 2013)
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ATTACHMENT 2 – Development Agreement Payments Schedule/CPMC Payment Transmittals
ATTACHMENT 3 – Entry Level Operational Hiring
ATTACHMENT 4 – Construction and Local Business Enterprise Hiring
ATTACHMENT 5 – St. Luke's Increment 1 Milestone Completion Notice
ATTACHMENT 6 – Transportation Demand Management Summary
1. **COMPLIANCE STATEMENT**

This Compliance Statement is submitted under Section 8 of the Development Agreement demonstrating compliance with the Development Agreement obligations, including, without limitations, (i) the Hospital Commitment, (ii) each of the Community Commitments, including each of the Healthcare Obligations described in Exhibit F of the Development Agreement, and (iii) reimbursement of City Costs. See Section 8.2.1. Compliance with the Healthcare Obligations is separately and described in the Healthcare Compliance Report, attached hereto as Attachment 1.

2. **SCHEDULE AND PHASING PLAN – HOSPITAL COMMITMENT**

2.1 **Construction Schedules**

CPMC has, in accordance with Section 4.2.3, kept the City informed of its progress in satisfying the Hospital Commitment by reporting to the City on the timing and progress of the construction at the St. Luke's Campus and the Van Ness and Geary Campus, as described below.

a. **Van Ness and Geary Campus - Construction Activity**

   i. **Hospital**

      - Abatement and demolition of the existing buildings on the hospital site began in September 2013 and are expected to last approximately 8 months.

      - Shoring and excavation is expected to begin in May 2014 and is expected to last approximately 6 months.

      - Tunnel construction is scheduled to begin in September 2014 and last approximately 9 months, to about May, 2015.

   ii. **Medical Office Building.**

      - Construction mobilization at the MOB site is expected to begin at about the end of 2014.

      - Abatement and demolition of the existing buildings are expected to begin in about January 2015.

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1 All Section and Exhibit references are to the Development Agreement unless otherwise noted. Unless separately defined, capitalized terms have the meaning provided in the Development Agreement.
b. **Replacement Hospital at the St. Luke’s Campus – Construction Activity**

- Tree removal around the project area is expected to commence in May 2014.

- 24” water line will commence installation in May 2014 and is expected to last approximately 4 months.

- San Jose Avenue Utility relocation to allow for construction of the new hospital (San Jose Avenue CPMC Project) is projected to begin in May 2014 and is expected to last approximately 6 months.

- Work on a temporary loading dock is projected to commence in May 2014 and is expected to last approximately 6 months.

- Excavation of the new hospital site, subject to issuance of required OSHPD permit (Increment 1 submitted February 3, 2014), is anticipated to commence in the fall of 2014.

Schedule 2 – St. Luke’s Campus

2.2 **Milestones**

a. **Milestone Completion Notice.** CPMC provided a Milestone Completion Notice (see Attachment 5) to the City on February 28th, 2014, as required by Section 4.2.3, indicating completion of the first two Milestones. As indicated in the Milestone Table below, the submittal of Increment 1 to OSHPD occurred on February 3, 2014 and, accordingly, this Milestone is satisfied approximately a year ahead of the Milestone Schedule. There are no anticipated material delays in meeting future Milestones, assuming continued cooperation with OSHPD.
b. **Milestone Table.** The Milestone Table below describes CPMC's Compliance with the Schedule and Phasing Plan, Exhibit C.

<table>
<thead>
<tr>
<th>Date</th>
<th>Milestone</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>On or before May 11, 2016</td>
<td>Completion of San Jose Avenue City Project</td>
<td>Complete - 7/29/2013</td>
</tr>
<tr>
<td>On or before the later of February 1, 2015 or 18 months from the Effective Date</td>
<td>Submit St. Luke’s Increment 1 to OSHPD for the St. Luke’s Campus Hospital</td>
<td>Complete - 2/3/14</td>
</tr>
<tr>
<td>On or before twelve (12) months after submission of Increment 1 to OSHPD for the St. Luke’s Campus Hospital</td>
<td>Commencement of construction of the San Jose Avenue CPMC Project</td>
<td>Not yet due. Anticipated: May 2014</td>
</tr>
<tr>
<td>On or before eighteen (18) months after submission of Increment 1 to OSHPD for the St. Luke’s Campus Hospital</td>
<td>Receipt of Increment 1 permit from OSHPD for the St. Luke’s Campus Hospital</td>
<td>Not yet due. Under OSHPD review.</td>
</tr>
<tr>
<td>On or before three (3) months after receipt of Increment 1 permit from OSHPD for the St. Luke’s Campus Hospital</td>
<td>Commencement of Shoring/Excavation Work for the St. Luke's Campus Hospital</td>
<td>Not yet due. Anticipated – Fall 2014 – subject to issuance of OSHPD Increment 1 Permit.</td>
</tr>
<tr>
<td>On or before twenty (20) months from Commencement of Shoring/Excavation Work for the St. Luke’s Campus Hospital</td>
<td>Completion of Exterior Work for the St. Luke's Campus Hospital</td>
<td>Not yet due.</td>
</tr>
<tr>
<td>On or before forty-two (42) months from receipt of Increment 1 permit from OSHPD for the St. Luke’s Campus Hospital</td>
<td>Notice of Completion of Construction of St. Luke's Campus Hospital provided to the City</td>
<td>Not yet due.</td>
</tr>
<tr>
<td>St. Luke’s Campus Hospital Opening Deadline: On or before twenty four (24) months from the Opening of the Cathedral Hill Campus Hospital</td>
<td>Notice of Opening of the St. Luke's Campus Hospital provided to the City</td>
<td>Not yet due.</td>
</tr>
</tbody>
</table>

3. **COMMUNITY COMMITMENTS**

3.1 **Workforce Agreement (Exhibit E)**

a. **First Source Entry Level Hiring.**

CPMC in coordination with OEWD is making the required good faith efforts regarding the First Source Entry Level Hiring Goal. What constitutes good faith efforts is stated in DA Exhibit E, Sections 3 and 4. The elements of “good faith” have been met. See Attachment 3 for specifics of the good faith efforts that have occurred regarding entry level hiring for hospital operations.
CPMC is working with the City and its Healthcare and Hospitality Academies to develop the process that will enhance opportunity for targeted groups and accelerate the progress toward the 40% first source hiring goal.

b. First Source Construction Hiring. CPMC, in coordination with CityBuild, is making the required good faith efforts regarding the First Source Construction Hiring Goal. See Attachment 4 for specifics on construction hiring.

Construction hiring goals are to have 30% of the total hire hours performed by San Francisco Workforce, including 50% for new apprentice positions. Construction contractors on the hospital replacement projects hired San Francisco residents for 36% of the total 2013 construction hours. For the four months of 2013 that this Statement covers, apprentice opportunities were limited given the specialization needed by the major trades on the first phases of work. CPMC is working with CityBuild to meet the goal of 50% for new apprentice construction hours.

c. Local Business Enterprise. CPMC, in coordination with the City's Contract Monitoring Division, is making the required good faith efforts and receiving technical assistance on developing and reporting Local Business Enterprise (LBE) program goals. See Attachment 4 for specifics on the LBE program.

The goal for the LBE program is 14% San Francisco based business contracting. 10% of the total construction work in 2013 was been performed by San Francisco based businesses including 31% of the tenant improvement work for the 1200 Van Ness Construction Site Office being performed by San Francisco based businesses. The 1200 Van Ness construction project office is in the old Circuit City store located at Van Ness and Post Street which closed five years ago and remained vacant until the hospital replacement project at Van Ness and Geary started in 2013.

d. Payments. CPMC has met its Development Agreement obligations to provide funds for workforce training programs.

   i. The first installment for Workforce training of $1,000,000 was paid on 9/4/2013; and

   ii. The second installment of $2,000,000 was paid on 11/25/2013:

See Attachment 2, Development Agreement Payments Schedule and CPMC Payment Transmittals.

3.2 Community Healthcare Program (Exhibit F)

CPMC is meeting its Community Health Care obligations. See Attachment 1, Healthcare Compliance Report.
3.3 **Housing Program (Exhibit G)**

CPMC has met its Housing Program obligations by making the payments described below and as outlined in Attachment 2 to this Compliance Statement:

a. **Replacement Fees.** CPMC paid existing City replacement fees of $4,138,620 for demolition of existing residential units at the site of the Cathedral Hill MOB on 9/4/2013.

b. **Affordable Housing Payments.** CPMC made the two required Affordable Housing payments as follows:
   - The first installment of $2,400,000 was paid on 9/4/2013; and
   - The second installment of $6,700,000 was paid on 11/25/2013.

3.4 **Public Improvements (Exhibit H)**

CPMC has met its obligations to make payments for Public Improvements and pedestrian safety measures as described below and outlined in Attachment 2, as follows:

- The first installment totaling $1,100,000 was paid on 9/4/2013; and
- The second installment totaling $1,725,000 was paid on 11/25/2013.

These payments covered pedestrian and traffic safety surrounding the Cathedral Hill Campus, lighting and pedestrian safety surrounding the Tenderloin, a safe passage grant for the Tenderloin, traffic safety and enforcement around the Pacific and California campuses and a grant for Duboce Park.

3.5 **Transportation Program (Exhibit K)**

a. **Payments.** CPMC has made all required payments for transit improvements and bicycle studies, as follows:
   - The first installment of payments totaling $2,100,000 for Transit/BRT improvements were paid on 11/25/2013; and
   - CPMC paid $400,000 for bicycle studies on 9/4/2013.

b. **TDM.** CPMC has certain survey and other obligations in connection with the enhanced Transportation Demand Management (TDM) Plan. These obligations commence in 2015. The existing elements of the TDM program that continue to be implemented by CPMC include employee and visitor/patient park pricing, transit subsidies, commuter check, carpool, carshare, bicycle, emergency ride and courtesy ride home programs. See Attachment 6.
4. PAYMENT SCHEDULE AND REIMBURSEMENT OF CITY COSTS

   a. Payments. CPMC has made all required payments to date. Attachment 2 outlines CPMC compliance with all of its payment obligations, including payment obligations under Exhibit F Healthcare Program, and as further described in Attachment 1, Healthcare Compliance Report.

   b. Reimbursements. CPMC has made all required reimbursement payments. In calendar year 2013, The City (OEWD and City Attorney) invoiced CPMC a total of $11,849.17. (Aug.-Dec.) Said sum was paid in full by May 2, 2014. See Attachment 2.

5. INSTITUTIONAL MASTER PLAN UPDATE

   The Development Agreement provides that the Compliance Statement generally satisfies the requirements for and is submitted in lieu of any IMP Update otherwise required pursuant to Planning Code Section 304.5(b). The Compliance Statement and this Agreement shall also satisfy the requirements of Health Commission Resolution No. 02-10. See Section 8.2.1. Per the requirements of Section 304.5, an update is required every two years, with CPMC filing updates in October of 2011 and April of 2013.
<table>
<thead>
<tr>
<th>Item</th>
<th>Section</th>
<th>Commitment</th>
<th>Commitment Start Date</th>
<th>Commitment End Date</th>
<th>Compliance Statement</th>
<th>Supporting Documentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compliance Statement</td>
<td>DA 8.2.1</td>
<td>Within 150 days following the end of year, CPMC shall provide a report to the Planning Director showing compliance, if and to the extent required under this Agreement, with (i) the Hospital Commitment, (ii) each of the Community Commitments, including the Healthcare Compliance Report and (iii) the provisions of this Agreement regarding reimbursement of City Costs.</td>
<td>11/08/2013</td>
<td>11/08/2023</td>
<td>In compliance. Compliance Statement submitted on 5/28/14</td>
<td>Compliance Statement and Attachments 1-5</td>
</tr>
<tr>
<td>Construction Schedule</td>
<td>DA 4.2.3</td>
<td>Keep the City informed of progress in satisfying the Hospital Commitment by reporting to the City on the timing and progress of the construction at the St. Luke's Campus and the Van Ness and Geary Campus</td>
<td>11/08/2013</td>
<td>11/08/2023</td>
<td>In compliance.</td>
<td>Compliance Statement, Construction Schedules</td>
</tr>
<tr>
<td>Milestone Completion Notice</td>
<td>DA 4.2.3</td>
<td>Provide notice to the City confirming the completion of milestones</td>
<td>11/08/2013</td>
<td>11/08/2019</td>
<td>In compliance.</td>
<td>Compliance Statement, Construction Schedules</td>
</tr>
<tr>
<td>Schedule and Phasing Milestone Table</td>
<td>Exhibit C</td>
<td>Update Milestone Table with schedule and phasing updates as information becomes available</td>
<td>11/08/2013</td>
<td>11/08/2019</td>
<td>In compliance.</td>
<td>Compliance Statement, Milestone Table</td>
</tr>
<tr>
<td>First Source Entry Level Hiring</td>
<td>Exhibit E C.3</td>
<td>Good faith efforts to fill 40% of available entry level positions with System Referrals</td>
<td>11/08/2013</td>
<td>11/08/2023</td>
<td>In compliance. CPMC, in coordination with OEWD, is making the required good faith efforts regarding the First Source Entry Level Hiring Goal</td>
<td>Compliance Statement Attachment 3</td>
</tr>
<tr>
<td>Workforce Training Payment</td>
<td>Exhibit E D</td>
<td>Provide $4,000,000 to the City as a contribution to the City's programs that provide workforce training to economically disadvantaged residents. Such payments shall be payable as follows: $1,000,000 paid to OEWD within thirty days after the Effective Date, and managed by OEWD/CityBuild. The remainder of $3,000,000 shall be paid to the San Francisco Foundation in accordance with Payment Schedule, Exhibit N</td>
<td>11/08/2013</td>
<td>11/08/2014</td>
<td>In compliance.</td>
<td>Compliance Statement Attachment 2</td>
</tr>
<tr>
<td>Construction Hiring</td>
<td>Exhibit E A.5a</td>
<td>Good faith efforts to fill 50% of new entry-level positions for non-union administrative and engineering candidates</td>
<td>11/08/2013</td>
<td>11/08/2023</td>
<td>In compliance.</td>
<td>Compliance Statement, Attachment 4</td>
</tr>
<tr>
<td>Construction Hiring</td>
<td>Exhibit E A.5b</td>
<td>Good faith efforts to fill 50% of new entry-level positions for administrative and engineering internship candidates</td>
<td>11/08/2013</td>
<td>11/08/2023</td>
<td>In compliance.</td>
<td>Compliance Statement, Attachment 4</td>
</tr>
<tr>
<td>Construction Hiring</td>
<td>Exhibit E A.5d</td>
<td>Good faith efforts to fill 50% of new entry-level positions for union apprentice candidates</td>
<td>11/08/2013</td>
<td>11/08/2023</td>
<td>In compliance.</td>
<td>Compliance Statement, Attachment 4</td>
</tr>
<tr>
<td>Construction Hiring</td>
<td>Exhibit E A.6e</td>
<td>Good faith efforts to fill 21% of hours for new union apprentices by System Referrals</td>
<td>11/08/2013</td>
<td>11/08/2023</td>
<td>In compliance.</td>
<td>Compliance Statement, Attachment 4</td>
</tr>
<tr>
<td>Construction Hiring</td>
<td>Exhibit E A.7b</td>
<td>Good faith efforts to fill 50% of new Entry-Level Positions for union apprentice candidates</td>
<td>11/08/2013</td>
<td>11/08/2023</td>
<td>In compliance.</td>
<td>Compliance Statement, Attachment 4</td>
</tr>
<tr>
<td>Construction</td>
<td>Exhibit E B.4</td>
<td>Good faith effort to Contract with Local Business Enterprises 14% of the value of all Contracts</td>
<td>11/08/2013</td>
<td>11/08/2023</td>
<td>In compliance.</td>
<td>Compliance Statement, Attachment 4</td>
</tr>
<tr>
<td>Community Health Program</td>
<td>Exhibit F</td>
<td>23 various commitments</td>
<td>Varies</td>
<td>Varies</td>
<td>In compliance.</td>
<td>Compliance Statement, Attachment 1</td>
</tr>
<tr>
<td>Housing Program</td>
<td>Exhibit G</td>
<td>City replacement fees for demolition of existing residential units at the site of the Cathedral Hill MOB and Affordable Housing payments</td>
<td>11/08/2013</td>
<td>11/08/2017</td>
<td>In compliance.</td>
<td>Compliance Statement, Attachment 2</td>
</tr>
<tr>
<td>Public Improvements</td>
<td>Exhibit H</td>
<td>Public improvements and pedestrian safety measures</td>
<td>11/08/2013</td>
<td>11/08/2016</td>
<td>In compliance.</td>
<td>Compliance Statement, Attachment 2</td>
</tr>
<tr>
<td>Transportation Program</td>
<td>Exhibit K</td>
<td>Payments for transit improvements and bicycle studies and TDM Plan</td>
<td>11/08/2013</td>
<td>11/08/2023</td>
<td>In compliance.</td>
<td>Compliance Statement, Attachments 2 and 6</td>
</tr>
<tr>
<td>Payment Schedule and Reimbursement of City Costs</td>
<td>DA 4.7</td>
<td>Pay City costs incurred for review of annual DA compliance</td>
<td>11/08/2013</td>
<td>11/08/2023</td>
<td>In compliance.</td>
<td>Compliance Statement, Attachment 2</td>
</tr>
<tr>
<td>Institutional Master Plan Update</td>
<td>DA 8.2.1</td>
<td>Compliance Statement satisfies the requirements for and is submitted in lieu of IMP Update</td>
<td>11/08/2013</td>
<td>11/08/2023</td>
<td>In compliance.</td>
<td>Compliance Statement, IMP Update</td>
</tr>
<tr>
<td>Item</td>
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<td></td>
<td>1a</td>
<td>Unduplicated Patient Commitment: Care for a total of not less than 30,445 Unduplicated Patients.</td>
<td>11/08/2013</td>
<td>11/08/2023</td>
<td>In compliance. CPMC cared for a total of 5,687 Unduplicated Patients between 11/9/2013 and 12/31/2013. Because 2013 was the first fiscal year, the number of Unduplicated Patients to satisfy the Baseline Commitment is prorated on a per calendar day basis, for a target of 4,421 lives in 2013.</td>
<td>Deloitte &amp; Touche Report</td>
</tr>
<tr>
<td></td>
<td>1a</td>
<td>Baseline Expenditure Commitment: Spend at least $8,000,000 for Community Benefits in San Francisco.</td>
<td>11/08/2013</td>
<td>11/08/2023</td>
<td>In compliance. CPMC spent a total of $10,252,749 for Community Benefits in San Francisco in 2013 or a prorated amount of $1,161,644.</td>
<td>Deloitte &amp; Touche Report</td>
</tr>
<tr>
<td></td>
<td>1d</td>
<td>Transition to Affordable Care Act: Maintain Charity Care policies through 12/31/2015 that are no more restrictive than Charity Care policies in fiscal year 2011.</td>
<td>11/08/2013</td>
<td>12/31/2015</td>
<td>In compliance. CPMC maintained Charity Care policies that are no more restrictive than our Charity Care policies in Fiscal Year 2011. No changes were made to CPMC's Charity Care policies.</td>
<td>2013 Charity Care Policy</td>
</tr>
<tr>
<td></td>
<td>1d</td>
<td>Transition to Affordable Care Act: Ensure Charity Care policies comply with California law and do not deny Charity Care patients access to inpatient services.</td>
<td>01/01/2016</td>
<td>11/08/2023</td>
<td>Not yet applicable. Obligation commences on 1/1/2016.</td>
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<td></td>
<td>1e</td>
<td>Bayview Child Health Center: Provide financial and operational support for comprehensive pediatric primary care to residents of the Bayview area through the Center in a manner and amount generally consistent with the level of support in fiscal year 2011-2012.</td>
<td>11/08/2013</td>
<td>11/08/2023</td>
<td>In compliance. CPMC provided financial and operational support for the Bayview Child Health Center consistent with 2011-2012 levels.</td>
<td>Deloitte &amp; Touche Report</td>
</tr>
<tr>
<td></td>
<td>2a</td>
<td>Continue to participate with a standard services agreement in the San Francisco Health Plan Medi-Cal managed care program in accordance with Section 2b.</td>
<td>08/10/2013</td>
<td>08/10/2023</td>
<td>In compliance. CPMC continues to have a standard services agreement with San Francisco Health Plan.</td>
<td>San Francisco Health Plan Capitation Reports</td>
</tr>
<tr>
<td></td>
<td>2b</td>
<td>Accept responsibility for providing hospital services for 5,400 additional Medi-Cal managed care beneficiaries and shall remain open to accepting all New Enrollees until the 5,400 additional Medi-Cal managed care beneficiaries are enrolled.</td>
<td>08/10/2013</td>
<td>08/10/2023</td>
<td>In compliance. CPMC enrolled 2,511 new Medi-Cal beneficiaries for a total of 17,129 enrollees. CPMC has accepted all new Medi-Cal beneficiaries through San Francisco Health Plan and North East Medical Services and remains open to accepting new enrollees. CPMC expects further growth in 2014 with the Medi-Cal Expansion under the Affordable Care Act.</td>
<td>San Francisco Health Plan Capitation Reports</td>
</tr>
<tr>
<td></td>
<td>2f</td>
<td>Contract with at least 2 management services organizations (MSO) or equivalent participating in the Medi-Cal program. If an MSO becomes available with a primary care provider base in the Tenderloin before 12/31/2015, CPMC must contract with the MSO to care for 1,500 new enrollees.</td>
<td>08/10/2013</td>
<td>12/31/2015</td>
<td>Not yet applicable. No available MSO with a primary care provider based in the Tenderloin exists. CPMC is contracted with one MSO, North East Medical Services.</td>
<td></td>
</tr>
<tr>
<td>Item</td>
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<td>Commitment</td>
<td>Commitment Start Date</td>
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<td></td>
<td>3a</td>
<td>Executed Innovation Fund Agreement in the form provided with The San Francisco Foundation. Create a committee of fund advisors to advise the Innovation Fund Foundation.</td>
<td>08/10/2013</td>
<td>10/07/2017</td>
<td>In compliance. CPMC executed the agreement with The San Francisco Foundation. The Committee was formed and CPMC appointed a member to provide disbursement advice.</td>
<td>Innovation Fund Report.</td>
</tr>
<tr>
<td></td>
<td>3b</td>
<td>CPMC shall pay to the Innovation Fund Foundation $8,600,000 in accordance with Exhibit N.</td>
<td>08/10/2013</td>
<td>10/07/2017</td>
<td>In compliance. Per Exhibit N, CPMC paid the Innovation Fund $3,500,000 in 2013. The first payment of $2,000,000 was made on 04/13, within 30 days after the Effective Date. The second payment of $1,500,000 was made on 11/26/2013, within 30 days of Finally Granted.</td>
<td>Innovation Fund Report.</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>CPMC shall work with SFDPH and other hospital operators in good faith to develop specific proposals for providing Sub-Acute Care Services in San Francisco and present to the Health Commission by 6/30/2014, or such date as the participating hospitals and the Health Commission determine.</td>
<td>08/10/2013</td>
<td>06/30/2014 or such date as participating hospitals and Health Commission determine</td>
<td>In compliance. CPMC to commence work in 2014.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5a</td>
<td>St. Luke's Campus Hospital will be a 120-bed General Acute Care Hospital with comprehensive emergency services.</td>
<td>Within 24 months of the Opening of Cathedral Hill Hospital.</td>
<td>10 years</td>
<td>In compliance. CPMC expects to meet the St. Luke’s Campus Hospital Opening Commitment. See Development Agreement Compliance Statement for construction and Milestone timeline.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5b</td>
<td>Additional 30 bed Space: The “shelled” space at Cathedral Hill Campus Hospital shall not be built-out for and placed into operation 30 licensed acute care beds until after the St. Luke’s Campus Hospital is opened and has a daily census as outlined in Section 5b of Exhibit F.</td>
<td>Refer to Section 5b of Exhibit F.</td>
<td>10 years</td>
<td>Not yet applicable. Subject to completion of Cathedral Hill Campus Hospital and St. Luke’s Campus Hospital utilization.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>6a(i)</td>
<td>Provide the services listed in Section 6aA-C at St. Luke’s Campus Hospital.</td>
<td>Opening of St. Luke’s Campus Hospital.</td>
<td>10 years</td>
<td>Not yet applicable. Obligation commences after St. Luke’s Campus Hospital Opens.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>6a(iii)</td>
<td>Establish, operate, and maintain a Center of Excellence in Senior Health at the St. Luke’s Campus.</td>
<td>Opening of St. Luke’s Campus Hospital.</td>
<td>10 years</td>
<td>Not yet applicable. Obligation commences after St. Luke’s Campus Hospital Opens.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>6b</td>
<td>St. Luke’s Campus Medical Office Building: CPMC shall submit a proposal for development at the St. Luke’s Campus Medical Office Building to the Sutter West Bay Board or give the City the option if construction has not started within 5 years after the Opening of the St. Luke’s Campus Hospital.</td>
<td>Refer to Section 6b(ii)</td>
<td>10/08/2023</td>
<td>Not yet applicable. Obligation commences after St. Luke’s Campus Hospital Opens.</td>
<td></td>
</tr>
<tr>
<td>Item</td>
<td>Section</td>
<td>Commitment</td>
<td>Commitment Start Date</td>
<td>Commitment End Date</td>
<td>Compliance Statement</td>
<td>Supporting Documentation</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>---------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>----------------------</td>
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<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>Integration of St. Luke's Medical Staff and Patient Quality Outcomes</td>
<td>7</td>
<td>CPMC shall continue its good faith efforts at the clinical integration of medical staffs at the St. Luke's Campus, with the medical staffs at its other campuses, and on quality improvement initiatives for the purpose of improving patient quality of care at all of the CPMC Campuses.</td>
<td>10/08/2013</td>
<td>10/08/2023</td>
<td>In compliance. CPMC is making good faith efforts to integrate medical staffs and patient quality outcomes at all four campuses. CPMC now has the same physician groups providing services at all four campuses in the following specialties: Internal Medicine Hospitalists, Pediatric Hospitalists, Emergency Medicine, Radiology, Pathology, Oncology, Neurology, and Anesthesia. Efforts to further integrate medical staff and quality improvement initiatives are ongoing.</td>
<td>CLAS Report</td>
</tr>
<tr>
<td>Participation in the Community Benefits Partnership</td>
<td>8</td>
<td>CPMC shall continue to actively participate in the Community Benefits Partnership, or its successor, to prepare a community benefit plan for submittal to OSHPD.</td>
<td>10/08/2013</td>
<td>10/08/2023</td>
<td>In compliance. CPMC actively participated in the Building a Healthier San Francisco (BHSF) Task Force and needs assessment process for submission to OSHPD. CPMC also actively participates in BHSF’s successor, San Francisco Health Improvement Partnership (SFHIP).</td>
<td></td>
</tr>
<tr>
<td>Service Agreements with Chinese Hospital</td>
<td>9</td>
<td>CPMC shall continue to provide pediatric, obstetric, and certain tertiary services to Chinese Hospital patients in a manner generally consistent with existing service agreements.</td>
<td>08/10/2013</td>
<td>08/10/2023</td>
<td>In compliance. During the period covered by this report, CPMC has continued to provide services generally consistent with existing service agreements.</td>
<td></td>
</tr>
<tr>
<td>Culturally and Linguistically Appropriate Services</td>
<td>10</td>
<td>CPMC shall deliver at all campuses culturally and linguistically appropriate services that are representative of San Francisco's diverse communities and are in accordance with the mandates, guidelines and recommendations of the National Standards on Culturally and Linguistically Appropriate Services (CLAS).</td>
<td>08/10/2013</td>
<td>08/10/2023</td>
<td>In compliance. CPMC delivers services at all campuses that are culturally and linguistically appropriate and in accordance with the mandates, guidelines, and recommendations of the National Standards on Culturally and Linguistically Appropriate Services (CLAS).</td>
<td>CLAS Report</td>
</tr>
<tr>
<td>City Health Services System</td>
<td>11</td>
<td>For the period from 1/1/2014 to 12/31/2016, the negotiated fee for service increase for CPMC shall not exceed 5% annually as compared to the prior calendar year fee for service rates, and for the following 7 years CPMC shall limit annualized increases to no more than the Medical Rate of Inflation plus 1.5%.</td>
<td>01/01/2014</td>
<td>12/31/2024</td>
<td>Not applicable for initial 2013 Fiscal Year compliance period.</td>
<td></td>
</tr>
</tbody>
</table>

8/10/2013 indicates commitments on the Development Agreement Effective Date
11/8/2013 indicates commencement on the date Approvals were Finally Granted

2 There is a clerical error at the end of Sec.2.b. of Exhibit F, in that the number of existing enrollees as of January 1, 2012, should be stated to be 12,140, rather than 14,850. CPMC would suggest that this figure be corrected for future reference. The 14,850 figure referenced in the Development Agreement double counts Healthy Families members—including Healthy Families as a separate count and as part of the Medi-Cal enrollees. This clerical correction does not affect CPMC’s New Medi-Cal Beneficiaries Commitment, which remains at 5,400.
EXHIBIT A
May 9, 2014

Mr. Henry Yu
Chief Financial Officer
California Pacific Medical Center (CPMC)
2351 Clay Street
San Francisco, CA 94115

Dear Mr. Yu:

In accordance with our Statement of Work dated April 28th, 2014, this report summarizes the results of the assessment of unduplicated patients performed by Deloitte & Touche LLP (“D&T”) as requested by Sutter Health (“Company” or “Sutter” or “CPMC”).

At your request, we performed an assessment of the unduplicated patients to be reported by CPMC to the City of San Francisco related to the development agreement between CPMC and the City of San Francisco to build a new hospital on the CPMC campus. This assessment of unduplicated patients, as defined in the agreement between CPMC and the City of San Francisco, included evaluating whether the number of unduplicated patients treated at the following CPMC campuses: California, Davies, Pacific and St. Luke’s, from November 9th to December 31st, 2013, reasonably represents and is supported by CPMC’s Patient Accounting records.

Our procedures included the following:

- D&T conducted interviews with key business managers to understand the process and calculations of unduplicated patients to identify Medi-Cal and Charity Care patients, and consider whether the process is consistent with the prior year and as previously understood by D&T.
- D&T obtained from CPMC the patient details from the Period for Medi-Cal and Charity Care patients and perform data analytics on the received data to determine number of unduplicated Medi-Cal and Charity Care patients.
- D&T performed data analysis on the unduplicated patient listings, starting with raw data extracted from the patient accounting system, to evaluate whether any duplicate patients are included in the listings from November 9th to December 31st, 2013.
- D&T selected a random sample of 50 patients and evaluated supporting documentation provided by CPMC that supports CPMC’s classification of the patient as Medi-Cal or Charity Care recipient.
- D&T’s methodology used in the procedures were consistent with those used in the review of the baseline periods for calendar years 2009 through 2012.
CPMC has informed us that on an annual basis, 30,445 unduplicated patients were committed based on the development agreement. The prorated allocation of unduplicated patients, based on the commitment, was 4,421 for the period November 9th to December 31st, 2013. Based on the procedures performed above, the unduplicated patient count of 5,687 developed by CPMC exceeds the commitment, appears reasonable and reflects the number of Medi-Cal and Charity Care patients treated during November 9th to December 31st, 2013 at the California, Davies, Pacific and St. Luke’s campuses of CPMC as reflected in the CPMC Patient Accounting records.

D&T did not make any management decisions, perform any management functions, or assume any management responsibilities. Our observations and recommendations are based solely on the results of our assessment of the unduplicated patient listings. Our services were performed in accordance with the Statement on Standards for Consulting Services that is issued by the American Institute of Certified Public Accountants. We are providing our observations, advice, and recommendations. However, our services do not constitute an engagement to provide audit, compilation, review, or attestation services as described in the pronouncements on professional standards issued by the American Institute of Certified Public Accountants, and, therefore, we do not express an opinion or other form of assurance with respect to our services.

In addition, we did not provide any legal advice regarding our services nor did we provide any assurance regarding the outcome of any future audit or regulatory examination or other regulatory action; the responsibility for all legal issues with respect to these matters, such as reviewing all deliverables and work product for any legal implications to CPMC, is CPMC’s. It is further understood that CPMC management has responsibility for, among other things, identifying and ensuring compliance with laws and regulations applicable to CPMC’s activities and for establishing and maintaining effective internal control to assure such compliance. CPMC has responsibility for reviewing and approving any reports and/or deliverables.

D&T’s services may include advice and recommendations, but all decisions in connection with the implementation of such advice and recommendations is the responsibility of, and made by, CPMC.

In connection with this assessment, CPMC has informed D&T that the Company has been requested by the City of San Francisco (the “Recipient”) to provide it with a paper copy or portable document format (PDF) of the Deliverable for informational purposes. D&T hereby authorizes CPMC to provide the Recipient with a copy of this report (“Deliverable”) for such purpose. CPMC acknowledges and agrees that D&T has no responsibility to CPMC with respect to the provision of this Deliverable to the Recipient or with respect to its contents.

CPMC acknowledges that neither the services nor the Deliverable express or will express an opinion or any other form of assurance. The engagement is limited in nature and does not comprehend all matters relating to CPMC that might be pertinent or necessary to CPMC or the Recipient. CPMC acknowledges that it is solely responsible for providing accurate and complete information requested by D&T for its services under the Statement of Work date April 28th, 2014. The Deliverable may not address all the questions that the Recipient may have. The Deliverable cannot be relied on to disclose errors or fraud should they exist. The Deliverable also may contain sensitive and candid comments about CPMC, Sutter or the engagement that may be subject to interpretation.

Very truly yours,

Deloitte & Touche LLP
By: ________________________________

Ed Byers
Principal
May 9, 2014

Mr. Henry Yu
Chief Financial Officer
California Pacific Medical Center (CPMC)
2351 Clay Street
San Francisco, CA 94115

Dear Mr. Yu:

In accordance with our statement of work (“SOW”) dated April 28, 2014, this report summarizes the results of the assessment of community benefits expense performed by Deloitte & Touche LLP (“D&T”) as requested by Sutter Health (“Company” or “Sutter” or “CPMC”).

At your request, we performed an assessment of the baseline expenditure commitment related to the development agreement between CPMC and the City of San Francisco. Our work included an assessment of the processes and internal controls over the recording of “community benefit” Category 3 costs including a reconciliation of incurred costs from the period of January 1, 2013 to December 31st, 2013 and whether they meet, at a minimum, the $8,000,000 threshold established by the City of San Francisco. The assessment also includes validation that the expense items and their categories align to community health benefits category guidelines from the City of San Francisco.

Our procedures included the following:

- D&T reviewed the Community Healthcare Program contract to understand the contractual requirements between CPMC and the City of San Francisco. D&T also reviewed the city guidelines charter to determine what expenses can and should be considered Category 3, expenses as defined in the Catholic Health Association of the United States brochure, A Guideline for Planning and Reporting Community Benefits (CBISA).

- D&T obtained the list of expenses from CPMC under the Community Health Benefits expense categories and gained an understanding of the process for recording costs. We evaluated the data for reasonableness through interviews and assessment of written processes of accounting for program funding and costs.

- Considering the full list of community benefit expenses (reported as $10,252,749), D&T then performed the following procedures:
  - Selected individual projects, which in summary exceeded $8,000,000.
  - Obtained transaction detail for each of these individual projects.
  - Selected 45 random transaction samples across the projects and performed the following procedures:
    - Compared the accuracy and completeness of the costs to the supporting documentation (e.g., accounting data, checks, and invoices)

This report is intended solely for the information and internal use of Sutter Health, and should not be used or relied upon by any other person or entity.
Assessed whether each of these 45 samples were valid category 3 CBISA expenses

Based on the procedures performed above, the community health benefits expenses incurred by CPMC appear reasonable and reflect that at least the minimum amount of USD $8,000,000 was spent on valid community health benefits program as required by the City of San Francisco.

D&T did not make any management decisions, perform any management functions, or assume any management responsibilities. Our observations and recommendations are based solely on the results of our assessment of the baseline expenditure commitment. Our services were performed in accordance with the Statement on Standards for Consulting Services that is issued by the American Institute of Certified Public Accountants. We are providing our observations, advice, and recommendations. However, our services do not constitute an engagement to provide audit, compilation, review, or attestation services as described in the pronouncements on professional standards issued by the American Institute of Certified Public Accountants, and, therefore, we do not express an opinion or other form of assurance with respect to our services.

In addition, we did not provide any legal advice regarding our services nor did we provide any assurance regarding the outcome of any future audit or regulatory examination or other regulatory action; the responsibility for all legal issues with respect to these matters, such as reviewing all deliverables and work product for any legal implications to CPMC, is CPMC’s. It is further understood that CPMC management has responsibility for, among other things, identifying and ensuring compliance with laws and regulations applicable to CPMC’s activities and for establishing and maintaining effective internal control to assure such compliance. CPMC has responsibility for reviewing and approving any reports and/or deliverables.

D&T’s services may include advice and recommendations, but all decisions in connection with the implementation of such advice and recommendations is the responsibility of, and made by, CPMC.

In connection with this assessment, CPMC has informed D&T that the Company has been requested by the City of San Francisco (the “Recipient”) to provide it with a paper copy or portable document format (PDF) of the Deliverable for informational purposes. D&T hereby authorizes CPMC to provide the Recipient with a copy of this report (“Deliverable”) for such purpose. CPMC acknowledges and agrees that D&T has no responsibility to CPMC with respect to the provision of this Deliverable to the Recipient or with respect to its contents.

CPMC acknowledges that neither the services nor the Deliverable express or will express an opinion or any other form of assurance. The engagement is limited in nature and does not comprehend all matters relating to CPMC that might be pertinent or necessary to CPMC or the Recipient. CPMC acknowledges that it is solely responsible for providing accurate and complete information requested by D&T for its services under the SOW dated April 28, 2014. The Deliverable may not address all the questions that the Recipient may have. The Deliverable cannot be relied on to disclose errors or fraud should they exist. The Deliverable also may contain sensitive and candid comments about CPMC, Sutter or the engagement that may be subject to interpretation.

Very truly yours,

Deloitte & Touche LLP
By: Ed Byers
Principal
EXHIBIT C
Important Billing Information for Uninsured Patients at CPMC

Thank you for choosing California Pacific Medical Center (CPMC) for your hospital services. This handout is designed to help our uninsured patients understand our billing process, payment options, and services available. Uninsured patients are patients who have no health insurance or third-party payer source to assist with the payment of their hospital bill. This information applies only to your hospital bill and does not include any bills received from physicians, anesthesiologists, clinical professionals, ambulance companies, etc. that may bill you separately for their services.

Uninsured Patient Discount: CPMC offers a 20% discount off of hospital inpatient charges and a 20% discount off of outpatient charges at time of billing. An itemized bill reflecting your discount will be mailed to the address obtained at time of registration five to seven days after the service/discharge date. Please review your bill and contact us if you have any questions.

Payment Options

CPMC has many options to assist you with payment of your hospital bill.

Prompt-pay Discount: CPMC offers a prompt-pay discount option to our uninsured patients. If your account is paid in full within 30 days of your bill date you will receive an additional 20% discount off of the balance due.

Payment Plans: Patient account balances are due upon receipt. Patients may elect to make payment arrangements for their hospital bill. A Financial Agreement must be signed before the Patient Financial Services office can accept payment arrangements that allow patients to pay their hospital bills over time. These arrangements are interest-free for low income uninsured patients and certain income-eligible patients with high medical costs.

Medi-Cal & Government Program Eligibility: You may be eligible for a government-sponsored health benefit program. CPMC has staff available to assist you with applying for government assistance like Medi-Cal, Healthy Families, and California Children’s Services to pay your hospital bill. This facility also contracts with organizations that may assist you further, if needed.

Healthy Families: You may obtain information about Healthy Families (California’s low-cost, comprehensive medical, dental and vision care insurance program) by contacting the hospital's Patient Financial Services office.

Charity Program: Uninsured patients who have an inability to pay their bill may be eligible for charity assistance. The eligibility for charity is based on income and family size. All potential payer sources must be exhausted before a patient is eligible for charity. A charity application is attached.

Copies of this hospital’s Uninsured Patient Discount Policy, Prompt Pay Discount Policy, Charity
Care Policy, as well as government program applications are available at our Patient Registration or Patient Financial Services offices. We can also send you copies if you contact our Patient Financial Services office at 415-600-7280.

**Notice of Availability of Financial Estimates:** You may request a written estimate of your financial responsibility for hospital services. Requests for estimates must be made during business hours. The estimate will provide you with an estimate of the amount the hospital will require the patient to pay for health care services, procedures, and supplies that are reasonably expected to be provided by the hospital. Estimates are based on the average length of stay and services provided for the patient's diagnosis. They are not promises to provide services at fixed costs. A patient's financial responsibility may be more or less than the estimate based on the services the patient actually receives.

The hospital can provide estimates of the amount of hospital services only. There may be additional charges for services that will be provided by physicians during a patient's stay in the hospital, such as bills from personal physicians, and any anesthesiologists, pathologists, radiologists, ambulance companies or other medical professionals who are not employees of the hospital. Patients will receive a separate bill for these services.

If you have any questions about written estimates, please contact Patient Financial Services at (415) 600-7280.

If you have any questions, or if you would like to pay by telephone, please contact Patient Financial Services office for CPMC at (415) 600-7280, or by e-mail at CPMCPFSBILL@sutterhealth.org.
CPMC AND ST. LUKE'S HOSPITAL
FINANCIAL ASSISTANCE PROGRAM FOR LOW INCOME
UNINSURED PATIENTS
FREQUENTLY ASKED QUESTIONS

How Do I Determine Whether I Qualify For Financial Assistance For My Hospital Medical Bills?

Sutter West Bay Hospital offers Financial Assistance to our low-income, uninsured patients that meet the program eligibility requirements. Please refer to the document *Federal Poverty Guidelines for Charity Care* for the family income eligibility criteria.

If your family income is below 400% of the Federal Poverty Income Guidelines, you may qualify for 100% Charity Care for your hospital bill.

Catastrophic medical coverage is also available for uninsured patients whose eligible medical bills exceed 15% of the patient’s annual family income.

The Patient Financial Services Department will begin the eligibility determination process once they have received a completed application form along with your income verification documents. **Failure to submit a completed application and supporting documentation in a timely manner may result in denial of charity care.**

How Do I Apply For Financial Assistance?

Complete the attached form and return to the Sutter West Bay Patient Financial Services Office at the following address:

Sutter West Bay Patient Financial Services
2300 Clayton Road, 7th Floor
Concord, CA 94520
Phone: 800-710-7721
Fax: 415-558-5336

You must provide income documentation, such as tax return, pay stubs, or employer salary history, with your application to process your charity request.

The Patient Financial Services Office will process your application and may need to contact you as part of the application process and may request additional information. If you need assistance in completing the form please call 800-710-7721.

How Does The Notification Process Work?

Once the eligibility process is complete you will receive a Financial Assistance Notification form in the mail. The form will indicate if you are eligible for Financial Assistance. You may receive a notification that you are ineligible for financial assistance or that more information is needed to make a determination.
STATEMENT OF FINANCIAL CONDITION

PATIENT NAME: ____________________________  SPOUSE: ____________________________
ADDRESS: ____________________________________________  PHONE: ____________________________
ACCOUNT #: ____________________________________________  SSN #: ____________________________
SSN #: ____________________________________________  (Spouse)

(Patient)

FAMILY STATUS: List all dependents that you support

<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

EMPLOYMENT AND OCCUPATION

Employer: ____________________________  Position: ____________________________
Contact Person & Telephone: ____________________________
If Self-Employed, Name of Business: ____________________________

Spouse Employer: ____________________________  Position: ____________________________
Contact Person & Telephone: ____________________________
If Self-Employed, Name of Business: ____________________________

CURRENT MONTHLY INCOME

Wages or Income from Operating Business (If Self-Employed)  ____________  ____________
Add: Other Income:
   Interest and Dividends  ____________  ____________
   From Real Estate or Personal Property  ____________  ____________
   Social Security  ____________  ____________
   Other (specify):  ____________  ____________
   Alimony or Support Payments Received  ____________  ____________
Subtract: Alimony, Support Payments Paid  ____________  ____________
Equals: Current Monthly Income  ____________  ____________
Total Current Monthly Income  ____________  ____________
(add Patient + Spouse income from above)  ____________  ____________

FAMILY SIZE

Total Family Members (add patient, spouse and dependents from above)  ____________

Do you have health insurance?  ____________________  Yes  No
Do you have other insurance that may apply (such as an auto policy)?  ____________________  ____________________
Were your injuries caused by a third party (such as during a car accident or slip and fall)?  ____________________  ____________________

By signing this form, I agree to allow Sutter Health to check employment and credit history for the purpose of determining my eligibility for a financial discount. I understand that I may be required to provide proof of the information I am providing.

(Signature of Patient or Guarantor)  ____________________________  (Date)  ____________________________

(Signature of Spouse)  ____________________________  (Date)  ____________________________

(04/12) 6062
Sutter West Bay Hospitals – CPMC and NCH  
Federal Poverty Guidelines for Charity Care  
Eligibility Guide for January 24, 2013 to December 31, 2013: Use household income and size as calculated below in tables, identify eligibility for financial discount.

<table>
<thead>
<tr>
<th>Family Size</th>
<th>Period</th>
<th>Federal Poverty Guidelines</th>
<th>If Income Is below 400% of FPG (shown below), eligible for <strong>full write-off</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Annual</td>
<td>$11,490</td>
<td>$45,960</td>
</tr>
<tr>
<td></td>
<td>Monthly</td>
<td>$958</td>
<td>$3,830</td>
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<tr>
<td>2</td>
<td>Annual</td>
<td>$15,510</td>
<td>$62,040</td>
</tr>
<tr>
<td></td>
<td>Monthly</td>
<td>$1,293</td>
<td>$5,170</td>
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<tr>
<td>3</td>
<td>Annual</td>
<td>$19,530</td>
<td>$78,120</td>
</tr>
<tr>
<td></td>
<td>Monthly</td>
<td>$1,628</td>
<td>$6,510</td>
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<tr>
<td>4</td>
<td>Annual</td>
<td>$22,550</td>
<td>$94,200</td>
</tr>
<tr>
<td></td>
<td>Monthly</td>
<td>$1,963</td>
<td>$7,850</td>
</tr>
<tr>
<td>5</td>
<td>Annual</td>
<td>$27,570</td>
<td>$110,280</td>
</tr>
<tr>
<td></td>
<td>Monthly</td>
<td>$2,298</td>
<td>$9,190</td>
</tr>
<tr>
<td>6</td>
<td>Annual</td>
<td>$31,590</td>
<td>$126,360</td>
</tr>
<tr>
<td></td>
<td>Monthly</td>
<td>$2,633</td>
<td>10,530</td>
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<tr>
<td>7</td>
<td>Annual</td>
<td>$35,610</td>
<td>$142,440</td>
</tr>
<tr>
<td></td>
<td>Monthly</td>
<td>$2,968</td>
<td>$11,870</td>
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<tr>
<td>8</td>
<td>Annual</td>
<td>$39,630</td>
<td>$158,520</td>
</tr>
<tr>
<td></td>
<td>Monthly</td>
<td>$3,303</td>
<td>$13,210</td>
</tr>
</tbody>
</table>

For each additional family member add $16,080 annually for full assistance.
<table>
<thead>
<tr>
<th></th>
<th>Cap less Stop Loss</th>
<th>Cap Rate Eff 1/1/12</th>
<th>Cap Rate Eff 1/1/11</th>
<th>Total Member Months</th>
<th>Retro 2011</th>
<th>Retro 2012</th>
<th>Jan-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family/Foster/Refugee</td>
<td>$</td>
<td>$</td>
<td></td>
<td>9,890</td>
<td>9,890</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aged</td>
<td>$</td>
<td>$</td>
<td></td>
<td>676</td>
<td>676</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disabled / Blind</td>
<td>$</td>
<td>$</td>
<td></td>
<td>777</td>
<td>777</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indigent Child</td>
<td>$</td>
<td>$</td>
<td></td>
<td>625</td>
<td>625</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indigent Adult</td>
<td>$</td>
<td>$</td>
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<td>2</td>
<td>2</td>
<td></td>
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</tr>
<tr>
<td>BCCTP</td>
<td>$</td>
<td>$</td>
<td></td>
<td>2</td>
<td>2</td>
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<td></td>
</tr>
<tr>
<td>Aged - Dual</td>
<td>$</td>
<td>$</td>
<td></td>
<td>174</td>
<td>174</td>
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<tr>
<td>Blind/Disabled - Dual</td>
<td>$</td>
<td>$</td>
<td></td>
<td>94</td>
<td>94</td>
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<td></td>
<td></td>
<td>12,140</td>
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</table>

**Total Net Retro**

Stop Loss Premium paid on behalf of Provider
## Capitation Support - Healthy Families

**CPMC**
**HOSP**

### Cap Rate Eff 1/1/12
**HF1** 1 - 19 Years Old
- Cap Rate Eff 1/1/11
- Total Member Months: 2,467
- Retro 2011: (2)
- Retro 2012: (8)
- Total Mbrs Dec-12: 2,475

**HF2** Under 12 months
- Cap Rate Eff 1/1/11
- Total Member Months: 11
- Retro 2011: (8)
- Retro 2012: 11
- Total Mbrs Dec-12: 2,466

**N/A** N/A
- Total Member Months: N/A
- Retro 2011: (2)
- Retro 2012: (8)
- Total Mbrs Dec-12: 2,478

### Other
- Stop Loss Premium paid on behalf of Provider: $

Stop Loss Premium paid on behalf of Provider: $
### Capitation Support - Medi-Cal

**QPMC (CAL)NEM**

**December-13**

<table>
<thead>
<tr>
<th>Description</th>
<th>Cap less Stop Loss</th>
<th>Cap Rate Eff 1/1/12</th>
<th>Cap Rate Eff 5/31/12</th>
<th>Cap Rate</th>
<th>Total Member Months</th>
<th>Retro 2012 Jan-Aug</th>
<th>Retro 2012 Sep-Dec</th>
<th>Retro 2013 Dec-13</th>
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<tbody>
<tr>
<td>Family/Foster/Refugee</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td></td>
<td></td>
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<tr>
<td>Aged</td>
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<td>$</td>
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<td></td>
<td>805</td>
<td>(64)</td>
<td>84</td>
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<tr>
<td>Disabled/Blind</td>
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<td>$</td>
<td>$</td>
<td></td>
<td>1,067</td>
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<td>Indigent Child</td>
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<td>650</td>
<td>(1)</td>
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<tr>
<td>Indigent Adult</td>
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<td>$</td>
<td>$</td>
<td></td>
<td>(1)</td>
<td></td>
<td></td>
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<tr>
<td>BCCTP</td>
<td>$</td>
<td>$</td>
<td>$</td>
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<td>5</td>
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</tr>
<tr>
<td>Aged Dual</td>
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<td>Child Converting From HF</td>
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<td>$</td>
<td></td>
<td>2,860</td>
<td>3</td>
<td>3</td>
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<td>other</td>
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<td></td>
</tr>
</tbody>
</table>

Stop Loss Premium paid on behalf of Provider

| Total Retro                  | 17,129             | 10                  | 17,119             |

*ACCOUNTING\Upload\BUDGETS\current\Budg13-14\12-13\Cap-Med-Ca12-13\Cap-MC Prov Reserve.xls*
EXHIBIT E
May 2014

The San Francisco Foundation’s report on 2013 activities of the Community Health Innovation Fund and the Workforce Fund.

COMMUNITY HEALTH INNOVATION FUND
Sutter West Bay Hospitals, a California nonprofit corporation doing business as California Pacific Medical Center (CPMC) entered into a development agreement with the City and County of San Francisco related to the construction of CPMC’s medical facilities. In July 2013, representatives from California Pacific Medical Center’s Community Health Programs, San Francisco Department of Public Health, and The San Francisco Foundation formed a Committee to oversee the strategy for granting the Community Health Innovation Fund monies.

The San Francisco Foundation received its first payment toward the Community Health Innovation Fund of $2,000,000 on September 4, 2013 and the second payment of $1,500,000 on November 26, 2013 for a total of $3,500,000. As part of the development agreement, The San Francisco Foundation took a 7% management fee of $245,000.

The first round of grants totaling $1,244,700 to 5 organizations focused on 1) Affordable Care Act Health Reform readiness for community clinics that are part of the San Francisco Community Clinic Consortium; 2) strategic opportunities to improve services to people with HIV/AIDS; and 3) expansion of comprehensive and emergency mental health services in San Francisco.

Following is a list and summary of the funded projects:

**Curry Senior Center** = $185,000 (30-month grant)
Curry Senior Center was started as a storefront health center in 1972 to address the health and nutrition needs of the frail, isolated and elderly living in San Francisco’s Tenderloin neighborhood. Community Health Innovation funding will improve access, efficiency, and effectiveness of the Curry Senior Center’s Chronic Disease and Diabetic Care program for frail, low-income and isolated elders living in the Tenderloin neighborhood. Additional translation services will be provided in Spanish to limited-English speaking populations.
Mission Neighborhood Health Center = $128,700 (5-month grant)
As the health care environment shifts in the wake of health care reform, community clinics are challenged to keep up with increasing technical, financial and analytical demands. Additionally, payers are moving towards contracting with large-scale partners and are promoting integration between individual practices and community clinics. As a result, eight San Francisco community clinics and health centers are exploring the creation of an Independent Practice Association (IPA): Glide Health Services, HealthRight 360, Lyon-Martin Health Center, Mission Neighborhood Health Center, Native American Health Center, South of Market Health Center, St. Anthony Free Medical Clinic, and Women’s Community Clinic. The IPA will contract for and manage the professional risk of these clinics’ Medi-Cal, Covered California, and Bridge Plan patients. Formation of this IPA will improve the clinics’ and health centers’ ability to serve nearly 40,000 low-income, uninsured, and medically underserved San Franciscans per year. Community Health Innovation Fund’s grant will evaluate the financial viability of forming an Independent Practice Association with Mission Neighborhood Health Center as the lead agency.

Progress Foundation = $280,000 (12-month grant)
Since 1969, the Progress Foundation has provided residential treatment services to clients of the San Francisco public mental health system as alternatives to hospitalization. For over 40 years, it has contracted for services with the San Francisco Department of Public Health and grew from 2 “halfway houses” to 12 licensed residential facilities, 1 Urgent Care Clinic, 15 scattered-site supported housing units, and 5 permanent affordable housing buildings throughout San Francisco. The Community Health Innovation Fund monies will enable the Urgent Care Clinic to increase its capacity to serve the maximum number clients throughout the day and night. Going forward, the expectation is that the clinic will serve a greater number of Medi-Cal eligible patients, which will generate funding to sustain the increased staffing and care hours long-term.

San Francisco AIDS Foundation = $465,000 (12-month grant)
San Francisco AIDS Foundation was founded in 1982 as a community response to the AIDS epidemic and is a nationally recognized AIDS service provider with more than 130 staff and 800 volunteers. The Community Health Innovation Fund made a capital grant to fund the creation of a health and wellness center in the Castro that provides prevention, testing and access to primary care for gay and bisexual men with HIV/AIDS. The center is expected to open in the summer of 2014, and will be a model for fighting HIV/AIDS—one that focuses on an
integrated set of programs that address sexual health, prevention education, counseling needs and peer support, community outreach and development, and the needs of special populations—critical factors in HIV submission.

**San Francisco Community Clinic Consortium = $186,000 (12-month grant)**
The San Francisco Community Clinic Consortium is comprised of eleven community clinics and health centers with an aim to preserve and promote community-based primary health care to uninsured and underserved people of the community. Community Health Innovation funding will be used to complete an actuarial study that will review data from the Consortium member clinics' and health centers’ patient population to assess the cost and volume of services currently provided by community clinics, and help inform the Clinic Consortium members’ decision on whether to create an Independent Practice Association.

**WORKFORCE FUND**
As a companion to the Community Health Innovation Fund, Sutter West Bay Hospital entered into a Workforce Fund Grant Agreement on October 9, 2013 and created a Workforce Fund to provide grants to educational institutions and non-profit organizations in communities that are impacted by CPMC hospital renovation and construction project to engage in barrier removal and job training for employment opportunities with CPMC in accordance with the terms of the Workforce Fund Agreement (Agreement). The affected communities include the Western Addition, Tenderloin, Mission/SOMA, Outer Mission/Excelsior, Chinatown, and Southeastern neighborhoods.

To manage the Workforce Fund, the Agreement created a Committee of Fund Advisors consisting of one representative of OEWD on behalf of the city, one representative of CPMC, and one representative of the San Francisco Foundation (Foundation). Further, the Agreement designated the Foundation as administrator of the fund, which would be capitalized at $3,000,000 through two installments. The Agreement also requires that the Foundation deposit the funds into a designated fund and invest the funds in workforce development and barrier reduction grants over a five year horizon. The San Francisco Foundation received the initial tranche of $2,000,000 in December 2013 and is scheduled to receive the remaining $1,000,000 in December 2014. As part of the Workforce Agreement, The San Francisco Foundation took a 7% management fee of $140,000.

The Workforce Fund Advisors met in November. During that meeting, CPMC distributed its matrix showing projected entry level position openings and the minimum and preferred qualifications for each position. The Committee agreed to begin meeting on a quarterly basis in January, or more frequent if necessary, to
plan and implement workforce development activities after the Foundation received the scheduled December funding installment.
Section 10: Culturally and Linguistically Appropriate Services

CPMC shall deliver at all campuses culturally and linguistically appropriate services that are representative of San Francisco's diverse communities and are in accordance with the mandates, guidelines and recommendations of the National Standards on Culturally and Linguistically Appropriate Services (CLAS).

CLAS Standards

<table>
<thead>
<tr>
<th>Language: Instruction</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Provide effective, equitable, understandable, and respectful quality care and services that are responsive to diverse cultural health beliefs and practices, preferred languages, health literacy, and other communication needs.</td>
<td>Multilingual health literacy sensitive patient educational materials made available in print and online. Our CME courses include the cultural and linguistic issues as appropriate. Guideline: address culturally competent care</td>
</tr>
</tbody>
</table>

Governance, Leadership and Workforce:

| 2. Advance and sustain organizational governance and leadership that promotes CLAS and health equity through policy, practices, and allocated resources. | Senior leadership roles support and promote CLAS through policies, practices and allocated resources. Guideline: address culturally competent care |

| 3. Recruit, promote, and support a culturally and linguistically diverse governance, leadership, and workforce that are responsive to the population in the service area. | CPMC is actively engaged in promoting workforce recruitment of population in the service area. Employees are required to participate in online education to remain responsive to our patient as well as service area population. Guideline: address culturally competent care |

| 4. Educate and train governance, leadership, and workforce in culturally and linguistically appropriate policies and practices on an ongoing basis. | Sutter Health maintains online resources and communications on cultural & linguistic competency. Annual training is given to all Sutter employees to ensure knowledge/adoption of the components of organizational cultural competency, and why it is important to our patients, staff and organization. Additionally, CPMC Certified Interpreters will, on request, provide education/information on cultural beliefs and practices to further personalized care. Title VI; mandated for agencies that receive federal funding |

Communication and Language Assistance:

| 5. Offer language assistance to individuals who have limited English proficiency and/or other communication needs, at no cost to them, to facilitate timely access to all health care and services. | The Medical Center provides interpreter services at no cost to patients with Limited English Proficiency (LEP) or who are deaf or hard-of-hearing, in order to enhance effective communication and ensure access to health care information and services in accordance with Federal, State and Local regulations. Title VI; mandated for agencies that receive federal funding |

| 6. Inform all individuals of the availability of language assistance services clearly and in their preferred language, verbally and in writing. | Individuals are informed regarding availability of language assistance services in their preferred language verbally as needed and in print. Print notices include those with our top 4 common languages (Chinese, Spanish, Russian & Tagalog), and Language Identifications instructions are in 20 common languages. Title VI; mandated for agencies that receive federal funding |

<p>| 7. Ensure the competence of individuals providing language assistance, recognizing that the use of untrained individuals and/or minors as interpreters should be avoided. | Individuals providing language assistance include Certified Medical Interpreters &amp; Qualified Bilingual Staff. CPMC's Interpreter Services Department has programs that evaluate and ensure the language competency of our bilingual staff. A Medical interpreter is an individual who is fluent in English and in a second language or National Certified with the Registry of Interpreters for the Deaf (RID) in sign language. Use of minors, family members and untrained individuals are avoided. Title VI; mandated for agencies that receive federal funding |</p>
<table>
<thead>
<tr>
<th>Guideline</th>
<th>Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>8. Provide easy-to-understand print and multimedia materials and signage in the languages commonly used by the populations in the service area.</td>
<td>Signage provided in our common languages: Chinese, Spanish, Russian and Tagalog (at St Luke's)</td>
</tr>
<tr>
<td>9. Establish culturally and linguistically appropriate goals, policies, and management accountability, and infuse them throughout the organization's planning and operations.</td>
<td>Appropriate department level goals &amp; policies support management accountability to infuse Cultural &amp; Linguistic elements in planning and operations.</td>
</tr>
<tr>
<td>10. Conduct ongoing assessments of the organization's CLAS-related activities and integrate CLAS-related measures into measurement and continuous quality improvement activities.</td>
<td>Appropriate department level evaluations and patient surveys of CLAS related activities/measures are performed.</td>
</tr>
<tr>
<td>11. Collect and maintain accurate and reliable demographic data to monitor and evaluate the impact of CLAS on health equity and outcomes and to inform service delivery.</td>
<td>Sutter EHR system collects/records demographic data and language needs of patients and department level assessments done as needed and care provided appropriately.</td>
</tr>
<tr>
<td>12. Conduct regular assessments of community health assets and needs and use the results to plan and implement services that respond to the cultural and linguistic diversity of populations in the service area.</td>
<td>CPMC conducts a tri-annual community health needs assessment in partnership with community based organizations, San Francisco Hospitals and the San Francisco Department of Public Health. CPMC works with SFHIP and through an annual implementation plan to respond to needs identified in the assessment. Additionally Interpreter Services periodically evaluate geographic language demographic &amp; needs data as well as CPMC's LEP census reports and plan the provision of language assistance accordingly.</td>
</tr>
<tr>
<td>13. Partner with the community to design, implement, and evaluate policies, practices, and services to ensure cultural and linguistic appropriateness.</td>
<td>CPMC conducts a tri-annual community health needs assessment in partnership with community based organizations, San Francisco Hospitals and the San Francisco Department of Public Health. CPMC works with SFHIP and through an annual implementation plan to respond to needs identified in the assessment.</td>
</tr>
<tr>
<td>14. Create conflict and grievance resolution processes that are culturally and linguistically appropriate to identify, prevent, and resolve conflicts or complaints.</td>
<td>CPMC's Patient &amp; Customer Relations Department has processes to handle complaints &amp; grievances of all nature with commitment to service excellence and quality personalized care.</td>
</tr>
<tr>
<td>15. Communicate the organization’s progress in implementing and sustaining CLAS to all stakeholders, constituents, and the general public.</td>
<td>Communicated through website, staff meeting and city-wide partnerships.</td>
</tr>
</tbody>
</table>
ATTACHMENT 2
Development Agreement
Payments Schedule and
CPMC Payment
Transmittals/Invoices
## PAYMENT SCHEDULE

<table>
<thead>
<tr>
<th>Agency, Description</th>
<th>Effective Date + 30 days</th>
<th>9/4/13 CPMC Payments</th>
<th>11/25/13 CPMC Payments</th>
<th>First Installment</th>
<th>Second Installment</th>
<th>Third Installment</th>
<th>Fourth Installment</th>
<th>Fifth Installment</th>
<th>TOTAL</th>
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<tbody>
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<td>Affordable Housing Payment³</td>
<td>MOH</td>
<td>2,400,000</td>
<td>Completed</td>
<td>6,700,000</td>
<td>Completed</td>
<td>7,000,000</td>
<td>8,825,000</td>
<td>8,100,000</td>
<td>3,475,000</td>
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<tr>
<td>Healthcare Innovation Fund⁴</td>
<td>DPH/SF Foundation</td>
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<td>Bus Rapid Transit (BRT) contribution⁵</td>
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<td>5,000,000</td>
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<tr>
<td>Transit Fee³</td>
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<td>1,500,000</td>
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<tr>
<td>Bicycle Studies Contribution⁵</td>
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<td>Workforce training payment⁶</td>
<td>OEWD</td>
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<td>Completed</td>
<td>2,000,000</td>
<td>Completed</td>
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<td></td>
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<td>Tenderloin sidewalk widening and pedestrian lighting improvements²</td>
<td>DPW/PUC</td>
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<td>Tenderloin Safe Passage Grant⁷</td>
<td>OEWD</td>
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<tr>
<td>Transit and safety improvements in neighborhoods around the Cathedral Hill Campus²</td>
<td>MTA</td>
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<tr>
<td>Enforcement &amp; traffic safety measures around Pacific &amp; California Campuses⁷</td>
<td>MTA</td>
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<td>Completed</td>
<td>700,000</td>
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<td>1,000,000</td>
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<td>14,000,000</td>
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<td>14,000,000</td>
<td>14,000,000</td>
<td>7,100,000</td>
<td>70,000,000</td>
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</tr>
</tbody>
</table>

---

1. All initially capitalized terms are as defined in the Agreement, unless otherwise defined herein.
2. First Installment is due thirty (30) days after the earlier of the date the Approvals are Finally Granted or the date the Cathedral Hill Campus Hospital Commences Construction, and each following Installment is due on each anniversary thereafter.
3. As set forth in Exhibit G.
4. The "Innovation Fund" is defined in Exhibit F.
5. As set forth in Exhibit K.
6. As set forth in Exhibit E.
7. As set forth in Exhibit H.
To: Ken Rich  
Office of Economic and Workforce Development  
1 Dr. Carlton B. Goodlett Place, Room 448  
San Francisco, CA  94102

From: Geoffrey Nelson  
Director of Enterprise Development  
California Pacific Medical Center  
633 Folsom Street, 1st Floor  
San Francisco, CA  94107  
415-600-7206

Re: Development Agreement Effective Date Payment  

Date: September 4, 2013  

By Hand Delivery

Remarks:

Pursuit to instructions we are delivering Check No. 16280 in the amount of Nine Million Thirty-Eight Thousand Six Hundred Twenty and 00/100 Dollars ($9,038,620.00) to the City and County of San Francisco, in satisfaction of the Effective Date payments due under the following sections of the Development Agreement Relating to the Construction and Reconstruction of Healthcare Facilities in Furtherance of the California Pacific Medical Center Long Range Development Plan by and between the City and County of San Francisco and Sutter West Bay Hospitals:

Exhibit E – Workforce Agreement: $1,000,000

Exhibit H – Public Improvements
- CH Pedestrian & Traffic Safety: $200,000
- Tenderloin Safe Passage Grant: $200,000
- Tenderloin Lighting & Traffic Safety: $400,000
- Pacific & California Campus Traffic Enforcement & Safety: $300,000

Exhibit G – Housing Program
- Residential Hotel Unit Replacement: $2,684,800
- Residential Unit Replacement: $1,453,820
- Affordable Housing Payment: $2,400,000

Exhibit K – Transportation Program
- Bicycle Studies: $400,000
To: The San Francisco Foundation  
1 Embarcadero Center, Suite 1400  
San Francisco, CA 94111  
Attention: James W. Head

From: Geoffrey Nelson  
Director of Enterprise Development  
California Pacific Medical Center  
633 Folsom Street, 1st Floor  
San Francisco, CA 94107  
415-600-7206

Re: Innovation Fund First Installment

Date: September 4, 2013

Remarks:

Pursuit to instructions we are delivering Check No. 16281 in the amount of Two Million and 00/100 Dollars ($2,000,000) in satisfaction of the Effective Date payment due under Section 3 of Exhibit F of the Development Agreement Relating to the Construction and Reconstruction of Healthcare Facilities in Furtherance of the California Pacific Medical Center Long Range Development Plan by and between the City and County of San Francisco and Sutter West Bay Hospitals, and the associated Innovation Fund Agreement.

If anything in the above is in error, please immediately contact me.

Kind Regards,

[Signature]
Geoffrey Nelson

I, [Print Name], acknowledge receipt on behalf of the San Francisco Foundation.

[Signature]

CC:  
Sandra R. Hernandez, M.D., CEO, SF Foundation (w/o Enclosure)  
Ken Rich, Mayor’s Office of Economic and Workforce Development (w/o Enclosure)  
Henry Yu, California Pacific Medical Center (w/o Enclosure)
To: Ken Rich  
Office of Economic and Workforce Development  
1 Dr. Carlton B. Goodlett Place, Room 448  
San Francisco, CA 94102

From: Geoffrey Nelson  
Director of Enterprise Development  
California Pacific Medical Center  
633 Folsom Street, 1st Floor  
San Francisco, CA 94107  
415-600-7206

Re: Development Agreement First Installment Payment

Date: November 19, 2013

Remarks:

Pursuit to instructions we are delivering Check No. 16557 in the amount of Ten Million Five Hundred Twenty-Five and 00/100 Dollars ($10,525,000.00) to the City and County of San Francisco, in satisfaction of the First Installment (aka: “Finally Granted”) payments due under the following sections of the Development Agreement Relating to the Construction and Reconstruction of Healthcare Facilities in Furtherance of the California Pacific Medical Center Long Range Development Plan by and between the City and County of San Francisco and Sutter West Bay Hospitals:

Exhibit H – Public Improvements  
CH Pedestrian & Traffic Safety: $200,000  
Tenderloin Lighting & Traffic Safety: $1,200,000  
Pacific & California Campus Traffic Enforcement & Safety: $300,000  
Duboce Park Grant: $25,000 [note: this amount not shown in Exhibit N]

Exhibit G – Housing Program  
Affordable Housing Payment: $6,700,000

Exhibit K – Transportation Program  
BRT Contribution: $2,100,000
To: The San Francisco Foundation  
1 Embarcadero Center, Suite 1400  
San Francisco, CA 94111  
Attention: James W. Head

From: Geoffrey Nelson  
Director of Enterprise Development  
California Pacific Medical Center  
633 Folsom Street, 1st Floor  
San Francisco, CA 94107  
415-600-7206

Re: Innovation Fund First Installment  
By Hand Delivery

Date: November 19, 2013

Remarks:

Pursuant to instructions we are delivering Check No. 16558 in the amount of One Million Five Hundred Thousand and 00/100 Dollars ($1,500,000.00) in satisfaction of the First Installment (aka: “Finally Granted”) payment due under Section 3(b) of Exhibit F (aka “The Innovation Fund”) of the Development Agreement Relating to the Construction and Reconstruction of Healthcare Facilities in Furtherance of the California Pacific Medical Center Long Range Development Plan by and between the City and County of San Francisco and Sutter West Bay Hospitals, and the associated Innovation Fund Agreement.

If anything in the above is in error, please immediately contact me.

Kind Regards,

Geoffrey Nelson

[Signature]

I, [Print Name], acknowledge receipt on behalf of the San Francisco Foundation.

CC:
Sandra R. Hernandez, M.D., CEO, SF Foundation (w/o Enclosure)
Ken Rich, Mayor's Office of Economic and Workforce Development (w/o Enclosure)
Henry Yu, California Pacific Medical Center (w/o Enclosure)
To: The San Francisco Foundation  
1 Embarcadero Center, Suite 1400  
San Francisco, CA 94111  
Attention: James W. Head

From: Geoffrey Nelson  
Director of Enterprise Development  
California Pacific Medical Center  
633 Folsom Street, 1st Floor  
San Francisco, CA 94107  
415-600-7206

Re: Workforce Fund First Installment

Date: November 19, 2013

By Hand Delivery

Remarks:

Pursuant to instructions, we are delivering Check No. 16559 in the amount of Two Million and 00/100 Dollars ($2,000,000.00) in satisfaction of the First Installment (aka: “Finally Granted”) payment due under Section D of Exhibit E (aka: the “Workforce Training Payment”) of the Development Agreement Relating to the Construction and Reconstruction of Healthcare Facilities in Furtherance of the California Pacific Medical Center Long Range Development Plan by and between the City and County of San Francisco and Sutter West Bay Hospitals, and the associated Workforce Fund Grant Agreement.

If anything in the above is in error, please immediately contact me.

Kind Regards,

Geoffrey Nelson

[Signature]

I, [Print Name], acknowledge receipt on behalf of the San Francisco Foundation.

[Signature]

CC:  
Sandra R. Hernandez, M.D., CEO, SF Foundation (w/o Enclosure)  
Ken Rich, Mayor’s Office of Economic and Workforce Development (w/o Enclosure)  
Henry Yu, California Pacific Medical Center (w/o Enclosure)
INVOICE #: CPMC11-011

To: Vahram Massehian  
Senior Project Manager  
California Pacific Medical Center  
633 Folsom Street, 5th Floor  
San Francisco, CA 94107-3623

Remit Payable To: Office of Economic and Workforce Development  
Attn: Phillip C. Wong  
City Hall, Room 448  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4653

<table>
<thead>
<tr>
<th>Months</th>
<th>Description of Work</th>
<th># of Hours</th>
<th>Hourly Rate</th>
<th>Amount</th>
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**Invoice Total** $33,465.30
INVOICE

Invoice Date: 11/12/2013
Billing Period: 7/1/13 - 9/30/13  Invoice #11
Matter: CPMC Agreements (Development and Vacation)
Billing Number: 1100299
Description: Various advice, consultation and service regarding proposed agreements with CPMC, including healthcare, workforce, housing, transit, street vacation, street encroachment, public improvement, utility relocation, HSS, and CEQA appeal issues, preparing and commenting on drafts, and meetings with City team.

Deputy City Attorneys  Hours
Charles Sullivan  8.00
Audrey Williams Pearson  4.50
Total Attorney Time: 12.50 hours  x  Billing Rate $365/ Hour = $4,562.50

Total Charges: $4,562.50

Please direct CPMC to make checks payable to the City and County of San Francisco and send to:
Office of the City Attorney
Attn: Dora Okai
Fox Plaza
1390 Market Street, 7th Floor
San Francisco, CA  94102

Please indicate billing number 1100299 on the check or include a copy of this invoice with payment.
**INVOICE #: CPMC11-012**

**To:**
Vahram Massehian  
Senior Project Manager  
California Pacific Medical Center  
633 Folsom Street, 5th Floor  
San Francisco, CA 94107-3623

**Remit Payable To:**
Office of Economic and Workforce Development  
Attn: Phillip C. Wong  
City Hall, Room 448  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4653

<table>
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<th>Description of Work</th>
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<th>Hourly Rate</th>
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**Invoice Total** $3,483.72
Invoice Date: 1/29/2014
Billing Period: 10/1/13 - 12/31/13  Invoice #12
Matter: CPMC Agreements (Development and Vacation)
Billing Number: 1100299
Description: Various advice, consultation and service regarding proposed agreements with CPMC, including healthcare, workforce, housing, transit, street vacation, street encroachment, public improvement, utility relocation, HSS, and CEQA appeal issues, preparing and commenting on drafts, and meetings with City team.

<table>
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<th>Deputy City Attorneys</th>
<th>Hours</th>
</tr>
</thead>
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<td>Kristen Jensen</td>
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<tr>
<td>Charles Sullivan</td>
<td>2.75</td>
</tr>
<tr>
<td>Audrey Williams Pearson</td>
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</tr>
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</table>
Total Attorney Time: 5.25 hours x Billing Rate $365/Hour = $1,916.25

**Total Charges:** $1,916.25

Please direct CPMC to make checks payable to the City and County of San Francisco and send to:

Office of the City Attorney
Attn: Dora Okai
Fox Plaza
1390 Market Street, 7th Floor
San Francisco, CA 94102

Please indicate **billing number 1100299** on the check or include a copy of this invoice with payment.
ATTACHMENT 3
Entry Level Operational Hiring
Process with SFOEWD/First Source Hiring Program

CPMC, in coordination with OEWD, is making the required good faith efforts regarding the First Source Entry Level Hiring Goal.

CPMC has been working with OEWD and its network of providers to develop the hiring process and procedures that will enhance opportunities for targeted groups and accelerate the progress toward the 40% hiring goal. The Recruitment team at CPMC has met regularly with Rhonda Simmons and her team. We have developed a foundation and mutually shared vision for working together throughout the term of the Development Agreement.

Below is a summary of how CPMC has demonstrated good faith efforts to date:

<table>
<thead>
<tr>
<th>Hiring Process</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Since the Development Agreement was executed, CPMC has met with OEWD dozens of times to develop a streamlined referral/hiring process.</td>
<td></td>
</tr>
<tr>
<td>• Exhibit A summarizes the process and is described as follows:</td>
<td></td>
</tr>
<tr>
<td>o Once CPMC gets final approval on filling a position, CPMC will send those positions to OEWD.</td>
<td></td>
</tr>
<tr>
<td>o OEWD will then reach out to the various community-based organizations (CBOs) through their sector leaders, Jewish Vocational Service (JVS) and Self Help for the Elderly (SHE) to identify qualified candidates for these positions and present them to CPMC.</td>
<td></td>
</tr>
<tr>
<td>o At the same time, qualified candidates will be directed to CPMC’s employment site, <a href="http://www.cpmc.org/employment">www.cpmc.org/employment</a>. Applicants will select “First Source” as their answer for how they heard about the position.</td>
<td></td>
</tr>
<tr>
<td>o CPMC will interview all candidates referred that meet the qualifications and make the decision on whether or not to refer to the hiring manager. CPMC will create and update weekly reports created from My Hire, CPMC’s Applicant Tracking System, to note the outcome of candidates expression of interest. These reports will be sent to SFOEWD on a weekly basis.</td>
<td></td>
</tr>
<tr>
<td>o In addition to the process of screening qualified candidates sourced by OEWD, there will be weekly check ins to give feedback on candidates that have expressed interest through</td>
<td></td>
</tr>
</tbody>
</table>
CPMC’s employment website in order for OEWD to communicate back to the CBOs.

Requisition Posting

- A Bay Area recruiter will focus on entry level positions and work directly with OEWD.
- In early December, CPMC shared 15 requisitions (Exhibit B) with OEWD.
- OEWD provided 16 candidates and CPMC interviewed 7 candidates.
- 1 candidate advanced to 2nd interview but declined position due to schedule conflict.

Hiring Projections

- CPMC spent the first four months since the Development Agreement was executed analyzing past trends and conferring with Hiring Managers to determine hiring projections.
- Detailed Hiring Projections were provided to OEWD (Exhibit C).

Priorities for 2014

In addition to meeting the good faith efforts of providing OEWD with hiring projections, notifying OEWD of all entry level positions, giving OEWD an exclusive 10 days to refer candidates for entry level positions, considering candidates referred by the workforce system, working to meet the hiring goal of 40%, and continuing to fine-tune the systems put in place thus far, CPMC has also committed to the following:

- Participating in regular, weekly check-ins with OEWD and its sector leads, JVS and SHE.
- Attending community job fairs/events sponsored by OEWD and various CBOs targeting the priority areas noted in the Development Agreement at the discretion of CPMC
- Hosting walkthroughs of Sutter Health sites for partners.
- Prioritizing OEWD referrals past the minimum 10 days if a requisition has not been filled.
EXHIBIT A
CPMC Entry Level Operational Hiring Process Flow Diagram

New Position?

Yes

Approved?

NO

Waiting to be Approved Or Cancelled

Or

Post approved positions on CPMC's Employment website

Sector Lead CBO’s & SFOEWD will screen resumes from Neighborhood Access Points and require qualified candidates to express interest by applying online through CPMC’s employment website

CPMC will send approved postings to First Source Hiring Program (SFOEWD) & Sector Lead CBO’s (JVS & SHE)

YES

Post approved positions on CPMC’s Employment website

CPMC will screen, interview and forward applicants from SFOEWD to Hiring Managers

Hiring Manager Interviews Candidate Pool

Find Best Candidate?

YES

Selection & Offer

CPMC will track applicants submitted by SFOEWD through reporting from My Hire, CPMC’s Applicant Tracking System. Reports will be submitted to SFOEWD on a weekly basis.

CPMC will provide feedback on a weekly basis through reporting from My Hire, CPMC’s Applicant Tracking System

CPMC will have weekly scheduled phone calls with SFOEWD as well as regular meetings with Sector Lead CBO’s

Bimonthly in-person meeting at SFOEWD that includes Angela Hawkins and any other CPMC/SFOEWD stakeholders

January 2014
EXHIBIT B
College level preferred, knowledge of California Penal Code with regards to citizen’s arrest

2-3 years of experience in a medical office Knowledge of HMO/PPO insurance programs, billing procedures, and office scheduling procedures

High School Diploma/GED required

Patient Registration Representative-Patient Registration Services* Non-clinical

Under the general direction of the Supervisor and/or Manager of Patient Registration Services, this position is responsible for collecting and entering patient demographic and insurance information into the medical center’s registration computer system.

High School Diploma/GED required

Patient Registration Representative-Patient Registration Services* Non-clinical

Under the general direction of the Supervisor and/or Manager of Patient Registration Services, this position is responsible for collecting and entering patient demographic and insurance information into the medical center’s registration computer system.

High School Diploma/GED required

Cook-Food & Nutrition Services* Non-clinical

The Cook prepares appropriate amount of high quality food for patients, staff, and customers in accordance with established recipes, menus, procedures, schedules and standards. Performs all responsibilities, demonstrating service orientation to fellow employees, staff, and customers.

High School Diploma/GED required

Patient Service Representative-Employee Health Services* Non-clinical

Under the supervision of the Central Transport Management Team, the Transporter is responsible for providing safe transport for patients, processing and distributing all incoming and departmental mail, and acts as the internal courier for the Medical Center.

High School Diploma/GED required

Housekeeping Aide-Environmental Services* Non-clinical

Under the general direction of the Supervisor and/or Manager, the Housekeeping Aide performs a variety of cleaning and housekeeping tasks. The Housekeeping Aide ensures that the Medical Center is provided with a clean, safe and comfortable environment for patients, visitors and employees.

High School Diploma/GED required

EKG Technician-Non Invasive Cardiology Non-clinical

The EKG Technician is responsible for performing Noninvasive Cardiac diagnostic procedures on pediatric, adult, and geriatric patients and related clinical activity.

Graduated from an accredited EKG Technician certification program Possess at least one year recent full-time as an EKG Technician in a Noninvasive Cardiac laboratory in an acute care facility

Certification by an appropriate cardiovascular technology association preferred

Requisition Number Requisition Title Clinical Non-clinical Primary Purpose Minimum Qualifications Preferred Qualifications Schedule Benefits Job Shift Union

1312766 Housekeeping Aide-Environmental Services* Non-clinical

The Housekeeping Aide performs a variety of cleaning and housekeeping tasks. The Housekeeping Aide ensures that the Medical Center is provided with a clean, safe and comfortable environment for patients, visitors and employees.

High School Diploma/GED required

General Housekeeping methods, product knowledge and experience

Per Diem No Variable Yes

1304594 Housekeeping Aide-Environmental Services* Non-clinical

The Housekeeping Aide performs a variety of cleaning and housekeeping tasks. The Housekeeping Aide ensures that the Medical Center is provided with a clean, safe and comfortable environment for patients, visitors and employees.

High School Diploma/GED required

General Housekeeping methods, product knowledge and experience

Per Diem No Variable Yes

1309504 Housekeeping Aide-Environmental Services* Non-clinical

The Housekeeping Aide performs a variety of cleaning and housekeeping tasks. Ensures that the Medical Center is provided with a clean, safe and comfortable environment for patients, visitors and employees.

High School Diploma/GED required

General Housekeeping methods, product knowledge and experience

Per Diem No Variable Yes

1308856 Housekeeping Aide-Environmental Services* Non-clinical

The Housekeeping Aide performs a variety of cleaning and housekeeping tasks. The Housekeeping Aide ensures that the Medical Center is provided with a clean, safe and comfortable environment for patients, visitors and employees.

High School Diploma/GED required

General Housekeeping methods, product knowledge and experience

Per Diem No Variable Yes

1213374 Patient Registration Representative-Patient Registration Services* Non-clinical

Under the general direction of the Supervisor and/or Manager of Patient Registration Services, this position is responsible for collecting and entering patient demographic and insurance information into the medical center’s registration computer system.

High School Diploma/GED required

Excellent English communication skills in both written and verbal formats

2 years of prior hospital or medical registration experience. Knowledge of medical and insurance terminology

Knowledge of Government regulations and requirements, managed care contracts and third party requirements

Demonstrated knowledge of the PRS and medical office/hospital admission processes

Per Diem No Day No

1300888 Patient Registration Representative-Patient Registration Services* Non-clinical

Under the general direction of the Supervisor and/or Manager of Patient Registration Services, this position is responsible for collecting and entering patient demographic and insurance information into the medical center’s registration computer system.

High School Diploma/GED required

Excellent English communication skills in both written and verbal formats

2 years of prior hospital or medical registration experience. Knowledge of medical and insurance terminology

Knowledge of Government regulations and requirements, managed care contracts and third party requirements

Demonstrated knowledge of the PRS and medical office/hospital admission processes

Per Diem No Day/Evening No

1215706 Cook-Food & Nutrition Services* Non-clinical

The Cook prepares appropriate amount of high quality food for patients, staff, and customers in accordance with established recipes, menus, procedures, schedules and standards. Performs all responsibilities, demonstrating service orientation to fellow employees, staff, and customers.

High School Diploma/GED required

Experience in large production kitchen, typically obtained in 5 years of experience

Read, write, speak English sufficiently in order to follow written and verbal instructions

Per diem No Day/Evening Yes

1313261 Cook-Coming Home Hospice* Non-clinical

Under general supervision, prepares appropriate amount of high quality food for patients, staff, and customers in accordance with established recipes, menus, procedures, schedules and standards. Performs all responsibilities demonstrating service orientation to fellow employees, staff, and customers.

High School Diploma/GED required

Experience in large production kitchen, typically obtained in 5 years of experience

Read, write, speak English sufficiently in order to follow written and verbal instructions

Part Time Yes Day No

1309642 Transporter-Transport Services* Non-clinical

Under the supervision of the Central Transport Management Team, the Transporter is responsible for providing safe transport for patients, processing and distributing all incoming and departmental mail, and acts as the internal courier for the Medical Center.

High School Diploma/GED required

Good driving record and valid California driver’s license

Transport experience in a healthcare setting preferred

Transporter certification through the CPRMC program preferred

Capable of lifting 50 lbs. or push approx. 300 lbs.

Computer skills desired

Per Diem No Variable No

1307004 Patient Service Representative-Employee Health Services* Non-clinical

The Patient Services Representative supports the Medical Director and Associate Medical Director by providing clerical and administrative assistance in telephone, email, and written communication with patients, clients and insurance carriers. Responsibilities include (but are not limited to):

- Client communication (Doctor’s First Report, Patient Status Report, insurance forms)
- Contacting employers and/or payors for Workers’ Compensation authorization
- Managing dictation/transcription service for clinic
- Screening voicemail/phone calls/emails/faxes to facilitate responses to appropriate referral source
- Scheduling meetings with committees, clients, attorneys.

High School Diploma/GED required

2-3 years of experience in a medical office

Knowledge of HMO/PPO insurance programs, billing procedures, and office scheduling procedures

Full Time Yes Day No

1310519 Security Officer-Security Services* Non-clinical

The Security Officer has the general responsibility for the protection of personnel and property of California Pacific Medical Center. The Security Officer investigates and documents incidents related to the Medical Center and provides necessary liaison between hospital staff and local law enforcement agencies. The officer coordinates with other Integrated Service staff for necessary services under their responsibility. The officer is a representative of the Medical Center and is expected to conduct him or herself in a professional manner at all times. Customers include employees, physicians, volunteers, patients, their families and friends, vendors, payers, and anyone who makes contact with the Medical Center by telephone, correspondence or by entering our doors.

High School Diploma/GED required

Security or related public service experience

Valid DL, no DUI or at fault accidents

College level preferred. Knowledge of California Penal Code with regards to citizen’s arrest

Per Diem No Evening No

1313046 Client Services Representative-Clinical Laboratory* Non-clinical

The Client Services Representative will provide customer service support to all clinical laboratory and technology service clients. This includes (but is not limited to):

- Maintaining the call center, visitor reception, clinical lab report generation and distribution, and clerical support

High School Diploma/GED required

2-3 years of experience in a medical office

Knowledge of HMO/PPO insurance programs, billing procedures, and office scheduling procedures

Per Diem No Day/Evening No

1314672 Food Service Aide-Food and Nutrition* Non-clinical

Performs a wide variety of physical & manual tasks related to the preparation and serving of food as well as cleaning of any and all tools and work areas. Performs all food service-related tasks demonstrating a service orientation to fellow employees, clients, staff and customers.

High School Diploma/GED required

Some experience in large volume food production

Basic Math skills and ability to read and speak English

Per Diem No Day Yes

1200189 Medical Records File Clerk-Staff Lake’s Adult Medicine* Non-clinical

The Medical Records File Clerk maintains all patient records and assists with clerical activities regarding patient records, visitors, and medical and nursing staff.

High School Diploma/GED required

2-3 years of experience in a medical office

Knowledge of HMO/PPO insurance programs, billing procedures, and office scheduling procedures

Per Diem No Day No

1314285 EKG Technician-Non Invasive Cardiology Clinical

Responsible for performing Noninvasive Cardiac diagnostic procedures on pediatric, adult, and geriatric patients and related clinical activity.

Graduated from an accredited EKG Technician certification program Possess at least one year recent full-time as an EKG Technician in a Noninvasive Cardiac laboratory in an acute care facility

Certification by an appropriate cardiovascular technology association preferred

Per Diem No Variable No
EXHIBIT C
NON-CONSTRUCTION FIRST SOURCE EMPLOYER'S PROJECTION OF ENTRY LEVEL POSITIONS

By signing this form, employers agree to participate in the San Francisco Workforce Development System established by the City and County of San Francisco, and comply with the provisions of the First Source Hiring Program pursuant to Chapter 83 of the San Francisco Administrative Code. As an indication of good faith efforts to comply with First Source, the Employer must fill out this form at commencement of contract/tax year to indicate:

- For a Tenant/Sub-tenant, the number of **Entry Level Positions** in the company that are currently filled and those that are currently available on premises leased by the City of San Francisco.
- For the successful Developer, Contractor, or Subcontractor, **Entry Level Positions** that are currently filled and those that will be available during construction work.
- For a tenant of a private commercial project that falls under Chapter 83 provisions of the City Administrative Code, the number of **Entry Level Positions** that are currently filled and those that will be available within the lease holding business at project address.
- For companies applying for the Biotech Payroll Tax Exclusion and Central Market Street and Tenderloin Area Payroll Expense Tax Exclusion, the number of **Entry Level Positions** that are currently filled and those that will be available in the current tax year.
- For a successful organization awarded a City contract in excess of $50,000, the number of **Entry Level Positions** that are currently filled and those that will be available within the business or non-profit organization.
- If positions listed are subject to collective bargaining agreements.

**Note:** If an **Entry Level Position** becomes available during the term of the lease and/or contract, Employer must notify the First Source Hiring Administration.

**Entry Level Position** means a non-managerial position that requires either no education above a high school diploma or certified equivalency, or less than two (2) years of training or specific preparation. **Apprenticeship positions should be included.**

Type of Employer (check one):
- [ ] Tenant
- [ ] Subtenant
- [x] Developer
- [ ] Biotech Payroll Tax Exclusion applicant
- [ ] Contractor
- [ ] "Scene in San Francisco" Rebate applicant
- [ ] Subcontractor
- [ ] Central Market Street and Tenderloin Area Payroll Expense Tax Exclusion applicant

Identify Project or Construction Project (if applicable):
Name of Employer: California Pacific Medical Center
Street Address: P.O. Box 7999
City: San Francisco
Telephone: 415-600-7340
Fax: 415-600-7339

City Department (if Contract or Lease):
Contact Person: Maynard Jenkins, Regional VP Human Resources
State: CA
Zip: 94120
Email: jenkinsml@sutterhealth.org

Signature of authorized employer representative

Date: April 8, 2014

<table>
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<tr>
<th>Entry Level Position Title</th>
<th>Number Currently Filled</th>
<th>Number Currently Available</th>
<th>Number Projected to Become Available in the next 12 Months</th>
<th>Estimated Date of Next Available Position</th>
<th>Subject to Collective Bargaining? (Yes/No)</th>
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<tr>
<td>Food Service Aide</td>
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<td>13</td>
<td>April-July</td>
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<tr>
<td>Cooks</td>
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<td>2</td>
<td>4</td>
<td>June-August</td>
<td>Yes</td>
</tr>
<tr>
<td>Security Officer</td>
<td>58</td>
<td>1</td>
<td>13</td>
<td>January-March</td>
<td>No</td>
</tr>
<tr>
<td>Transporter/Transport Aide</td>
<td>83</td>
<td>2</td>
<td>9</td>
<td>February-April</td>
<td>No</td>
</tr>
<tr>
<td>Sales Gift Shop</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>February-April</td>
<td>No</td>
</tr>
<tr>
<td>Clerk/Receptionist</td>
<td>24</td>
<td>1</td>
<td>0</td>
<td>N/A</td>
<td>No</td>
</tr>
<tr>
<td>Phlebotomy/Specimen Handling Lab Aide</td>
<td>40</td>
<td>0</td>
<td>1</td>
<td>September-November</td>
<td>No</td>
</tr>
<tr>
<td>EKG Technician</td>
<td>12</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
<td>No</td>
</tr>
<tr>
<td>Medical Assistant</td>
<td>31</td>
<td>0</td>
<td>11</td>
<td>June-September</td>
<td>No</td>
</tr>
<tr>
<td>Rehabilitation Aide</td>
<td>16</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
<td>No</td>
</tr>
<tr>
<td>Aquatic Instructor</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
<td>No</td>
</tr>
<tr>
<td>Speech Therapy Aide</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
<td>No</td>
</tr>
<tr>
<td>Pathology Lab Accessioner</td>
<td>5</td>
<td>1</td>
<td>1</td>
<td>January-April</td>
<td>No</td>
</tr>
<tr>
<td>Category</td>
<td>Vendor</td>
<td>Site</td>
<td>Total</td>
<td>N/A</td>
<td>Period</td>
</tr>
<tr>
<td>-----------------------------------------</td>
<td>--------</td>
<td>-----</td>
<td>-------</td>
<td>-----</td>
<td>-------------</td>
</tr>
<tr>
<td>Client Services Representative</td>
<td>12</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
<td>July-September</td>
</tr>
<tr>
<td>Patient Services Representative</td>
<td>12</td>
<td>0</td>
<td>1</td>
<td>N/A</td>
<td>No</td>
</tr>
<tr>
<td>Patient Registration Representative</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>N/A</td>
<td>No</td>
</tr>
<tr>
<td>Point of Service Specialist</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>N/A</td>
<td>No</td>
</tr>
<tr>
<td>PBX Operator</td>
<td>7</td>
<td>0</td>
<td>3</td>
<td>N/A</td>
<td>Yes</td>
</tr>
<tr>
<td>Administrative Coordinator</td>
<td>9</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
<td>Yes</td>
</tr>
<tr>
<td>Certified Home Health Aide</td>
<td>11</td>
<td>0</td>
<td>1</td>
<td>N/A</td>
<td>Yes</td>
</tr>
<tr>
<td>Certified Nursing Assistant</td>
<td>9</td>
<td>0</td>
<td>2</td>
<td>N/A</td>
<td>Yes</td>
</tr>
<tr>
<td>Hospital Attendant</td>
<td>18</td>
<td>7</td>
<td>5</td>
<td>N/A</td>
<td>No</td>
</tr>
<tr>
<td>Certified Hospital Attendant</td>
<td>70</td>
<td>0</td>
<td>4</td>
<td>N/A</td>
<td>Yes</td>
</tr>
<tr>
<td>Unit Coordinator</td>
<td>96</td>
<td>15</td>
<td>8</td>
<td>N/A</td>
<td>No</td>
</tr>
<tr>
<td>Emergency Dept. Technician</td>
<td>12</td>
<td>0</td>
<td>5</td>
<td>N/A</td>
<td>No</td>
</tr>
</tbody>
</table>

**Other Entry-Level Positions**

<table>
<thead>
<tr>
<th>Category</th>
<th>Vendor</th>
<th>Site</th>
<th>Total</th>
<th>Period</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patient Support Representative</td>
<td>7</td>
<td>0</td>
<td>5</td>
<td>June-September</td>
<td>No</td>
</tr>
<tr>
<td>Patient Access Representative</td>
<td>81</td>
<td>0</td>
<td>1</td>
<td>May-August</td>
<td>No</td>
</tr>
<tr>
<td>Central Distribution Aide</td>
<td>22</td>
<td>0</td>
<td>1</td>
<td>July-September</td>
<td>Yes</td>
</tr>
<tr>
<td>Dietary Clerk</td>
<td>5</td>
<td>0</td>
<td>1</td>
<td>April-June</td>
<td>No</td>
</tr>
</tbody>
</table>

*Please fax, email, or mail this form SIGNED to:*

Attn: Business Services  
Tel: 415-701-4848  
Fax: 415-701-4897
ATTACHMENT 4

Construction and Local Business Enterprise Hiring
## 2013 Construction Workforce Development

**First Source Hiring Program for Construction**

<table>
<thead>
<tr>
<th>Category</th>
<th>Goal</th>
<th>Actual</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. New and core opportunities for union journeymen and apprentices</td>
<td>30% of trade hours worked by San Francisco Residents</td>
<td>36.16%</td>
<td></td>
</tr>
<tr>
<td>2. Entry-Level Positions for union apprentice candidates</td>
<td>50% of new hire opportunities filled with System Referrals</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>3. Create Workforce Development Group</td>
<td>Creation of Group</td>
<td>Meeting held October 31, 2013</td>
<td></td>
</tr>
<tr>
<td>4. Entry-Level Positions for non-union administrative and engineering candidates</td>
<td>50% of new hire opportunities filled with System Referrals</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>5. Entry-Level Positions for administrative and engineering internship candidates</td>
<td>50% of new hire opportunities filled with System Referrals</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>6. Number of apprentice hours for new union apprentices</td>
<td>21% of hours for new union apprentices by System Referrals</td>
<td>26.59%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>Goal</th>
<th>Actual</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>7. Contracting with Local Business Enterprises</td>
<td>14% of the value of all Contracts</td>
<td>10%</td>
<td></td>
</tr>
</tbody>
</table>

- **San Francisco Resident Construction Hiring Goals:** Construction hiring goals are to have 30% of the total hire hours performed by San Francisco Workforce, including 50% for new apprentice positions. Coordinated meetings between the Office of Economic & Workforce Development (OEWD)–CityBuild, trade partners and subcontractors to develop a work plan with regards to our efforts to achieve these goals.

- **San Francisco Workforce Hours for construction hires from Elation Systems**
  Goal of 30%. Achieved 36.16% of total 2013 construction hours. *(Exhibit A)*
San Francisco Workforce Hours for apprentice hires from Elation Systems
Goal of 50%. Achieved 50% for 2013 and in compliance based on the good faith efforts. For the four months of 2013 that this document covers two new hire opportunities for apprentices became available, one was filled with a system referral. In 2014, HerreroBOLDT has begun to engage in a long range workforce projection of apprentice opportunities with CityBuild for the CPMC construction projects. This projection will identify apprentice opportunities in scopes of work that can be filled by CityBuild Academy graduates or students. For apprentice opportunities that are not filled by CityBuild Academy graduates or students, HerreroBOLDT will work with CityBuild to coordinate targeted outreach to identify candidates for these opportunities. An example of a scope where we anticipate opportunity would be waterproofing, which will happen in 2014. HerreroBOLDT is currently working with the SFUSD Tech21 program in building capacity for the apprentice pipeline. We will be hosting summer construction interns & will be mentoring graduates of the Tech21 program.

The Workforce Development Group for the projects which includes HerreroBOLDT, Trade Partners, Union Representatives, CityBuild and CPMC was established and the first meeting was held on October 31st 2013 (Exhibit B).

Administrative and Project Engineer Interim Hiring: Goal of 50%. Achieved 100% for 2013. During the course of the first four months of activity, September 2013 to December 2013 HerreroBOLDT filled 100% of entry level administrative positions with system referrals for the Construction Administrative and Professional Services Academy, an OEWD funded program. HerreroBOLDT also filled 100% of Project Engineering positions with San Francisco residents

- LEED Project Coordinator
- Front Desk Administrator
- Project Administrator
- Workforce Development – Project Engineer
- Site and Structure – Project Engineer

LBE Program: Goal of 14%. Achieved 10% for 2013 and in compliance based on the good faith efforts. The goals for the Local Business Enterprise (LBE) program are 14% San Francisco based business contracting with no distinction between Contract Monitoring Division (CMD) certified and HerreroBOLDT certified. 1 10% of the total construction cost from September 2013 until the end of December 2013 at the Van Ness and Geary Campus was awarded to or contracted with San Francisco Based Business. A highlight of our local business contracting efforts is that 31% of the tenant improvement work for the construction project office at 1200 Van Ness being performed by San Francisco Based Businesses. The 1200 Van Ness construction project office is in the old Circuit City store located at Van Ness and Post Street which closed five years ago and remained vacant until the hospital project at Van Ness and Geary started in September 2013. The Integrated Project Delivery Team which consist of the owner, Sutter Health CPMC, the construction contractor HerreroBOLDT, the architect SmithGroupJJR and most of the major trade partners which include Rosendin Electric, Southland Industries, California Drywall are co-located in the construction project office and will be there for the duration of the project. (Exhibit C).

Each of CPMC’s major trade partners performing work in 2013 (Bayview Environmental with Eco Bay, McGuire and Hester with Phoenix Electric, Ferma Corporation with Team North) sub contracted with a LBE firm certified with the Contract Monitoring Division. Through the preconstruction process HerreroBOLDT did extensive outreach to LBEs about opportunities on the projects and continues to outreach to San Francisco based

---

1 CPMC/OEWD Workforce Agreement (8/8/13), Section B.2, 3(a) – (l) defines “LBE”
businesses to provide opportunities within the LBE program. The following contractors have commitments to perform work on the projects: Kwan Wo Ironworks, H & M Fire Protection, Team North, Yolanda’s Construction Administration and Traffic Control, Rubecon Construction, Giron Construction, Clipper International Martin Ron & Assoc., Harrison Drywall, Lawson Roofing, The M Line, BergDavis Public Affairs and Merrweather & Williams. In addition, Black Bear security has been retained by the owner to provide office and construction job site security. In 2014 HerreroBOLDT will work with the Contract Monitoring Division of the City and County of San Francisco to develop a standard reporting format.

- **Website Development:** M Line & Berg Davis were engaged to develop the construction information website. On October 29th we migrated the content of the original RebuildCPMC.org and took control over the domain. We have continued to post construction updates and information about the construction activity at the Van Ness and Geary Campus. On Nov. 22, 2013 the domain name was changed to CPMC2020.org and a new look web site was launched January 30th 2014. The web site will have forms for both San Francisco trades persons and businesses (LBE) to have the opportunity to submit their information for consideration in hiring. (Website information in Exhibit D).

- **Preconstruction Meetings with Trade partners and CityBuild**
  - Bayview Environmental and Ferma Corporation (September 20, 2013)
  - Clipper International (October 2, 2013)
  - McGuire and Hester, Phoenix Electric, Eco-Bay (October 30, 2013)
  - 100% of Contractors have submitted Form 1s with CityBuild

- **CityBuild Workforce Training:**
  - Southland Industries conducted two training modules at CityBuild Academy on Aug. 14, 2013. Southland Industries brought both their Piping and Sheet Metal instruction modules to the Academy with graduates of the program involved in the teaching. HerreroBOLDT taught 12 extended learning classes at the Construction Admin and Professional Services Academy (CAPSA) during the course of the fall 2013 semester. HerreroBOLDT supplements the program’s curriculum with construction industry instruction. HerreroBOLDT, OEWD – CityBuild, Asbestos Abatement Workers Union Local 67 and industry partners collaborated on an Asbestos Abatement training to provide lead and asbestos training, physicals and union indentures for San Franciscans which included residents of the Western Addition.

- **Additional Community Engagement:**
  - HerreroBOLDT attended the following events in the community for 2013
    - Youth Community Developers, Inc. 40th Anniversary 9/20/13
    - Mission Economic Development Agency 40th Anniversary 9/26/13
    - CityBuild Open House 9/27/13
    - Contract Monitoring Division Vendor Fair 10/7/13
    - SFSU Engineering Department Alumni MEP program BBQ 10/12/13
    - San Francisco Conservation Corps Graduation 10/17/13
    - CityBuild Academy Graduation 10/23/13
    - Moose Feed – SF Building and Construction Trades Council 12/13/13
    - Opening of PUC’s Contractor Assistance Center 12/16/13
    - Magic Zone Workforce Mixer 12/17/2013
    - Construction Admin and Professional Service Academy Graduation 12/19/13
    - San Francisco Firefighter Holiday Toy Drive 12/20/13

  - We produce a quarterly newsletter to update the community around the Van Ness and Geary and St Luke’s campuses about the activity generated by construction (Exhibit E).
EXHIBIT A
VNGC Hospital Project Summary
Overall - 2013

% SF Resident Hours

<table>
<thead>
<tr>
<th>Trade Partners</th>
<th>Total Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clipper</td>
<td>746</td>
</tr>
<tr>
<td>Ferma</td>
<td>6,285</td>
</tr>
<tr>
<td>HerreroBoldt</td>
<td>1,882</td>
</tr>
<tr>
<td>McGuire &amp; Hester</td>
<td>325</td>
</tr>
<tr>
<td>Phoenix Electric</td>
<td>94</td>
</tr>
<tr>
<td>Rosendin Electric</td>
<td>1,058</td>
</tr>
<tr>
<td>Sheedy Drainage</td>
<td>0</td>
</tr>
<tr>
<td>Reliance Electric</td>
<td>1,000</td>
</tr>
</tbody>
</table>

OVERALL PROJECT TOTAL HOURS
### Workforce Contractor Summary
**HerreroBoldt Partners**
**From 09/03/2013 to 12/31/2013**

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Total Hours</th>
<th>Apprentice Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>San Francisco Residents</td>
</tr>
<tr>
<td>TOTAL</td>
<td>10805.50</td>
<td>3907.00</td>
</tr>
<tr>
<td>Clipper International</td>
<td>746.00</td>
<td>530.00</td>
</tr>
<tr>
<td>Ferma Corporation</td>
<td>6285.00</td>
<td>1944.00</td>
</tr>
<tr>
<td>Herrero Contractors, Inc.</td>
<td>1881.50</td>
<td>919.00</td>
</tr>
<tr>
<td>McGuire and Hester</td>
<td>725.00</td>
<td>138.00</td>
</tr>
<tr>
<td>Phoenix Electric Company</td>
<td>94.00</td>
<td>6.00</td>
</tr>
<tr>
<td>Rosendin Electric, Inc.</td>
<td>1058.00</td>
<td>370.00</td>
</tr>
<tr>
<td>Sheedy Drainage Co</td>
<td>16.00</td>
<td></td>
</tr>
</tbody>
</table>

**NOTES: Projects List**

--Cathedral Hill Hospital
EXHIBIT B
Van Ness & Geary Campus & Replacement Hospital at St. Luke’s Campus

Workforce Development Group

October 31, 2013
Our Workforce Development Program Overview

- Goals for hiring San Francisco residents
  - Entry level administrative and engineering positions
  - Field Union Labor (needs touch up)

- Goals for hiring San Francisco based companies
Our Workforce Development Program
Hiring of San Francisco Residents

- Union Field Labor – Journeyman and Apprentice
  - Goal of 30% of all trade hours combined to be performed by San Francisco residents
  - Each field trade partner will work with HerreroBoldt and OEWD to develop a plan to achieve the goal
Our Workforce Development Program
Hiring of San Francisco Residents

- Union Field Labor – Apprentices
  - Unique apprentice pipeline program for new entry level apprentice candidates
  - CityBuild graduates (San Francisco residents) are given first consideration for 50% of new entry apprentice opportunities
  - Focus on Apprentice to Journeyman program
Our Workforce Development Program
Hiring of San Francisco Residents

- Entry Level Administrative and Engineering Positions
  - San Francisco residents are given first consideration for 50% of new hire opportunities
  - Entry level positions include those that require a high school diploma or less than 2 years of additional training
  - Utilizing partnership of OEWD and Mission Hiring Hall to source candidates
Plan

Our Workforce Development Program
(Commitment for Success)

- Training
  - Trade Partners & Union participation with CityBuild Academy programs
  - CityBuild Academy – CCSF (Construction Skills & Knowledge)
  - Mission Hiring Hall - CAPSA (Construction Administration & Professional Services Academy) HerreroBoldt teaches 13 classes every cycle.
Our Workforce Development Program
Contracting with San Francisco Businesses

- Goal of 14% of cost of all construction contracts
- Includes all tiers
- San Francisco based company
  - Certified by the CMD as a LBE (Local Business Enterprise)
  - Certified by the project
Our Workforce Development Program
Additional Components

- Outreach in San Francisco by attending community partners' events (i.e. CityBuild graduation)
- Involvement of each HerreroBoldt & Trade Partner Employee
- Reporting through Elation System
- Nothing stopping us from going beyond our stated goals
Report on Local Hire Goals - Elation System

- Field Side by Project
Report on Local Hire Goals - Elation System

- Field Side by Trade

### San Francisco Resident Hours By Trade

<table>
<thead>
<tr>
<th>Work Force Goals</th>
<th>Total Hours</th>
<th>Hour %</th>
<th># of Workers</th>
<th>Worker %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Residents (San Francisco Residents)</td>
<td>183</td>
<td>36.02%</td>
<td>2</td>
<td>28.57%</td>
</tr>
<tr>
<td>Total Minority</td>
<td>10</td>
<td>2.01%</td>
<td>1</td>
<td>14.29%</td>
</tr>
<tr>
<td>Total New Hires</td>
<td>0</td>
<td>0.00%</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Total Women</td>
<td>0</td>
<td>0.00%</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td>Total (All Localities)</td>
<td>497</td>
<td></td>
<td>7</td>
<td></td>
</tr>
</tbody>
</table>

### Project Details

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Company Name</th>
<th>Trade Description</th>
<th>Total Hours Worked</th>
<th>San Francisco Residents</th>
<th>San Francisco Residents %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cathedral Hill Hospital</td>
<td>Herrero Contractors, Inc.</td>
<td>CARPENTER AND RELATED TRADES</td>
<td>172</td>
<td>148</td>
<td>86.05%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>LABORER AND RELATED CLASSIFICATIONS</td>
<td>252</td>
<td></td>
<td>0.00%</td>
</tr>
<tr>
<td></td>
<td>Rosendin Electric, Inc.</td>
<td>ELECTRICIAN</td>
<td>73</td>
<td>35</td>
<td>47.95%</td>
</tr>
</tbody>
</table>
Report on Local Hire Goals - Elation System

- Field Side by Trade
Report on Local Hire Goals-Elation System

• Administrative Internship Positions-HerreroBoldt
  • Tiffany Turner
  • Beverly Byrd
  • David Bruntlett (Became a full time employee in October 2013)
Trade Partner Review

- Bayview Environmental/ECOBAY
- Ferma

Work Relations
Future Trade Partners

- Malcolm Drilling
- Ryan Engineering

Workforce Plan
New Entry/Apprentice Opportunities

Work Relations
Union Representative

- Reports on Current Levels of San Francisco Workers and Areas for Collaboration
  - Local 67
  - Local 261
  - OE Local 3
EXHIBIT C
**LBE EXHIBIT FOR 1200 VAN NESS PROJECT OFFICE**

**TENANT IMPROVEMENTS**

<table>
<thead>
<tr>
<th>Tenant Improvements</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>01 Giron Construction</td>
<td>$110,347.74</td>
<td>$245,267.60</td>
</tr>
<tr>
<td>01 Herrero Builders</td>
<td></td>
<td>$14,821.25</td>
</tr>
<tr>
<td>01 Interior Motions</td>
<td>$59,963.67</td>
<td>$85,662.38</td>
</tr>
<tr>
<td>01 Supply Closet</td>
<td></td>
<td>$12,268.90</td>
</tr>
<tr>
<td>01 3 Day Blinds</td>
<td></td>
<td>$4,469.70</td>
</tr>
<tr>
<td>01 Forderer Cornice</td>
<td></td>
<td>$518.00</td>
</tr>
<tr>
<td>01 Able Building Maintenance</td>
<td></td>
<td>$5,600.00</td>
</tr>
<tr>
<td>01 Recology</td>
<td></td>
<td>$325.00</td>
</tr>
<tr>
<td>08 United CA Glass &amp; Door</td>
<td>$16,530.71</td>
<td>$16,530.71</td>
</tr>
<tr>
<td>23 Value Fire Protection</td>
<td>$5,676.00</td>
<td>$5,676.00</td>
</tr>
<tr>
<td>23 Southland Industries</td>
<td></td>
<td>$67,022.00</td>
</tr>
<tr>
<td>26 Rosendin Electric</td>
<td></td>
<td>$146,861.00</td>
</tr>
<tr>
<td>26 McMillan Security</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>$192,518.12</td>
<td>$605,022.54</td>
</tr>
</tbody>
</table>

From HerreroBoldt Invoice Summary 10/23/2013

LBE’s are highlighted in yellow and comprise 31% of the construction cost for the tenant improvements
EXHIBIT D
New Web Site Screenshots

Collaborate, Really Collaborate
Increase Relatedness
Optimize the Whole
Tightly Couple Learning with Action
Projects as Networks of Commitments
Meet One of Our San Francisco-Based Business Partners

Giron Construction and HerreroBOLDT joined forces in June 2012 when retired Marine Colonel and San Franciscoan Bruce Giron’s company was hired to provide a wide range of construction services worth approximately a quarter million dollars. Integrated into the Bayview-Hunters Point community, Giron Construction is actively putting area locals to work while also supporting the efforts of other neighborhood veteran-owned businesses. Since starting operation in 2009, Giron Construction has been meeting a self-imposed standard of hiring over 75 percent locally. In just three years Giron Construction has achieved California certification and has grown from a one man shop to a 10 person top-notch construction force. Giron Construction continues to achieve its goals of meeting both the public and private sectors’ needs, and CPMC 2020 is proud to collaborate with a business building an example in its community.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Van Ness and Geary Hospital</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mobilization, Demolition,</td>
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<td>Excavation and Shoring</td>
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<td>Tunnel Construction</td>
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<tr>
<td>Hospital Construction</td>
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<td>Training, Stocking and Licensing</td>
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<tr>
<td><strong>Medical Office Building (MOB)</strong></td>
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<td>Mobilization, Demolition,</td>
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<td>Training, Stocking and Licensing*</td>
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</tbody>
</table>

*MOB dates are tentative
Collaborate, Really Collaborate
Increase Relatedness
Optimize the Whole
Tightly Couple Learning with Action
Projects as Networks of Commitments
Trade Person Interest Form for CPMC Construction Projects

Instructions:
- This form is intended to be completed as an electronic document. Please fill in all fields. Handwritten profiles will also be accepted.
- After completing the form please sign and email a scanned copy to Miquel Penn at HerreroBoldt (mpenn@herrero.com). Forms may also be faxed to Miquel Penn at 415.931.3521. Subject line for email or fax shall be "Trade Person Form for CPMC".

Contact Information

First Name  
Last Name  
Home Phone  
Cell Phone  
Residence Zip Code

Trade Information

Trade Union Affiliation  
In good standing with the Union?  
☐ Yes  ☐ No  
Specialized certifications or training, if applicable

Trade Skill Level  
☐ Journeyman  ☐ Apprentice  
Apprentice Level, if applicable

Construction Experience

Types of Projects Worked On (Hospital, Residential, etc.)  
Role on Projects (i.e. Lead Person, Foreman, etc.)

Leadership Experience  
Proof of legal ID and Social Security can be provided on first day of work  
☐ Yes  ☐ No

Today’s Date  Availability Date  Signature

www.cpmc2020.org
The Van Ness and Geary Campus is covered by a Project Labor Agreement with the local trade unions. Companies interested in contracting opportunities need to be signatory with the local labor unions or must be willing to sign a project specific agreement with the labor unions.

Instructions:
- This form is intended to be completed as an electronic document. Please fill in all fields. Handwritten profiles will also be accepted.
- After completing the form please sign and email a scanned copy of Page 2 to Miquel Penn at HerreroBoldt (mpenn@herrero.com). Forms may also be faxed to Miquel Penn at 415.931.3521. Subject line for email or fax shall be "Contractor Form for VNGC".

## Project Summary

**PROJECT DESCRIPTION:**
Located on Van Ness at Geary, approximately 740,000 square feet, 12 stories, 274 bed New Hospital

**TOTAL PROJECT CONSTRUCTION VALUE:**
$1.050 Billion

**PROJECT SCHEDULE:**
Estimated 2013-2019

## Potential Opportunities by Trade

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<thead>
<tr>
<th>1ST TIER OPPORTUNITIES:</th>
<th>1ST TIER CONTACTS WITH 2ND TIER OPPORTUNITIES</th>
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</thead>
<tbody>
<tr>
<td>• Coiling/Special Doors</td>
<td>• Concrete</td>
</tr>
<tr>
<td>• Storefront – Interior</td>
<td>• Metal Deck</td>
</tr>
<tr>
<td>• Masonry</td>
<td>• Louvers &amp; Vents</td>
</tr>
<tr>
<td>• Terrazzo Flooring</td>
<td>• Casework Installation</td>
</tr>
<tr>
<td>• Acoustic Finishes</td>
<td>• Drywall &amp; Framing</td>
</tr>
<tr>
<td>• Signage</td>
<td>• Fire stopping</td>
</tr>
<tr>
<td>• Operable Partitions</td>
<td>• Doors, Frames &amp; Hardware</td>
</tr>
<tr>
<td>• Toilet Accessories &amp; Partitions</td>
<td>• Glazing – Exterior</td>
</tr>
<tr>
<td>• Lockers</td>
<td>• Acoustical Ceilings</td>
</tr>
<tr>
<td>• Parking Control Equipment</td>
<td>• Ceramic Tile</td>
</tr>
<tr>
<td>• Loading Dock Equipment</td>
<td>• Carpet &amp; Resilient Flooring</td>
</tr>
<tr>
<td>• File Storage Systems</td>
<td>• Painting &amp; Wall covering</td>
</tr>
<tr>
<td>• Miscellaneous Specialties</td>
<td>• Planting &amp; Irrigation</td>
</tr>
<tr>
<td>• Site Furnishings</td>
<td>• Underground Utilities</td>
</tr>
<tr>
<td>• Concrete Paving</td>
<td>• Food Service Equipment</td>
</tr>
<tr>
<td>• Curbs &amp; Gutters</td>
<td>• Electronic Safety &amp; Security</td>
</tr>
<tr>
<td>• Pavement Markings, Bumpers &amp; Signs</td>
<td>• Fire Sprinklers</td>
</tr>
<tr>
<td>• Fences &amp; Gates</td>
<td>• Plumbing</td>
</tr>
<tr>
<td>• Water Tank Liners</td>
<td>• Fuel Tanks &amp; Pumping System</td>
</tr>
<tr>
<td>• Temporary Rentals</td>
<td>• HVAC</td>
</tr>
<tr>
<td>• Hoists</td>
<td>• Electrical</td>
</tr>
<tr>
<td></td>
<td>• Communications Cabling</td>
</tr>
</tbody>
</table>

[www.cPMC2020.org](http://www.cPMC2020.org)
San Francisco Based Contractor (LBE) Interest Form for CPMC Hospital at the Van Ness and Geary Campus

**Contact Information**

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Street Address (Corporate HQ)</th>
</tr>
</thead>
<tbody>
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</table>

<table>
<thead>
<tr>
<th>City</th>
<th>State</th>
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</thead>
<tbody>
<tr>
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</table>

<table>
<thead>
<tr>
<th>Zip Code</th>
<th>Telephone</th>
<th>Key Contact Email</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

**Company Information**

<table>
<thead>
<tr>
<th>Type of Business (Corporation, Partnership, JV, etc.)</th>
<th>Are you certified with the City and County of San Francisco Contract Monitoring Division (CMD)?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>□ Yes   □ No</td>
</tr>
</tbody>
</table>

If yes, complete the following and provide copies of all certifications listed:

<table>
<thead>
<tr>
<th>Certificate #</th>
<th>Certified for</th>
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<tbody>
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</table>

<table>
<thead>
<tr>
<th>Certification Type: □ Micro □ Small</th>
</tr>
</thead>
</table>

Ownership Type: □ MBE □ WBE □ OBE

If no, have you been certified by the CMD, ODWD or HRC in the past?

<table>
<thead>
<tr>
<th>□ Yes   □ No</th>
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</thead>
</table>

Are you certified with other governmental agencies in addition to the SF CMD?

<table>
<thead>
<tr>
<th>□ Yes   □ No</th>
</tr>
</thead>
</table>

If yes, complete the following and provide copies of all certifications listed:

<table>
<thead>
<tr>
<th>Certificate #</th>
<th>Certified for</th>
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<tbody>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Certification Type: □ Micro □ Small</th>
</tr>
</thead>
</table>

Ownership Type: □ MBE □ WBE □ OBE

**Annual Revenue Last 2 Years**

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**List work normally performed by your own direct employees**

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**Name of Preparer**

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**Date**

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**Signature**

<p>| |</p>
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www.cpmc2020.org
EXHIBIT E
The demolition of the Cathedral Hill Hotel in San Francisco began with a kickoff ceremony. This event marks the beginning of the construction for the new California Pacific Medical Center Van Ness and Geary Campus.

The event was the culmination of several years of development talks between city and hospital officials over the projects.

Mayor Ed Lee joined CPMC CEO Warren Browner, Mike Cohill, President of Sutter Health West Bay Region, and others at a ceremony Tuesday morning October 29, 2013 to celebrate the milestone. Work to remove the shuttered hotel at Van Ness Avenue and Geary Boulevard began last month.

In July, the mayor approved plans for the new 274 hospital at Van Ness and Geary as well as plans for a new 120-bed hospital at CPMC’s existing St. Luke’s campus in the Mission District. Excavation for the Van Ness and Geary Campus will start in April after the demolition work is complete and it is expected to open by 2019.

"This is a day we've looked forward to for a long time," Lee said.

Several speakers who participated in the event addressed the importance of the new hospital construction. Speakers included Mike Theriault of the San Francisco Building and Construction Trades Council; Dr. Michael Rokeach, Chief of Staff at CPMC and Marilen Logan, Nurse Manager at CPMC’s St. Luke’s Campus.

“Building two new hospitals ensures that San Franciscans continue to receive necessary care especially in the event of a major earthquake,” Cohill said.
Workforce Development - Creating Opportunities

We are on a mission - a mission to create opportunities, to create jobs. With an unparalleled level of commitment and collaboration, HerreroBoldt and our Trade Partners are working closely with the Building Trade Unions, Community Programs/Partners and the Office of Economic and Workforce Development to create partnerships that will sustain themselves long after the completion of the CPMC Van Ness and Geary Campus and the replacement hospital at St. Luke’s.

CityBuild Academy, just completing it’s 17th Cycle, has become a benefactor of our commitment. We have added more classes to the hands-on training since we began our engagement during Cycle 11. Over the past Cycles, hands-on classes included tile setting by D&J Tile, electrical by Rosendin Electric, the IBEW JATC and Local 6, plumbing and sheet metal by Southland Industries and fire sprinklers by RLH Fire Protection.

With a dozen volunteers responsible for the development of curriculum, our Mission Hiring Hall - Construction Administration & Professional Services Academy (CAPSA) involvement has been a huge success with the students.

Community Outreach

CPMC has a strong history of community outreach designed to foster employment opportunities for disadvantaged individuals, including partnerships with Community-Based Organizations (CBO’s), The San Francisco Office of Economic and Workforce Development (OEWD), and the CityBuild Program (CityBuild). CPMC, HerreroBoldt and its Trade Partners are making a positive impact on the lives of San Francisco residents through community outreach.

Every week, HerreroBoldt volunteers teach a variety of topics related to the basics of construction including Project Start-up, Contracts, Insurance & Bonds, Lean Construction, Payroll, Cost Management, BIM and Document Management. The program prepares San Francisco residents for entry-level careers as professional construction office administrators. We currently have 3 graduates on staff and 4 interns. We will be looking for more internship opportunities as our projects progress.

Fall Community Events Attended

- Youth Community Developers, Inc 40th Anniversary 9/20/13
- Mission Economic Development Agency 40th Anniversary 9/26/13
- CityBuild Open House 9/27/13
- Contract Monitoring Division Vendor Fair 10/7/13
- SFSU Engineering Department Alumni MEP & MESA program BBQ 10/12/13
- San Francisco Conservation Corps Graduation 10/17/13
- CityBuild Academy Graduation 10/23/13
Trade Partner Spotlight!

FERMA currently serves the entire San Francisco Bay Area with its Green Box hauling services. Since 1963, FERMA Corporation has adopted a simple business principle; create unparalleled value by using the latest in machinery and technology. This principle, combined with 50+ years of knowledge and experience, has allowed FERMA to become a national leader in general engineering and demolition services. By continuously redefining industry standards, FERMA has successfully managed to tackle some of the most difficult and complex projects in scope, time, and budget. At this time, FERMA is at 40% San Francisco resident work hours and it is working with San Francisco trucking companies for the off hauling portion.

San Francisco Residents

David Bruntlett is a native of Seattle, Washington and currently lives in the Sunnyside neighborhood in San Francisco with his wife and two cats. In his spare time, David enjoys playing music, reading, watching the Giants and 49ers and traveling when possible. His career experience spans the fast-paced wealth management industry supporting retail brokers at Morgan Stanley Smith Barney, with experience in processing trade submissions and fund transfers. David came to the project through the Construction Administration Professional Services Academy.

Cristina Ayats - Project Engineer

Cristina was born in Valencia; east of Spain, by the Mediterranean Sea and she is the youngest of three siblings. Cristina is working as a Project Engineer for the Structural Engineering Team for HerreroBoldt. Cristina holds a BA degree in architecture (specializing in structure) and a Master’s Degree in Concrete Engineering from the Polytechnic University of Valencia, Spain. Cristina is now a San Francisco resident.

David Bruntlett - Project Coordinator

Tiffany Turner - Front Desk

Tiffany was born in the Western Addition neighborhood in San Francisco and is the middle of three sisters. Tiffany came to the project through the Construction Administration Professional Services Academy. She is the owner of “Coco Brownies” a gourmet brownie business. Tiffany was the Director of an after school program and enjoys shopping, baking and reading. She is a San Francisco resident and also very fashionable!

For more information check our new website at www.cpmc2020.org
ATTACHMENT 5
St. Luke’s Increment 1
Milestone Completion Notice
To: Elizabeth Watty, Assistant Director of Current Planning, City and County of San Francisco  
From: Phil Kay, Sutter Health  
Date: February 27, 2014  
Re: Milestone Completion Notice

As required by Section 4.2.3 of the Development Agreement CPMC shall provide a Milestone Completion notice to the City within thirty days following the completion of each milestone listed in the Schedule and Phasing Plan (Exhibit C), from CPMC's project manager for the construction of the St. Luke's Campus Hospital, which shall, to the best of such individual’s knowledge following reasonable due diligence: (i) confirm the completion of the Milestone, (ii) update the construction schedule for each and describe any material changes to the schedule and the reasons therefore, (iii) describe any existing or anticipated material delays in meeting the Milestones that follow, and (iv) confirm CPMC’s expectation to satisfy the St. Luke's Campus Hospital Opening Deadline. The completion of the San Jose Avenue project milestone was managed by the Department of Public Works and was satisfied in 2013.

As indicated by the attached acceptance letter from the California Office of Statewide Health Planning and Development (OSHPD), the submittal of Increment 1 to OSHPD occurred on February 3, 2014 and, accordingly, this Milestone is satisfied. Please see updated construction schedule attached. There are no anticipated material delays in meeting future Milestones, assuming continued cooperation with OSHPD.

Very truly yours,

Phil Kay  
Project Manager  
Sutter Health
TO
John Chin
ADDRESS:
OSHPD FDD
400 R Street, Suite 200
Sacramento, CA 95811
FROM
Reaz Haque, Project Architect
ADDRESS
SmithGroup, 301 Battery Street, 7th Floor
San Francisco, CA 94111

WE ARE SENDING YOU: ATTACHED ☐ UNDER SEPARATE COVER ☒ VIA: Hand Carry

THE FOLLOWING

Increment 1, Segment 3A: Structural Foundation and Frame

Drawings: 2 copies, full size drawings
Structural Calculations: 2 copies
Letter of Authorization
Project Application Forms
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<td>Hospital</td>
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<td>Temporary &amp; Permanent Power Underground Infrastructure</td>
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<td>Water Line Relocation &amp; Other Make Ready Work</td>
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</table>
ATTACHMENT 6
Transportation Demand Management
## 2013 CPMC OFF-SITE PARKING SUBSIDIES

<table>
<thead>
<tr>
<th>CAMPUS</th>
<th>OFF-SITE PARKING LOCATION</th>
<th>OFF-SITE CONTRACTED SPACES</th>
<th>EMPLOYEES WITH PARKING SPOTS</th>
<th>PERCENT OF EMPLOYEES W/SUBSIDY</th>
</tr>
</thead>
<tbody>
<tr>
<td>PAC</td>
<td>Japan Center 1610 Geary Boulevard San Francisco 94114</td>
<td>400</td>
<td>376</td>
<td>100%</td>
</tr>
<tr>
<td>CAL</td>
<td>Geary Mall Garage 5200 Geary Blvd. San Francisco 94114</td>
<td>80</td>
<td>53</td>
<td>100%</td>
</tr>
<tr>
<td>FOLSOM</td>
<td>777 Harrison St. San Francisco 94107</td>
<td>22</td>
<td>14</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>350 2nd Street San Francisco 94107</td>
<td>12</td>
<td>9</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>75 Hawthorne St. San Francisco 94105</td>
<td>17</td>
<td>8</td>
<td>100%</td>
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<td>55 Hawthorne St. San Francisco 94105</td>
<td>5</td>
<td>2</td>
<td>100%</td>
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<tr>
<td></td>
<td>24 Hrs Fitness San Francisco 94107</td>
<td>30</td>
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<td>100%</td>
</tr>
<tr>
<td>1825 Sac</td>
<td>Staples Garage San Francisco 94109</td>
<td>50</td>
<td>44</td>
<td>100%</td>
</tr>
<tr>
<td>DAV</td>
<td>No current employee parking leases</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>STL</td>
<td>No current employee parking leases</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
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<td>No current employee parking leases</td>
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</tr>
</tbody>
</table>

Off-Site parking rates are not under CPMC’s control.
CPMC employees who park at off-site facilities pay subsidized rates that vary by facility.

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## CPMC ON-SITE PARKING, CARPOOL AND BICYCLE FACILITIES

<table>
<thead>
<tr>
<th>CAMPUS</th>
<th>ON-SITE PARKING SPACES</th>
<th>CARPOOL PERMIT ON-SITE</th>
<th>EMPLOYEES REGISTERED CARPOOL</th>
<th>BIKE PARKING SPOTS</th>
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<td>DAV</td>
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<td>1</td>
<td>3</td>
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<tr>
<td>STL</td>
<td>142</td>
<td>3</td>
<td>9</td>
<td>8</td>
</tr>
</tbody>
</table>

VISITORS PARKING RATE $5.00 PER HOUR (w/increment of $2 per 1/2 hr)

PATIENT PARKING RATE $12.00 FLAT RATE - ALL DAY

EMPLOYEE DAILY RATE $20.00 FLAT RATE - ALL DAY

EMPLOYEE MONTHLY RATE $120.00 MONTHLY

The on-site parking rate structure is the same for Visitors/Patients/Employees across all CPMC owned facilities.

---

The percentage of employees who participate in the commuter benefits program is approximately 8% (460 employees).
Approximately 24% of CPMC employees (1,326 employees) are eligible for the transit subsidy and 10% (136) of those eligible actually participate.
CALIFORNIA PACIFIC MEDICAL CENTER
LONG RANGE DEVELOPMENT PLAN
DEVELOPMENT AGREEMENT

ANNUAL CITY REPORT
(AUGUST 10, 2013 EFFECTIVE DATE – JUNE 30, 2014)

PUBLISHED: AUGUST 15, 2014
Introduction – Annual City Report

California Pacific Medical Center (CPMC) is made up of four campuses throughout San Francisco: California Campus, Pacific Campus, Davies Campus, and St. Luke’s Campus. Through its operations of these medical facilities, CPMC provides substantial direct and indirect economic benefits to the City. It also provides essential health services to people of all ages from diverse ethnic, cultural, geographic, educational and socioeconomic backgrounds. Approximately two-thirds of CPMC’s patients live in San Francisco, and CPMC provides healthcare services in connection to approximately 30 percent of the hospitalizations in San Francisco. CPMC is San Francisco’s second largest non-public employer, and fourth largest employer overall, with over 60,000 employees.

State law (SB 1953) requires that all acute-care hospitals are seismically upgraded so that they are operational after a major earthquake. Three of CPMC’s four acute-care hospitals must be rebuilt in order to comply with this law, including the hospitals at California, Pacific, and St. Luke’s Campus. The Davies Campus was retrofitted in 2008, enabling this campus to accommodate acute-care hospital services until 2030.

To meet state law, CPMC will consolidate acute-care services from the Pacific and California Campuses into a new Cathedral Hill Campus at Geary and Van Ness. The project will also provide a new, seismically safe hospital at the St. Luke’s Campus in the Mission, and a medical office building on the Davies Campus. These construction projects will increase the number of earthquake safe hospital beds in San Francisco, create 1,500 construction jobs, require the expenditure of over $2 billion in total development, and improve healthcare access for San Franciscans.

The CPMC Project will also provide additional Community Benefits, including a commitment to rebuild St. Luke’s Hospital, a community health care program, a transportation and transit program, a workforce development program, a public improvement program, and cash payments to provide for specific services, programs, and infrastructure.

To memorialize these Community Benefits, CPMC and the City entered into a Development Agreement (DA), which was approved by the Board of Supervisors in July 2013 and became effective on August 10, 2013. The approvals for the DA became finally granted two months later, November 8, 2013.

Annual Review Process. The DA requires an annual review process to ensure that both the City and CPMC are in compliance with their respective obligations and that Community Benefits are being delivered.¹ The annual review requires that CPMC submit an Annual Compliance Statement to the City no later than 150 days after the end of their fiscal year (currently, the calendar year). The City is then required to post CPMC’s statement and receive public comment for 30 days. At the conclusion of the public comment period, the City has 45 days to publish a report on whether CPMC is in compliance with the Development Agreement. Both the Health and Planning Commissions will then hold public hearings on CPMC’s compliance with 60 days notice to the public. After these hearings, the Commissions will forward their findings onto an independent third party monitor. The monitor will have 30 days to review the findings and evidence of CPMC’s compliance with the DA before sending a letter to the Board of Supervisors stating whether or not he or she concurs with the Commissions’ findings.

¹ CPMC DA Section 8.
This year’s annual compliance schedule is as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 28, 2014</td>
<td>City receives copy of CPMC’s 2013 Compliance Statement</td>
</tr>
<tr>
<td>May 30, 2014</td>
<td>Compliance Statement posted on Planning and Public Health Departments’ websites</td>
</tr>
<tr>
<td>June 2, 2014</td>
<td>Planning Department sends notice to interested parties soliciting public comment</td>
</tr>
<tr>
<td>July 2, 2014</td>
<td>Public comment period closes</td>
</tr>
<tr>
<td>August 15, 2014</td>
<td>City’s Annual Report Published</td>
</tr>
<tr>
<td></td>
<td>** Future Dates Projected, Subject to Change**</td>
</tr>
<tr>
<td>October 21, 2014</td>
<td>Health Commission Hearing</td>
</tr>
<tr>
<td>October 23, 2014</td>
<td>Planning Commission Hearing</td>
</tr>
<tr>
<td>October 25, 2014</td>
<td>Commissions’ findings forward to third party monitor</td>
</tr>
<tr>
<td>November 25, 2014</td>
<td>Third party monitor issues letter to Board of Supervisors</td>
</tr>
</tbody>
</table>

**City Report.** This document is the City’s Annual Report on CPMC’s compliance, it contains findings of compliance on each of CPMC and the City’s obligations contained in the DA. It also provides responses to comments received during the public comment period.

Each obligation that is due under the DA is included in this report which a separate chart that includes:

- **Lead Department:** Identifies the department within the City that is taken the lead on implementing or overseeing the obligation.
- **Staff Contact:** The name and contact information for the member of City staff overseeing the implementation of the obligation.
- **Completion Date:** When CPMC’s obligation under the DA was, or is anticipated to be, completed.
- **Obligation Status:** Indicates whether the obligation is complete, or still in progress. Many of the obligations are multi-year commitments are still in progress of being completed. This section also indicates whether CPMC is “in” or “not in” compliance with the obligation.
- **Description of Obligation:** A summary of the obligation defined in the DA or related document, such as the Transportation Demand Management program (TDM).
- **Current Status:** A description of the progress made on implementing the obligation to date.
- **Next Steps:** Upcoming steps that will be taken either by CPMC or the City in implementing the obligation.
- **Opportunities for Community Engagement:** Provides information on additional public meetings or opportunities for the public to engage in the implementation of the obligation.
- **Funding (If Applicable):** If the obligation requires funding to the City or San Francisco Foundation, information regarding the amount of funding received to date, and amount of funding required under the obligation, is provided.

**Additional Information.** Both the Planning and Public Health Departments maintain websites dedicated to the CPMC Development Project.

- Planning Department: [http://cpmc.sf-planning.org](http://cpmc.sf-planning.org)
- Department of Public Health: [http://www.sfdph.org](http://www.sfdph.org)

The Planning Department’s website includes a “Document Downloads” page, which includes a comprehensive library of documents relating to the project, including: the Development Agreement, Environmental Review, Transportation Demand Management Program, and Milestone Notices. Documents relating to the annual review are also located on the project site.
<table>
<thead>
<tr>
<th>Community Benefit</th>
<th>DA Section</th>
<th>Compliance</th>
<th>Report Page Numbers</th>
</tr>
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<tbody>
<tr>
<td>Annual Review Process</td>
<td>DA Section 8.2</td>
<td>In Compliance</td>
<td>5</td>
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<tr>
<td>Construction Schedule</td>
<td>DA Section 4.2.3</td>
<td>In Compliance</td>
<td>6</td>
</tr>
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<td>Milestone Completion Notice</td>
<td>DA Section 4.2.3</td>
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<td><strong>Workforce Commitments</strong></td>
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<tr>
<td>City Build/Construction Jobs</td>
<td>Exhibit E Section A</td>
<td>In Compliance</td>
<td>10 - 13</td>
</tr>
<tr>
<td>First Source/End Use Jobs</td>
<td>Exhibit E Section C</td>
<td>In Compliance</td>
<td>14 - 15</td>
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<td>Workforce Fund</td>
<td>Exhibit E Section D</td>
<td>In Compliance</td>
<td>16</td>
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<td>Local Business Enterprises</td>
<td>Exhibit E Section B</td>
<td>In Compliance</td>
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<td><strong>Healthcare Commitments</strong></td>
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<td>Baseline Healthcare</td>
<td>Exhibit F Section 1</td>
<td>In Compliance</td>
<td>21 - 24</td>
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<tr>
<td>Medi-Cal Commitment</td>
<td>Exhibit F Section 2</td>
<td>In Compliance</td>
<td>25 - 27</td>
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<td>Healthcare Innovation Fund</td>
<td>Exhibit F Section 3</td>
<td>In Compliance</td>
<td>28</td>
</tr>
<tr>
<td>Other Healthcare Commitments</td>
<td>Exhibit F</td>
<td>In Compliance</td>
<td>29 - 34</td>
</tr>
<tr>
<td>Housing Program</td>
<td>Exhibit G</td>
<td>In Compliance</td>
<td>36 - 37</td>
</tr>
<tr>
<td>Public Improvements</td>
<td>Exhibit H</td>
<td>In Compliance</td>
<td>40 - 45</td>
</tr>
<tr>
<td>Visioning Plans</td>
<td>Exhibit I</td>
<td>In Compliance</td>
<td>48 - 61</td>
</tr>
<tr>
<td>Transportation</td>
<td>Exhibit K</td>
<td>In Compliance</td>
<td>62 - 63</td>
</tr>
<tr>
<td>--------------------------</td>
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<tr>
<td>Workforce Agreement - Exhibit E</td>
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<tr>
<td>Workforce Training Payment</td>
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<td>SF Foundation</td>
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<td>Subtotal Workforce Agreement</td>
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<td>2,000,000</td>
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<td>Community Healthcare program - Exhibit F</td>
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<td>SF Foundation</td>
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<td>Public Improvements - Exhibit H</td>
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<td>SFMTA</td>
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<td>Tenderloin Safe Passage Grant</td>
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<td>Tenderloin Lighting &amp; Traffic Safety</td>
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<td>Housing Program - Exhibit G</td>
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<td>Residential Hotel Unit Replacement</td>
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<td>Affordable Housing Payment</td>
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<td>Transportation Program - Exhibit K</td>
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<td>Transit Fee</td>
<td>SFMTA</td>
<td>-</td>
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<td>BRT Funding</td>
<td>SFMTA</td>
<td>-</td>
<td>2,100,000</td>
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<td>Bicycle Studies</td>
<td>SFMTA</td>
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<tr>
<td>Subtotal Transportation Program</td>
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<td>Total - all Public payments</td>
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<td>$11,038,620</td>
<td>$11,038,620</td>
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<tr>
<td>CPMC CITY AGENCY COMPLIANCE REPORT</td>
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<tr>
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<td></td>
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<tr>
<td><strong>SUBJECT:</strong></td>
<td>Annual Compliance</td>
<td></td>
<td></td>
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<tr>
<td><strong>DEVELOPMENT AGREEMENT OBLIGATION:</strong></td>
<td>CPMC's Annual Compliance Statement &amp; City Annual Report</td>
<td></td>
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<tr>
<td><strong>DEVELOPMENT AGREEMENT SECTION:</strong></td>
<td>DA § 8.2.1</td>
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<tr>
<td><strong>LEAD DEPARTMENT:</strong></td>
<td>Planning</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>STAFF CONTACT NAME:</strong></td>
<td>Elizabeth Watty</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>STAFF CONTACT TITLE:</strong></td>
<td>Assistant Director of Current Planning</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EMAIL:</strong></td>
<td><a href="mailto:elizabeth.watty@sfgov.org">elizabeth.watty@sfgov.org</a></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PHONE:</strong></td>
<td>(415) 558-6620</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>COMPLETION DATE:</strong></td>
<td><strong>OBLIGATION STATUS:</strong></td>
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<tr>
<td></td>
<td>COMPLETE</td>
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<tr>
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<td>IN PROGRESS</td>
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<tr>
<td></td>
<td>IN COMPLIANCE</td>
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<tr>
<td></td>
<td>NOT IN COMPLIANCE</td>
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</tr>
</tbody>
</table>

**DESCRIPTION OF OBLIGATION:**

In conducting the required initial and annual reviews of CPMC’s compliance with this Agreement, the Planning Director shall follow the process set forth in this Section 8.2. Within 150 days following the end of each fiscal year, CPMC shall provide a report to the Planning Director showing compliance. Promptly upon receipt, the Planning Director shall post the Compliance Statement on the Planning Department website and the DPH Director shall post the Healthcare Compliance Report portion thereof on the Department of Public Health's website. The Planning Department and the Public Health Department shall receive public comment for 30 days after posting of the Compliance Statement. After the 30 day comment period the Planning Director shall within 45 days thereafter, prepare a report as to whether CPMC is in compliance with this Agreement based upon all of the information received.

**CURRENT STATUS:**

The Planning Department received CPMC’s 2013 Development Agreement Compliance Statement on May 28, 2014. The Compliance Statement was posted on the Planning Department's website by May 30, 2014. On June 2nd, 2014, the Department mailed a notice to interested parties soliciting public comment on the Compliance Statement through July 2, 2014. The Department received public comments from one organization: the University of California Hastings College of the Law, on behalf of San Franciscans for Healthcare, Housing, Jobs and Justice (“SFHHJJ”).

**NEXT STEPS:**

The City will complete the City Report within the required 45 day time period following the 30 day comment period. Public hearings at the Health and Planning Commissions will be scheduled after publishing the City Report. Notice of these hearings will be posted on both departments' websites.

**OPPORTUNITIES FOR COMMUNITY ENGAGEMENT:**

In addition to the public hearings noted above, the Department has attended a meeting (July 29, 2014) with interested members of the community who expressed concerns about the Compliance Statement, specifically relating to CPMC’s compliance with the Development Agreement in 2013, as well as the process surrounding the annual review that is outlined in the DA.
<table>
<thead>
<tr>
<th>SUBJECT:</th>
<th>Construction Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEVELOPMENT AGREEMENT OBLIGATION:</td>
<td>Construction Schedule</td>
</tr>
<tr>
<td>DEVELOPMENT AGREEMENT SECTION:</td>
<td>DA § 4.2.3</td>
</tr>
</tbody>
</table>

| LEAD DEPARTMENT: | Planning |
| STAFF CONTACT NAME: | Elizabeth Watty |
| STAFF CONTACT TITLE: | Assistant Director of Current Planning |
| EMAIL: | elizabeth.watty@sfgov.org |
| PHONE: | (415) 558-6620 |
| COMPLETION DATE: | Cathedral Hill: 2019 (Anticipated) |
| | St. Luke’s: 2019 (Anticipated) |
| Obligation Status: | COMPLETE |

**DESCRIPTION OF OBLIGATION:**

In order to keep the City reasonably informed of CPMC’s progress in satisfying the Hospital Commitment, CPMC shall periodically report to the City on the timing and progress of the construction of the St. Luke’s Campus Hospital and Cathedral Hill Campus Hospital...CPMC shall provide the City with reasonably detailed project schedules for the St. Luke’s Campus Hospital and Cathedral Hill Campus Hospital before the start of construction... and shall update such project schedules on not less that a quarterly basis...

**CURRENT STATUS:**

CPMC has provided the Planning Department with updates on their construction schedule, as they occur. CPMC provided the Department with an updated construction schedule for St. Luke’s in March 2014, and provided an updated construction schedule for Cathedral Hill in October 2013. CPMC has also been in frequent communication with the Planning Department about various stages of construction, or construction planning, at both Cathedral Hill and St. Luke’s.

**NEXT STEPS:**

CPMC will continue to keep the Department abreast of any changes to the existing construction schedules as well as significant phases of construction.

**OPPORTUNITIES FOR COMMUNITY ENGAGEMENT:**

CPMC should continue the practice of notifying neighbors in advance of significant construction activities (example: CPMC provided notice in English and Spanish to neighbors of St. Luke’s inviting them to a community meeting on March 19th regarding the current status of the project and upcoming construction schedule).
**CPMC CITY AGENCY COMPLIANCE REPORT**

**SUBJECT:** Milestone Completion

**DEVELOPMENT AGREEMENT OBLIGATION:** Milestone Completion and Notice  
**DEVELOPMENT AGREEMENT SECTION:** DA § 4.2.3

<table>
<thead>
<tr>
<th>LEAD DEPARTMENT:</th>
<th>Planning</th>
</tr>
</thead>
<tbody>
<tr>
<td>STAFF CONTACT NAME:</td>
<td>Elizabeth Watty</td>
</tr>
<tr>
<td>STAFF CONTACT TITLE:</td>
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</tr>
<tr>
<td>PHONE:</td>
<td>(415) 558-6620</td>
</tr>
</tbody>
</table>

**DESCRIPTION OF OBLIGATION:**

Within 30 days following the completion of each milestone listed in the Schedule and Phasing Plan, CPMC shall provide notice to the City (the “Milestone Completion Notice”).

**CURRENT STATUS:**

There was one Milestone that occurred during the 2013 reporting period relating to St. Luke’s: Completion of San Jose Avenue City project by May 11, 2013.

There were two additional milestones that occurred in 2014, prior to submittal of the 2013 Compliance Statement:

1. On February 03, 2014, ahead of the required Obligation, CPMC submitted St. Luke’s Increment 1 to OSHPD. On February 27, 2014, CPMC provided notice to the Planning Department acknowledging completion of the Increment 1 Milestone.
2. On May 2, 2014, the Department of Public Works issued a permit to commence the San Jose Avenue CPMC Project; on May 5th the work began. On June 9, 2014, CPMC provided notice to the Planning Department acknowledging completion of the San Jose Avenue City project milestone.

All milestone notices received by the Planning Department are posted online at: [http://cpmc.sfplanning.org](http://cpmc.sfplanning.org)

**NEXT STEPS:**

CPMC will continue to meet the milestones outlined in Exhibit C and provide notice to the Planning Department within 30-days of completing said milestone.

**OPPORTUNITIES FOR COMMUNITY ENGAGEMENT:**

CPMC has opportunities to engage the Community in construction related activities that result from the Milestone Commitments.

CPMC conducted a community meeting on March 19, 2014 to share information about upcoming construction activities with neighbors around St. Luke’s. They provided a copy of community meeting notice to the Planning Department. They should continue to provide updates to the Community about construction activities at the St. Luke’s, Davies, and Cathedral Hill Campuses.

The Planning Department will continue to post notices as they are received.
WORKFORCE
**DESCRIPTION OF OBLIGATION:**

So long as this Agreement remains in full force and effect, CPMC’s Contractors shall make good faith efforts in accordance with Section 9 to ensure the following hiring goals with respect to each Contract:...With respect to new Entry-Level Positions for non-union administrative and engineering candidates, a Contractor and its Subcontractors will work to fill a minimum of fifty percent (50%) of such new Entry-Level Positions with San Francisco resident System Referrals...OEWD, through its network of Community Based Organizations and the City’s One-Stop System, shall be designated as the referral source for San Francisco residents.

**CURRENT STATUS:**

As of June 30, 2014, CPMC’s Contractors have filled seven (7) of the seven (7) new Entry Level Positions for non-union administrative and engineering candidates with System Referrals. This represents 100% of new Entry-Level positions being filled with San Francisco resident System Referrals, above the minimum 50% hiring goal.

The seven System Referrals were participants of OEWD’s Construction Administrative Training Program (CATP) and Construction Administrative and Professional Services Academy (CAPSA). Both programs are administered by Mission Hiring Hall in collaboration with City College of San Francisco and a network of workforce service providers.

The following positions were filled by Workforce System Referrals:

- Document Coordinator - LEED
- Front Desk Administrator
- Accounting Clerk
- Administrative Assistant
- BIM Administrator & Support
- Project Administrator
- Business and Risk Management Assistant

**NEXT STEPS:**

CPMC’s Contractors will continue to engage with OEWD’s CityBuild program and continue to:

- Submit CityBuild Workforce Projection Forms and coordinate meetings to review hiring goals.
- Notify CityBuild of any non-union Entry Level administrative and engineering positions and work through the referral process.
- Consider System Referrals for positions and provide constructive feedback on all System Referrals.
- Track, monitor, and report the progress of System Referrals through the application, hiring and employment process.

CityBuild will continue to closely monitor the performance of CPMC contractors. CityBuild will also continue to leverage the CATP and CAPSA programs and work with its network of Community Based Organizations (CBOs) and Access Points for qualified candidates.

**OPPORTUNITIES FOR COMMUNITY ENGAGEMENT:**

User surveys will be administered and regular meetings will continue to be held with community stakeholders to get feedback on activities and overall systems. OEWD/CityBuild has also committed to quarterly meetings with San Franciscans for Healthcare, Housing, Jobs and Justice (SFHJJ) to discuss CPMC obligations and implementation of the workforce provisions of the Development Agreement.
**DESCRIPTION OF OBLIGATION:**

So long as this Agreement remains in full force and effect, CPMC’s Contractors shall make good faith efforts in accordance with Section 9 to ensure the following hiring goals with respect to each Contract:...With respect to new Entry-Level Positions for administrative and engineering internship candidates, a Contractor and its Subcontractors will work to fill a minimum of fifty percent (50%) of such new Entry-Level Positions with San Francisco resident System Referrals....OEWD, through its network of Community Based Organizations and the City’s One-Stop System, shall be designated as the referral source for San Francisco residents.

**CURRENT STATUS:**

As of June 30, 2014, CPMC’s Contractors have filled four (4) of the six (6) new Entry Level Positions for administrative and engineering internship candidates with System Referrals. This represents 67% of new Entry Level positions being filled with San Francisco resident System Referrals, above the minimum 50% hiring goal.

The four System Referrals included one San Francisco Unified School District High School Senior and three San Francisco State University civil engineering Majors.

**NEXT STEPS:**

- Submit CityBuild Workforce Projection Forms and coordinate meetings to review hiring goals.
- Notify CityBuild of any Entry Level Positions for administrative and engineering internships and work through the referral process.
- Consider System Referrals for positions and provide constructive feedback on all System Referrals.
- Track, monitor, and report the progress of System Referrals through the application, hiring and employment process.

CityBuild will continue to closely monitor the performance of CPMC contractors. CityBuild will also continue to engage with the San Francisco Unified School District, City College of San Francisco, and San Francisco State University to reach out to students who may be interested in internships as well as work with its network of Community Based Organizations (CBOs) and Access Points for qualified candidates.

- Notify CityBuild of any Entry Level Positions for administrative and engineering internships and work through the referral process.
- Consider System Referrals for positions and provide constructive feedback on all System Referrals.
- Track, monitor, and report the progress of System Referrals through the application, hiring and employment process.

CityBuild will continue to closely monitor the performance of CPMC contractors. CityBuild will also continue to engage with the San Francisco Unified School District, City College of San Francisco, and San Francisco State University to reach out to students who may be interested in internships as well as work with its network of Community Based Organizations (CBOs) and Access Points for qualified candidates.

**OPPORTUNITIES FOR COMMUNITY ENGAGEMENT:**

User surveys will be administered and regular meetings will continue to be held with community stakeholders to get feedback on activities and overall systems. OEWD/CityBuild has also committed to quarterly meetings with San Franciscans for Healthcare, Housing, Jobs and Justice (SFHJJ) to discuss CPMC obligations and implementation of the workforce provisions of the Development Agreement.
**DEVELOPMENT AGREEMENT OBLIGATION:**

<table>
<thead>
<tr>
<th>50% Entry Level Apprentice Positions</th>
<th>DEVELOPMENT AGREEMENT SECTION:</th>
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<tbody>
<tr>
<td>Exhibit E § A.5.c</td>
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</table>

**LEAD DEPARTMENT:** OEWD - Workforce  
**COMPLETION DATE:** 11/8/2023

**STAFF CONTACT NAME:** Emylene Aspilla  
**STAFF CONTACT TITLE:** Director of Strategic Initiatives  
**OBLIGATION STATUS:** IN PROGRESS

**EMAIL:** emylene.aspilla@sfgov.org  
**PHONE:** (415) 701-4851

**DESCRIPTION OF OBLIGATION:**

So long as this Agreement remains in full force and effect, CPMC’s Contractors shall make good faith efforts in accordance with Section 9 to ensure the following hiring goals with respect to each Contract:...With respect to new Entry-Level Positions for union apprentice candidates, the Contractor, its Subcontractors, and OEWD will work together to fill a minimum of fifty percent (50%) of such new Entry-Level Positions with San Francisco resident System Referrals who must also be graduates of CityBuild Academy. The Contractor along with its Subcontractors and their applicable unions will confirm the number of new union apprentices that will be required for the Contract and the annual variability of that demand throughout the course of the Contract. The methodology to be used to estimate the number of new union apprentices shall be 21% of the projected number of apprentice hours overall.

**CURRENT STATUS:**

As of June 30, 2014, CPMC’s Contractors have filled eight (8) of the eight (8) new Entry Level Positions for union apprentice candidates with System Referrals. This represents 100% of new Entry Level Positions for union apprentice candidates being filled with San Francisco resident System Referrals, above the minimum 50% hiring goal.

The eight System Referrals were hired as Laborer and Carpenter Apprentices.

**NEXT STEPS:**

CPMC’s Contractors will continue to engage with OEWD’s CityBuild program and continue to:

- Submit CityBuild Workforce Projection Forms and coordinate meetings to review hiring goals.
- Notify CityBuild of any Entry Level union apprentice positions and work through the referral process.
- Consider System Referrals for positions and provide constructive feedback on all System Referrals.
- Track, monitor, and report the progress of System Referrals through the application, hiring and employment process.

CityBuild will continue to closely monitor the performance of CPMC contractors. CityBuild will also continue to leverage the CityBuild Academy and work with its network of Community Based Organizations (CBOs) and Access Points for qualified candidates.

**OPPORTUNITIES FOR COMMUNITY ENGAGEMENT:**

User surveys will be administered and regular meetings will continue to be held with community stakeholders to get feedback on activities and overall systems. OEWD/CityBuild has also committed to quarterly meetings with San Franciscans for Healthcare, Housing, Jobs and Justice (SFHJJ) to discuss CPMC obligations and implementation of the workforce provisions of the Development Agreement.
**CPMC CITY AGENCY COMPLIANCE REPORT**

**SUBJECT:** Workforce (CityBuild)

**DEVELOPMENT AGREEMENT OBLIGATION:** 30% of Trade Hours for Journeymen and Apprentices

**DEVELOPMENT AGREEMENT SECTION:** Exhibit E § A.5.d

**LEAD DEPARTMENT:** OEWD - Workforce

**COMPLETION DATE:** 11/8/2023

<table>
<thead>
<tr>
<th><strong>STAFF CONTACT NAME</strong></th>
<th>Emylene Aspilla</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>STAFF CONTACT TITLE</strong></td>
<td>Director of Strategic Initiatives</td>
</tr>
<tr>
<td><strong>EMAIL</strong></td>
<td><a href="mailto:emylene.aspilla@sfgov.org">emylene.aspilla@sfgov.org</a></td>
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<tr>
<td><strong>PHONE</strong></td>
<td>(415) 701-4851</td>
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</tbody>
</table>

**OBLIGATION STATUS:** COMPLETE

**DESCRIPTION OF OBLIGATION:**

With respect to new and core opportunities for union journeymen and apprentices, so long as this Agreement remains in full force and effect, CPMC’s Contractors shall make good faith efforts in accordance with Section 9 to ensure the following hiring goals with respect to each Contract:...Contractor and its Subcontractors will work to achieve a minimum of thirty percent (30%) of trade hours (i.e., 30% of journeymen and apprentice trade hours combined, and not 30% in each category) to be performed by San Francisco residents. This goal will be measured based upon (1) trade hours for the overall Contract, (2) trade partners, regardless of tier, and (3) hours by craft.

A Contractor’s obligation to hire new union entry-level apprentice candidates set forth in Section 5(c) above shall be credited towards the Contractor’s obligation to hire San Francisco residents under this Section 5(d).

**CURRENT STATUS:**

As of June 30, 2014, CPMC’s Contractors have reported 18,613 trade hours performed by San Francisco residents in new and core opportunities for union journeymen and apprentices out of 61,743 total work hours reported. This represents 30% of work hours performed by San Francisco residents, meeting the 30% overall hiring goal. These data are collected through an electronic certified payroll system, Elations Systems.

**NEXT STEPS:**

CPMC’s Contractors will continue to engage with OEWD’s CityBuild program and continue to:

- Submit CityBuild Workforce Projection Forms and coordinate meetings to review hiring goals.
- Notify CityBuild of all required positions and work through the referral process.
- Consider System Referrals for positions and provide constructive feedback on all System Referrals.
- Track, monitor, and report the progress of System Referrals through the application, hiring and employment process.

CityBuild will continue to closely monitor the performance of CPMC contractors. CityBuild will also continue to leverage the CityBuild Academy and work with its network of Community Based Organizations (CBOs) and Access Points for qualified candidates.

**OPPORTUNITIES FOR COMMUNITY ENGAGEMENT:**

User surveys will be administered and regular meetings will continue to be held with community stakeholders to get feedback on activities and overall systems. OEWD/CityBuild has also committed to quarterly meetings with San Franciscans for Healthcare, Housing, Jobs and Justice (SFHJJ) to discuss CPMC obligations and implementation of the workforce provisions of the Development Agreement.
CPMC CITY AGENCY COMPLIANCE REPORT

SUBJECT: Workforce (First Source)

DEVELOPMENT AGREEMENT OBLIGATION: 40% Entry Level System Referrals
DEVELOPMENT AGREEMENT SECTION: Exhibit E § C.3

LEAD DEPARTMENT: OEWD - Workforce
STAFF CONTACT NAME: Emylene Aspilla
STAFF CONTACT TITLE: Director of Strategic Initiatives
EMAIL: emylene.aspilla@sfgov.org
PHONE: (415) 701-4851

COMPLETION DATE: 11/8/2023
OBLIGATION STATUS: COMPLETE

DESCRIPTION OF OBLIGATION:
As long as this Agreement remains in full force and effect, CPMC’s hiring goals shall be to fill at least forty percent (40%) of Available Entry Level Positions with System Referrals (“Annual Hiring Target”) in each consecutive 12-month period following the Effective Date (each, a “Hiring Year”). Notwithstanding the foregoing, if CPMC does not meet its Annual Hiring Target in any Hiring Year (a “Hiring Deficiency”), the number of Entry Level Positions constituting the Hiring Deficiency will roll over and be added to the Annual Hiring Target for the following Hiring Year. If a Hiring Deficiency exists at the end of the term of this Agreement, then the term will be automatically extended (“Automatic Extension”) until such time as CPMC achieves the full Annual Hiring Target for each Hiring Year.

CURRENT STATUS:
As of June 30, 2014, CPMC has made four (4) hires from the workforce system during the Hiring Year. At the time of submitting this report, two (2) additional hires were made. Though the Hiring Year is not yet complete, it is anticipated that CPMC’s hires for the Hiring Year will be a total of six (6). This represents 13% of CPMC’s total entry-level hires during the Hiring Year, a shortfall of 13 hires from the 40% annual hiring target. This Hiring Deficiency of 13 Entry Level Positions will roll over and be added to next year’s Annual Hiring Target.

<table>
<thead>
<tr>
<th>Requisition</th>
<th>Zip Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housekeeper</td>
<td>94112</td>
</tr>
<tr>
<td>Housekeeper</td>
<td>94103</td>
</tr>
<tr>
<td>Housekeeper</td>
<td>94132</td>
</tr>
<tr>
<td>Security Officer</td>
<td>94124</td>
</tr>
<tr>
<td>Patient Registration Officer</td>
<td>94112</td>
</tr>
<tr>
<td>Food Service Aide</td>
<td>94115</td>
</tr>
</tbody>
</table>

The following requisitions have been filled by Workforce System referrals:

Five (5) of the six (6) System Referrals that were hired reside in the impacted communities specified in the Development Agreement, specifically Outer Mission/Excelsior, Mission/SOMA, Western Addition, and Southeastern neighborhoods.

The first CPMC Job Notification (requisition) was submitted December 5, 2013. Overall, CPMC was in alignment with the projections that were submitted to OEWD on April 8th, 2014, however, we noted the following discrepancies between projected positions and those that were released:

- 23 Housekeepers, a deficit of 8;
- 13 Food Service Aides, a deficit of 8;
- 13 Security officers a deficit of 7;
- 11 Medical Assistant, a deficit of 6; and
- 0 Patient Registration Rep, a surplus of 7

The following summarizes the Job Notifications submitted as of June 30, 2014:

<table>
<thead>
<tr>
<th>Requisition</th>
<th>Project Year (Aug-13 to Jun-14)</th>
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</thead>
<tbody>
<tr>
<td>Housekeepers</td>
<td>15</td>
</tr>
<tr>
<td>Food Service Aide</td>
<td>5</td>
</tr>
<tr>
<td>Cooks</td>
<td>5</td>
</tr>
<tr>
<td>Security Officers</td>
<td>6</td>
</tr>
<tr>
<td>Transporter/Transport Aide</td>
<td>5</td>
</tr>
<tr>
<td>Clerk/Receptionist</td>
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</tr>
<tr>
<td>Phlebotomy/Specimen Handling Lab Aide</td>
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</tr>
<tr>
<td>EKG Technician</td>
<td>1</td>
</tr>
<tr>
<td>Medical Assistant</td>
<td>5</td>
</tr>
</tbody>
</table>
### Opportunities for Community Engagement:

User surveys will be administered and regular meetings will continue to be held with community stakeholders to get feedback on activities and overall systems. OEWD has also committed to quarterly meetings with San Franciscans for Healthcare, Housing, Jobs and Justice (SFHJJ) to discuss CPMC obligations and implementation of the workforce provisions of the Development Agreement.

### Next Steps:

CPMC acknowledges their long ramp-up period after the Development Agreement was implemented and recognizes the Hiring Deficit that has resulted. CPMC has expressed its commitment to work more closely with OEWD, the community, and San Francisco Foundation to accelerate and maximize System Referral hires moving forward. On August 1, 2014, CPMC submitted its Projection of Entry-Level Operations Positions for the next Hiring Year. CPMC will also continue to:

- Submit job requisitions for all available Entry-Level positions and coordinate meetings to review hiring goals.
- Consider candidates past the 10 day window of First Source as required by the Development Agreement.
- Hold on-site interviews at Workforce System sites and provide ongoing feedback on System Referrals in weekly check-ins with OEWD staff.
- Track, monitor, and report the progress of System Referrals through the application, hiring and employment process.

Based on lessons learned from this first Hiring Year and feedback from the community, CPMC and OEWD have also jointly recognized the need to make ongoing system adjustments to better streamline the referral, application and hiring process. Early in the next Hiring Year, the following will be implemented:

- Large scale group interviews and hiring events in partnership with the Neighborhood Access Points, prioritizing Western Addition, Tenderloin, Mission/SOMA, Outer Mission/Excelsior, Chinatown and Southeastern neighborhoods. Prior to each event, Neighborhood Access Points will conduct prescreening events in order to ensure a match for CPMC requisitions.
- Information sessions and employer spotlight events in targeted neighborhoods with primary stakeholders. CPMC opportunities and detailed information about the CPMC application and hiring process will be presented.
- Wider distribution of CPMC job announcements through multiple channels.
- Focused small and large group workshops on how to apply to CPMC positions and maximize success in the CPMC hiring process.

OEWD will continue to closely monitor the performance of CPMC. OEWD will also continue to leverage its Sector Academies and work with its network of Community Based Organizations (CBOs) and Access Points for qualified candidates.

<table>
<thead>
<tr>
<th>Position</th>
<th>Count</th>
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</thead>
<tbody>
<tr>
<td>Rehabilitation Aide</td>
<td>1</td>
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<tr>
<td>Aquatic Instructor</td>
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<tr>
<td>Pathology Lab Accessioner</td>
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<tr>
<td>Client Services Representative</td>
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<tr>
<td>Patient Services Representative</td>
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<tr>
<td>Patient Registration Representative</td>
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<tr>
<td>Point of Service Specialist</td>
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<tr>
<td>PBX Operator</td>
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<tr>
<td>Certified Home Health Aide</td>
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<tr>
<td>Certified Nursing Assistant</td>
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<tr>
<td>Hospital Attendant</td>
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<tr>
<td>Certified Hospital Attendant</td>
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<tr>
<td>Unit Coordinator</td>
<td>1</td>
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<tr>
<td>Emergency Department Technician</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>74</strong></td>
</tr>
</tbody>
</table>

**CPMC** - 2013 Annual City Report - 15
**DESCRIPTION OF OBLIGATION:**
The remainder of the $3 million shall be paid to the San Francisco Foundation in accordance with Exhibit N... until the total sum is paid, and managed by the San Francisco Foundation in accordance with the Workforce Fund Agreement... The funds paid by CPMC shall be used for workforce training purposes only...

**CURRENT STATUS:**
The San Francisco Foundation received $2,000,000 of the Workforce Fund in December 2013 and initiated a series of monthly meeting between the Workforce Committee members (OEWD, CPMC, and the Foundation) beginning in January 2014. The Workforce Committee decided to host a series of focus groups to determine the highest and best ways to use the limited resources to identify key approaches which would be effective in reducing barriers and improving entry-level employment outcomes for high priority neighborhood residents seeking employment with CPMC. In April 2014, the Foundation used its internal resources to hire KDG Enterprises as a consultant charged with hosting focus groups of the following populations: CPMC employer Groups; CPMC successful entry-level employees; non-successful job seekers; two groups of medical career pathway trainers; two groups of CBO soft skills and employment trainers; and a group of community advocates representing the priority neighborhoods.

In all, eight focus groups were held during May and June 2014, which were attended by 81 participants in groups of 7 to 13 participants per focus group. The Consultant prepared a draft report which discusses and summarizes the participants responses to four common themes: (1) What they perceive are the most significant barriers to accessing *job training* and how those barriers could be removed; (2) What they perceive to be the most significant barriers to accessing *entry-level employment* and how those barriers could be removed; (3) What did they perceive to be the primary factors that *hinder job retention* and how they could be removed; and (4) What is the most important thing that must be resolved *in order for the Development Agreement’s hiring program to be successful?* Additionally, job seekers were asked how many times they had applied for an entry-level job, and how difficult was the process; and successful job seekers were asked to discuss what factors they believe helped them to be successful.

The Consultant’s Report was submitted at the end of June, and its recommendations are currently being reviewed and prioritized by the Workforce Committee to identify short and long term recommendations that can have significant impacts on reducing barriers and increasing success. The high priority high impact recommendations will form the objectives of RFPs that the Foundation will draft and recommend to the Workforce Committee for adoption. The RFPs will be circulated to prospective education and CBO organizations this summer for implementation that is projected to begin in Fall 2014. The Workforce Committee will also be requested by the Foundation to support an independent evaluator which can assess the effectiveness of the proposed barrier removal programs.

**NEXT STEPS:**
Set priorities among the barrier removal recommendations; prepare and release RFPs; Contract with Education or CBO service providers; implement programs; evaluate effectiveness of implementation strategies on entry-level employment; refine, eliminate, supplement or enhance programs to improve outcomes during calendar year 2015.

**OPPORTUNITIES FOR COMMUNITY ENGAGEMENT:**
The San Francisco Foundation will continue to meet monthly with San Franciscans for Healthcare, Housing, Jobs and Justice (SFHJJ) to discuss the goals and direction of the Workforce Fund.

<table>
<thead>
<tr>
<th>CPMC’S FULL FUNDING AMOUNT:</th>
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<tbody>
<tr>
<td>FUNDING RECEIVED FROM CPMC TO DATE:</td>
<td>$2,000,000.00</td>
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<tr>
<td>CPMC’S FUNDING OBLIGATION REMAINING:</td>
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</table>
### Development Agreement Obligation

**14% Local Business Enterprise Goal**

<table>
<thead>
<tr>
<th>Development Agreement Ophthalmology</th>
<th>Development Agreement Section:</th>
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</thead>
<tbody>
<tr>
<td>14% Local Business Enterprise Goal</td>
<td>Exhibit E § B.4</td>
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### Lead Department

| Lead Department: | Contract Monitoring Division
|------------------|--------------------------------|

### Completion Date

| Completion Date: | 11/8/2023
|------------------|------------------|

### Staff Contact Name

<table>
<thead>
<tr>
<th>Staff Contact Name:</th>
<th>Maria Cordero</th>
</tr>
</thead>
</table>

### Staff Contact Title

<table>
<thead>
<tr>
<th>Staff Contact Title:</th>
<th>Director</th>
</tr>
</thead>
</table>

### Email

<table>
<thead>
<tr>
<th>Email:</th>
<th><a href="mailto:maria.cordero@sfgov.org">maria.cordero@sfgov.org</a></th>
</tr>
</thead>
</table>

### Phone

<table>
<thead>
<tr>
<th>Phone:</th>
<th>(415) 581-2303</th>
</tr>
</thead>
</table>

### Obligation Status

<table>
<thead>
<tr>
<th>Obligation Status:</th>
<th>COMPLETE</th>
</tr>
</thead>
</table>

### Description of Obligation

As long as this Agreement remains in full force and effect, CPMC shall make a good faith effort to ensure that at least fourteen percent (14%) of the cost of all Contracts for the Workforce Projects are awarded to Contractors or Subcontractors that qualify as certified LBE’s under this Agreement. CPMC and City acknowledge and agree that CPMC’s efforts to award Contracts to LBE’s are voluntary, and that CPMC and its Contractors shall have the sole discretion to confirm certification of, or otherwise screen, hire or not hire LBE’s.

### Current Status

The Van Ness and Geary Campus project has a 13.6% utilization of Local Business Enterprise which is $3,761,000 of the $27,700,000 spent on construction to date. San Francisco based businesses that are working, or have worked, on the project include the following: Team North, Kwan Wo Ironwork, CMC Traffic Control, Phoenix Electric, Martin Ron Associates, Giron Construction and DLD Lumber. CPMC also utilized the services of Merriweather and Williams, The M Line and BergDavis Public Affairs.

For the St. Luke’s Campus the project has achieved 19.8% utilization of LBE’s which is $767,000 of the $3,870,000 spent on construction to date. San Francisco based business that are working, or have worked on, the project include NTK Construction, De Haro Construction and Municon.

### Next Steps

As the projects move into construction each 1st tier subcontractor meets with HerreroBoldt staff to validate a plan to make progress towards achieving the overall LBE goal. During the coming reporting period, Herrero Bolt will begin utilizing two LBE’s directly, Yolanda’s Construction Administration & Traffic Control, and Clipper International.

### Opportunities for Community Engagement

As HerreroBoldt finds the need for contractors to perform scope they will work with CMD to identify LBE’s in the RFP process and include in all RFPs the LBE goals which will be in all contracts. HerreroBoldt will work with all subcontractors to extend goals to 2nd and 3rd tier subcontractors. HerreroBoldt has a web site (http://cpmc2020.org/workforce) that provides local business with the opportunity to provide qualifications for various scopes of work. HerreroBoldt will continue to purchase supplies, materials and meals from local business and work with merchant associations to identify vendors.
Health Care
### CPMC CITY AGENCY COMPLIANCE REPORT

**SUBJECT:** Healthcare (Baseline Commitment)

#### DEVELOPMENT AGREEMENT OBLIGATION:
Hiring 3rd Party Auditor

#### DEVELOPMENT AGREEMENT SECTION:
Exhibit F § 1.a; DA § 8.2.2

<table>
<thead>
<tr>
<th>LEAD DEPARTMENT:</th>
<th>Department of Public Health</th>
</tr>
</thead>
<tbody>
<tr>
<td>STAFF CONTACT NAME:</td>
<td>Colleen Chawla</td>
</tr>
<tr>
<td>STAFF CONTACT TITLE:</td>
<td>Deputy Director of Health, Director of Policy &amp; Planning</td>
</tr>
<tr>
<td>EMAIL:</td>
<td><a href="mailto:colleen.chawla@sfdph.org">colleen.chawla@sfdph.org</a></td>
</tr>
<tr>
<td>PHONE:</td>
<td>(415) 554-2769</td>
</tr>
</tbody>
</table>

**COMPLETION DATE:** 11/8/2023

| OBLIGATION STATUS: | COMPLETE |

**DESCRIPTION OF OBLIGATION:**
Exhibit F: [The Unduplicated Patient Commitment] shall be verified by an independent third party auditor... no later than 3 months following execution of this Agreement.

Development Agreement: The Planning Director and Director of Public Health shall... post on their websites the independent third party audit verifying the number of Unduplicated Patients cared for and the costs incurred for the Baseline Expenditure Commitment.

**CURRENT STATUS:**
CPMC’s compliance with the Unduplicated Patient Commitment and the Baseline Expenditure Commitment were verified by a third party audit performed by Deloitte & Touche. A copy of this audit was included in CPMC’s 2013 Compliance Statement and posted on both the Department of Public Health (http://www.sfdph.org) and Planning Department (http://www.sf-planning.org) websites.

**NEXT STEPS:**
This annual obligation continues until 10/8/2023.

**OPPORTUNITIES FOR COMMUNITY ENGAGEMENT:**
The Department of Public Health and the Planning Department have begun quarterly meetings with the coalition San Franciscans for Healthcare, Housing, Jobs and Justice to provide updates on the status of CPMC’s compliance with the Development Agreement where possible.
<table>
<thead>
<tr>
<th>SUBJECT: Development Agreement Obligation</th>
<th>DEVELOPMENT AGREEMENT SECTION: Unduplicated Patient Commitment Exhibit F § 1.a</th>
</tr>
</thead>
<tbody>
<tr>
<td>LEAD DEPARTMENT: Department of Public Health</td>
<td>COMPLETION DATE: 11/8/2023</td>
</tr>
<tr>
<td>STAFF CONTACT NAME: Colleen Chawla</td>
<td>STAFF CONTACT TITLE: Deputy Director of Health, Director of Policy &amp; Planning</td>
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<tr>
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<td>PHONE: (415) 554-2769</td>
</tr>
<tr>
<td>DESCRIPTION OF OBLIGATION:</td>
<td></td>
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</tbody>
</table>

Commencing on the date the Approvals are Finally Granted [11/8/2013], CPMC shall in each fiscal year [January 1 through December 31]...care for a total of not less than 30,445 Unduplicated Patients in San Francisco (the “Unduplicated Patient Commitment”)...“Unduplicated Patient” means a patient who receives a service from any CPMC facility or clinic in the City during the calendar year as a Medi-Cal or Charity Care patient, who has not previously received a service as a Medi-Cal or Charity Care patient from a CPMC facility or clinic in San Francisco during that calendar year.

CURRENT STATUS:
CPMC was required to care for 4,421 unduplicated Medi-Cal or charity care patients in 2013, which represents the annual requirement of 30,445 pro-rated for the period 11/8/13 to 12/31/13.
CPMC exceeded this requirement by caring for 5,687 unduplicated patients, representing the pro-rated share of total unduplicated Medi-Cal and charity care patients served by CPMC in 2013. CPMC’s compliance with this provision was verified by a third party audit performed by Deloitte & Touche.

NEXT STEPS:
The Department of Public Health will continue to monitor CPMC’s compliance with this obligation through the annual review process.

OPPORTUNITIES FOR COMMUNITY ENGAGEMENT:
The Department of Public Health and the Planning Department have begun quarterly meetings with the coalition San Franciscans for Healthcare, Housing, Jobs and Justice to provide updates on the status of CPMC’s compliance with the Development Agreement where possible.
**CPMC CITY AGENCY COMPLIANCE REPORT**

**SUBJECT:** Healthcare (Baseline Commitment)

<table>
<thead>
<tr>
<th>DEVELOPMENT AGREEMENT OBLIGATION:</th>
<th>DEVELOPMENT AGREEMENT SECTION:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseline Expenditure Commitment</td>
<td>Exhibit F § 1.b</td>
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<table>
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<tr>
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<tbody>
<tr>
<td>COMPLETION DATE:</td>
<td>11/8/2023</td>
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<table>
<thead>
<tr>
<th>STAFF CONTACT NAME:</th>
<th>Colleen Chawla</th>
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<tbody>
<tr>
<td>STAFF CONTACT TITLE:</td>
<td>Deputy Director of Health, Director of Policy &amp; Planning</td>
</tr>
<tr>
<td>OBLIGATION STATUS:</td>
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</tr>
<tr>
<td>EMAIL:</td>
<td><a href="mailto:colleen.chawla@sfdph.org">colleen.chawla@sfdph.org</a></td>
</tr>
<tr>
<td>PHONE:</td>
<td>(415) 554-2769</td>
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</table>

**DESCRIPTION OF OBLIGATION:**

Commencing on the date the Approvals are Finally Granted [11/8/2013], CPMC shall in each fiscal year [January 1 through December 31]...spend at least Eight Million Dollars ($8,000,000) for Community Benefits in San Francisco (the "Baseline Expenditure Commitment"...As part of the Baseline Expenditure Commitment, CPMC shall provide financial and other services or operational support for comprehensive primary pediatric care to residents of the Bayview area through the Bayview Child Health Center in a manner and amount generally consistent with CPMC's level of support for the Bayview Child Health Center in fiscal year 2011-12, including comprehensive primary pediatric care to residences of the Bayview area.

**CURRENT STATUS:**

Since this was the first year of compliance, CPMC's $8,000,000 annual obligation was pro-rated to cover the period from 11/8/2013 to fiscal year end, 12/31/13. Accordingly, CPMC was required to spend $1,161,644 in Community Benefits to meet their 2013 obligation.

CPMC exceeded this requirement by providing $1,488,755 in Community Benefits, representing an annual expenditure of $10,252,749 on Community Benefits in 2013. CPMC’s compliance with this provision was verified by a third party audit performed by Deloitte & Touche.

**NEXT STEPS:**

The Department of Public Health will continue to monitor CPMC's compliance with this obligation through the annual review process.

**OPPORTUNITIES FOR COMMUNITY ENGAGEMENT:**

The Department of Public Health and the Planning Department have begun quarterly meetings with the coalition San Franciscans for Healthcare, Housing, Jobs and Justice to provide updates on the status of CPMC’s compliance with the Development Agreement where possible.
**CPMC CITY AGENCY COMPLIANCE REPORT**

**SUBJECT:** Healthcare (Baseline Commitment)

**DEVELOPMENT AGREEMENT OBLIGATION:** Charity Care Policies and Affordable Care Act

**DEVELOPMENT AGREEMENT SECTION:** Exhibit F § 1.d

<table>
<thead>
<tr>
<th>LEAD DEPARTMENT:</th>
<th>Department of Public Health</th>
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<tbody>
<tr>
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<tr>
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<td>(415) 554-2769</td>
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**COMPLETION DATE:** 12/31/2015

**OBLIGATION STATUS:**

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<tr>
<th></th>
<th>IN PROGRESS</th>
<th>IN COMPLIANCE</th>
<th>NOT IN COMPLIANCE</th>
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<tbody>
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<tr>
<td>STAFF CONTACT NAME:</td>
<td>Colleen Chawla</td>
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<td></td>
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<tr>
<td>PHONE:</td>
<td>(415) 554-2769</td>
<td>COMPLETE</td>
<td></td>
</tr>
</tbody>
</table>

**DESCRIPTION OF OBLIGATION:**

CPMC will maintain through the end of calendar year 2015 Charity Care policies that are no more restrictive than current Charity Care policies set forth in the CPMC Fiscal Year 2011 Charity Report...

**CURRENT STATUS:**

CPMC has maintained charity care policies that are no more restrictive than the charity care policies in place in fiscal year 2011.

**NEXT STEPS:**

The Department of Public Health will continue to monitor CPMC’s compliance with this obligation through the annual review process its completion in 12/31/2015.

**OPPORTUNITIES FOR COMMUNITY ENGAGEMENT:**

The Department of Public Health and the Planning Department have begun quarterly meetings with the coalition San Franciscans for Healthcare, Housing, Jobs and Justice to provide updates on the status of CPMC’s compliance with the Development Agreement where possible.
**CPMC CITY AGENCY COMPLIANCE REPORT**

**SUBJECT:** Healthcare (Baseline Commitment)

**DEVELOPMENT AGREEMENT OBLIGATION:**
Bayview Child Health Center

<table>
<thead>
<tr>
<th>LEAD DEPARTMENT:</th>
<th>Department of Public Health</th>
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<tbody>
<tr>
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<tr>
<td>EMAIL:</td>
<td><a href="mailto:colleen.chawla@sfdph.org">colleen.chawla@sfdph.org</a></td>
</tr>
<tr>
<td>PHONE:</td>
<td>(415) 554-2769</td>
</tr>
</tbody>
</table>

**DEVELOPMENT AGREEMENT SECTION:** Exhibit F § 1.e

**COMPLETION DATE:** 11/8/2023

**OBLIGATION STATUS:**
- IN PROGRESS
- IN COMPLIANCE
- NOT IN COMPLIANCE

**DESCRIPTION OF OBLIGATION:**
CPMC shall provide financial and other services or operational support for comprehensive primary pediatric care to residents of the Bayview area through the Bayview Child Health Center...

**CURRENT STATUS:**
In 2011, CPMC provided the Bayview Child Health Center with $646,631 in support. The amount of CPMC’s support was 2012 was $299,304. In 2013, CPMC’s support increased to $1,679,254, which included both capital and operational support.

**NEXT STEPS:**
In November 2013, South of Market Health Center (SMHC), in collaboration with CPMC and the Sutter Pacific Medical Foundation, received funding from the federal Health and Human Services Agency to transfer ownership of the Bayview Child Health Center to SMHC. This transfer will become effective 9/1/14. The Development Agreement provides that CPMC may “sell, lease or transfer programs, services or service lines to meet evolving community needs, operational cost-effectiveness, or quality standards.” CPMC has agreed to provide the following support to the SMHC and the clinic as part of the Baseline Commitment in the Development Agreement:
1. Financial support through an operations grant each year for five years as the clinic becomes sustainable under the Federally Qualified Health Center model;
2. Work with SMHC to retain the physicians and staff, including leasing the current Sutter Medical Director to SMHC for at least one year;
3. Transfer all assets to SMHC at no cost;
4. Invest almost $600,000 in tenant improvements to bring the clinic to OSHPD 3 compliance; and,
5. Remain the clinic’s specialty and hospital partner-- providing Bayview children with comprehensive services across the care continuum.

**OPPORTUNITIES FOR COMMUNITY ENGAGEMENT:**
The Department of Public Health and the Planning Department have begun quarterly meetings with the coalition San Franciscans for Healthcare, Housing, Jobs and Justice to provide updates on the status of CPMC’s compliance with the Development Agreement where possible.
<table>
<thead>
<tr>
<th>CPMC CITY AGENCY COMPLIANCE REPORT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SUBJECT:</strong> Healthcare (New Medi-Cal Beneficiaries)</td>
</tr>
<tr>
<td><strong>DEVELOPMENT AGREEMENT OBLIGATION:</strong> San Francisco Health Plan Medi-Cal Managed Care Program</td>
</tr>
<tr>
<td><strong>DEVELOPMENT AGREEMENT SECTION:</strong> Exhibit F § 2.a</td>
</tr>
<tr>
<td><strong>LEAD DEPARTMENT:</strong> Department of Public Health</td>
</tr>
<tr>
<td><strong>COMPLETION DATE:</strong> 11/8/2023</td>
</tr>
<tr>
<td><strong>STAFF CONTACT NAME:</strong> Colleen Chawla</td>
</tr>
<tr>
<td><strong>STAFF CONTACT TITLE:</strong> Deputy Director of Health, Director of Policy &amp; Planning</td>
</tr>
<tr>
<td><strong>EMAIL:</strong> <a href="mailto:colleen.chawla@sfdph.org">colleen.chawla@sfdph.org</a></td>
</tr>
<tr>
<td><strong>PHONE:</strong> (415) 554-2769</td>
</tr>
<tr>
<td><strong>DESCRIPTION OF OBLIGATION:</strong> CPMC shall continue to participate with a standard services agreement in the San Francisco Health Plan Medi-Cal managed care program (“Program”) in accordance with the provisions below.</td>
</tr>
<tr>
<td><strong>CURRENT STATUS:</strong> CPMC continues to have a standard services agreement with the San Francisco Health Plan.</td>
</tr>
<tr>
<td><strong>NEXT STEPS:</strong> The Department of Public Health will continue to monitor CPMC’s compliance with this obligation through the annual review process.</td>
</tr>
<tr>
<td><strong>OPPORTUNITIES FOR COMMUNITY ENGAGEMENT:</strong> The Department of Public Health and the Planning Department have begun quarterly meetings with the coalition San Franciscans for Healthcare, Housing, Jobs and Justice to provide updates on the status of CPMC’s compliance with the Development Agreement where possible.</td>
</tr>
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### Subject: Development Agreement

<table>
<thead>
<tr>
<th>Development Agreement Obligation:</th>
<th>Development Agreement Section:</th>
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<tbody>
<tr>
<td>New Medi-Cal Beneficiaries Commitment</td>
<td>Exhibit F § 2.b</td>
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<tr>
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<th>Colleen Chawla</th>
<th>Completion Date:</th>
<th>11/8/2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff Contact Name:</td>
<td>Deputy Director of Health, Director of Policy &amp; Planning</td>
<td>Obligation Status:</td>
<td>IN PROGRESS</td>
</tr>
<tr>
<td>Email:</td>
<td><a href="mailto:colleen.chawla@sfdph.org">colleen.chawla@sfdph.org</a></td>
<td>In Compliance:</td>
<td>IN COMPLIANCE</td>
</tr>
<tr>
<td>Phone:</td>
<td>(415) 554-2769</td>
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</table>

### Description of Obligation:
Commencing on the Effective Date [10/8/2013], and annually thereafter, CPMC shall accept responsibility for providing hospital services... for no less than 5,400 additional Medi-Cal managed care beneficiaries...

### Current Status:
The Development Agreement requires CPMC to provide care for a total of 22,728 Medi-Cal managed care beneficiaries. This obligation is meant to address the expansion of Medi-Cal beneficiaries through the roll-out of the Affordable Care Act (ACA). The Development Agreement takes into account that it may take several years for CPMC to satisfy this obligation, since enrollment under the ACA is unpredictable. Accordingly, the Development Agreement stated that should CPMC serve fewer than 22,728 beneficiaries they would not be in default so long as they remain open to accepting new enrollees.

As of December 31, 2013, CPMC had responsibility for 17,129 Medi-Cal managed care enrollees. However, they have remained open to accepting new enrollees and therefore are in compliance with this provision of the Development Agreement.

CPMC also notes that there was a clerical error in the Development Agreement, wherein 2,478 Healthy Families enrollees were double counted. Accordingly, CPMC asserts that the cumulative total number of Medi-Cal managed care beneficiaries they are obligated to serve is 20,250. The Department of Public Health has reviewed CPMC’s accounting, and agrees that their obligation is to serve 20,250 Medi-Cal managed care beneficiaries.

### Next Steps:
The Department of Public Health will continue to monitor CPMC’s compliance with this obligation through the annual review process.

### Opportunities for Community Engagement:
The Department of Public Health and the Planning Department have begun quarterly meetings with the coalition San Franciscans for Healthcare, Housing, Jobs and Justice to provide updates on the status of CPMC’s compliance with the Development Agreement where possible.
## Description of Obligation

CPMC shall contract with an existing Management Services Organizations (MSO) to care for New Enrollees, and, when available with a new MSO where the primary care provider base is located in the Tenderloin to care for 1,500 New Enrollees if and when available from the Effective Date through December 31, 2015.

There continues to be no available MSO with a provider base located in the Tenderloin with which CPMC could contract for new enrollees. The Innovation Fund provided funding to a group of eight clinics that came together to determine whether they could create a new MSO that could partner with CPMC to meet this requirement. Analysis performed by their consultant revealed that such an MSO would not be financially or operationally feasible. The Innovation Fund Advisors are continuing to work with the clinics to determine whether there are other options for meeting this goal.

This obligation continues until 12/31/2015.

## Next Steps

This obligation continues until 12/31/2015.

## Opportunities for Community Engagement

The Department of Public Health and the Planning Department have begun quarterly meetings with the coalition San Franciscans for Healthcare, Housing, Jobs and Justice to provide updates on the status of CPMC’s compliance with the Development Agreement where possible.
## Description of Obligation:

CPMC shall enter into the Innovation Fund Grant Agreement (the “Innovation Fund Agreement”) substantially in the form attached hereto as Attachment 1 to this Exhibit F, and City shall agree to and accept same as indicated, with only such changes as are approved by the DPH Director, the City Attorney and the Innovation Fund Foundation that do not decrease CPMC’s payment obligations or otherwise materially reduce the benefits provided under the Innovation Fund Agreement as determined by the DPH Director...

The Innovation Fund Foundation shall annually distribute a portion of the principal balance of the Innovation Fund to third-party recipients under a grant application process approved by CPMC and the DPH Director. Prior to any disbursements or commitments for distribution of the Innovation Fund, the Innovation Fund Foundation shall consult with, obtain disbursement advice from the Committee and, if possible, obtain a consensus for distributions with the Committee, as provided in Section 3.a(iii) above, provided that final determinations shall be made by the Innovation Fund Foundation.

## Current Status:

CPMC entered into the Innovation Fund Agreement with the San Francisco Foundation. The San Francisco Foundation administers the Innovation Fund. Together, CPMC, the City and the Foundation make disbursement decisions. CPMC made the first payment to the San Francisco Foundation of $2 million on 9/4/13 and a second payment of $1.5 million on 11/26/13 for a total of $3.5 million.

In 2013, the Innovation Fund Foundation distributed $1,244,700 to five organizations focused on: 1) Affordable Care Act readiness for community clinics; 2) strategic opportunities to improve services for people with HIV/AIDS; and 3) expansion of emergency mental health services.

In 2014, the Innovation Fund Foundation authorized additional funding of $2 million to a group of eight clinics that came together to determine whether they could create a new management service organization (MSO) that could partner with CPMC and enable CPMC to meet the requirement to partner with a MSO with a provider base located in the Tenderloin. Analysis performed by their consultant revealed that such an MSO would not be financially or operationally feasible.

## Next Steps:

The Innovation Fund will use remaining funds to continue to study the alternatives for creating an MSO in the Tenderloin and address other priorities agreed to by the fund partners, CPMC, the City and the San Francisco Foundation.

## Opportunities for Community Engagement:

The Department of Public Health and the Planning Department have begun quarterly meetings with the coalition San Franciscans for Healthcare, Housing, Jobs and Justice to provide updates on the status of CPMC’s compliance with the Development Agreement where possible.

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<tr>
<th>CPMC’s Full Funding Amount:</th>
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<td>$8,600,000.00</td>
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<td>$5,100,000.00</td>
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<td>PHONE:</td>
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<tr>
<td>OPPORTUNITIES FOR COMMUNITY ENGAGEMENT:</td>
</tr>
</tbody>
</table>

**DESCRIPTION OF OBLIGATION:**
CPMC shall work with SFDPH and other hospital operators in good faith, but without assuming any obligation to expend funds or other resources, to develop specific proposals for providing sub-acute care services in San Francisco, and to present such proposals to the Health Commission by June 30, 2014, or such date as the participating hospitals and the Health Commission determine.

**CURRENT STATUS:**
CPMC initiated this work in June 2014 through the Hospital Council’s Care Coordination workgroup to explore, understand and describe the demand for sub-acute services for all acute hospitals in San Francisco. As part of this process, a survey has been sent to each San Francisco hospital. It is now expected that the proposal will be presented to the Health Commission no later than June 30, 2015.

**NEXT STEPS:**
In the coming months, participating hospitals and staff from the Department of Public Health will be reviewing data on sub-acute services collected in 2011 in response to a previous request by the Health Commission. CPMC will present their proposal to the Health Commission no later than June 30, 2015.

**OPPORTUNITIES FOR COMMUNITY ENGAGEMENT:**
The Department of Public Health and the Planning Department have begun quarterly meetings with the coalition San Franciscans for Healthcare, Housing, Jobs and Justice to provide updates on the status of CPMC’s compliance with the Development Agreement where possible.
**CPMC CITY AGENCY COMPLIANCE REPORT**

**SUBJECT:** Healthcare (Staff Integration)

<table>
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<tr>
<th>DEVELOPMENT AGREEMENT OBLIGATION:</th>
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<tr>
<td>Staff Integration</td>
<td>Exhibit F § 7</td>
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<tr>
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<th>COMPLETION DATE: 11/8/2023</th>
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<tbody>
<tr>
<td>STAFF CONTACT NAME:</td>
<td>Colleen Chawla</td>
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**DESCRIPTION OF OBLIGATION:**

CPMC shall continue its good faith efforts at the clinical integration of medical staffs at the St. Luke’s Campus, with the medical staff at its Pacific Campus, California Campus and Davies Campus (and, upon Completion of the Cathedral Hill Campus Hospital and the Cathedral Hill Campus), and on quality improvement initiatives for the purpose of improving patient quality of care at all of the CPMC Campuses.

**CURRENT STATUS:**

CPMC has made efforts to integrate the medical staff across its four campuses. The physician groups for Internal Medicine Hospitalists, Emergency Medicine, Radiology, Pathology, Oncology, Neurology, and Anesthesia are the same for each hospital campus.

**NEXT STEPS:**

The Department of Public Health will continue to monitor CPMC’s compliance with this obligation through the annual review process.

**OPPORTUNITIES FOR COMMUNITY ENGAGEMENT:**

The Department of Public Health and the Planning Department have begun quarterly meetings with the coalition San Franciscans for Healthcare, Housing, Jobs and Justice to provide updates on the status of CPMC’s compliance with the Development Agreement where possible.
**CPMC CITY AGENCY COMPLIANCE REPORT**

**SUBJECT:** Healthcare (Community Benefits Partnership)

<table>
<thead>
<tr>
<th>DEVELOPMENT AGREEMENT OBLIGATION</th>
<th>DEVELOPMENT AGREEMENT SECTION</th>
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<tbody>
<tr>
<td>CPMC participation in Community Benefits Partnership</td>
<td>Exhibit F § 8</td>
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<tr>
<th>LEAD DEPARTMENT:</th>
<th>Department of Public Health</th>
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<tr>
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<th>11/8/2023</th>
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</table>

**DESCRIPTION OF OBLIGATION:**
CPMC shall continue to actively participate in the “Community Benefits Partnership” (an outgrowth of the Building a Healthier San Francisco needs assessment process and the Charity Care Project) or its successor, of San Francisco private non-profit hospitals, SFDPH, Human Services, community clinics, health plans, non-profit providers and advocacy groups, to prepare a community benefit plan, as defined in Health and Safety Code Section 127355, for submittal to OSHPD.

**CURRENT STATUS:**
CPMC has continued to participate in the San Francisco Health Improvement Partnership, the successor coalition to the Community Benefits Partnership.

**NEXT STEPS:**
The Department of Public Health will continue to monitor CPMC’s compliance with this obligation through the annual review process.

**OPPORTUNITIES FOR COMMUNITY ENGAGEMENT:**
The Department of Public Health and the Planning Department have begun quarterly meetings with the coalition San Franciscans for Healthcare, Housing, Jobs and Justice to provide updates on the status of CPMC’s compliance with the Development Agreement where possible.
**DESCRIPTION OF OBLIGATION:**

Through existing service agreements, CPMC currently provides pediatric, obstetric, and certain tertiary services to Chinese Hospital patients. CPMC shall continue to provide such services in a manner generally consistent with existing service agreements with Chinese Hospital and its affiliates as of the Effective Date. Notwithstanding the foregoing, CPMC may adjust programs, services and service lines to meet evolving community needs and quality standards, as may be reflected in future service agreements with Chinese Hospital and its affiliates.

**CURRENT STATUS:**

CPMC has continued to provide services to Chinese Hospital patients in a manner consistent with existing service agreements.

**NEXT STEPS:**

The Department of Public Health will continue to monitor CPMC’s compliance with this obligation through the annual review process.

**OPPORTUNITIES FOR COMMUNITY ENGAGEMENT:**

The Department of Public Health and the Planning Department have begun quarterly meetings with the coalition San Franciscans for Healthcare, Housing, Jobs and Justice to provide updates on the status of CPMC’s compliance with the Development Agreement where possible.
<table>
<thead>
<tr>
<th>SUBJECT:</th>
<th>Healthcare (CLAS)</th>
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<tbody>
<tr>
<td>DEVELOPMENT AGREEMENT OBLIGATION:</td>
<td>Culturally and Linguistically Appropriate Services</td>
</tr>
<tr>
<td>DEVELOPMENT AGREEMENT SECTION:</td>
<td>Exhibit F § 10</td>
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<td>LEAD DEPARTMENT:</td>
<td>Department of Public Health</td>
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<td>COMPLETION DATE:</td>
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<tr>
<td>STAFF CONTACT NAME:</td>
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<td>PHONE:</td>
<td>(415) 554-2769</td>
</tr>
<tr>
<td>OBLIGATION STATUS:</td>
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</table>

### DESCRIPTION OF OBLIGATION:

CPMC shall deliver at all Campuses culturally and linguistically appropriate services that are representative of San Francisco’s diverse communities and are in accordance with the mandates, guidelines and recommendations of the National Standards on Culturally and Linguistically Appropriate Services (CLAS), as issued by the U.S. Department of Health and Human Services’ Office of Minority Health in March 2001 and subsequently updated.

### CURRENT STATUS:

It is CPMC policy to deliver culturally and linguistically appropriate services in accordance with the mandates, guidelines and recommendations of the National Standards on Culturally and Linguistically Appropriate Services (CLAS). CPMC provided a copy of their policy implementing these standards.

### NEXT STEPS:

The City has learned from community partners that CPMC has made staffing decisions which have reduced the quality of bi-lingual service at the St. Luke’s Campus. The City is concerned about these changes to service and, through the Department of Public Health, requested that CPMC provide additional information regarding CLAS, including the metrics on which CPMC measures its compliance with CLAS. A copy of CPMC’s response is provided in the Exhibits to this report.

### OPPORTUNITIES FOR COMMUNITY ENGAGEMENT:

The Department of Public Health and the Planning Department have begun quarterly meetings with the coalition San Franciscans for Healthcare, Housing, Jobs and Justice to provide updates on the status of CPMC’s compliance with the Development Agreement where possible.
**DESCRIPTION OF OBLIGATION:**
For the period from January 1, 2014 to December 31, 2016, the negotiated fee for service increase for CPMC shall not exceed 5% annually as compared to the prior calendar year fee for service rates...

**CURRENT STATUS:**
2013 was the base price year for these obligations. HSS will evaluate the 2014 fee increases through an independent actuary later in 2014, after fees have been negotiated between CPMC and HSS.

**NEXT STEPS:**
HSS and CPMC will engage an agreed upon actuary.

**OPPORTUNITIES FOR COMMUNITY ENGAGEMENT:**
None.
HOUSING PROGRAM
<table>
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<tr>
<th>CPMC CITY AGENCY COMPLIANCE REPORT</th>
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<td>Replacement Housing Obligation</td>
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<td>Exhibit G § 1.c</td>
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<td>LEAD DEPARTMENT:</td>
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<tr>
<td>Mayor's Office of Housing</td>
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<tr>
<td>COMPLETION DATE: 9/6/2013</td>
</tr>
<tr>
<td>STAFF CONTACT NAME:</td>
</tr>
<tr>
<td>Teresa Yanga</td>
</tr>
<tr>
<td>STAFF CONTACT TITLE:</td>
</tr>
<tr>
<td>Director of Housing Development</td>
</tr>
<tr>
<td>EMAIL: <a href="mailto:teresa.yanga@sfgov.org">teresa.yanga@sfgov.org</a></td>
</tr>
<tr>
<td>PHONE: (415) 701-5515</td>
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<tr>
<td>DESCRIPTION OF OBLIGATION:</td>
</tr>
<tr>
<td>MOH shall deposit the Residential Hotel Unit Replacement Fee payment into the Affordable Housing Fund and use the funds for affordable housing. MOH shall confirm to DBI receipt of the Residential Hotel Unit Replacement Fee.</td>
</tr>
<tr>
<td>CURRENT STATUS:</td>
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<tr>
<td>CPMC has paid this obligation in full. The Mayor’s Office of Housing and Community Development (MOHCD) has provided notice to DBI regarding the receipt of the Residential Housing Unit Replacement Fee.</td>
</tr>
<tr>
<td>NEXT STEPS:</td>
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**CPMC CITY AGENCY COMPLIANCE REPORT**

**SUBJECT:** Housing

**DEVELOPMENT AGREEMENT OBLIGATION:** Affordable Housing Obligation

**DEVELOPMENT AGREEMENT SECTION:** Exhibit G § 2

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<td>PHONE:</td>
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</table>

**DESCRIPTION OF OBLIGATION:**

MOH shall deposit the payment into the Affordable Housing Fund and use the funds for affordable housing. CPMC shall provide evidence of payment to DBI upon request, and MOH shall confirm to DBI receipt of the Residential Unit Replacement Fee.

**CURRENT STATUS:**

CPMC provided the first two payments to the Affordable Housing Fund. The first payment was received 9/4/2013, totaling $2,400,000. The second payment was received on 12/7/2013, totaling $6,700,000. Combined, MOHCD received $9,100,000 in 2013. MOHCD will be using the Affordable Housing Payment received to date toward rehabilitating public housing in conjunction with HUD’s Rental Assistance Demonstration program.

**NEXT STEPS:**

CPMC will provide annual payments to the Affordable Housing Fund until the final payment is received by MOHCD in December 2017.

**OPPORTUNITIES FOR COMMUNITY ENGAGEMENT:**

N/A

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<th>CPMC’S FULL FUNDING AMOUNT:</th>
<th>FUNDING RECEIVED FROM CPMC TO DATE:</th>
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<td>$36,500,000.00</td>
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**CPMC’S FUNDING OBLIGATION REMAINING:**

$27,400,000.00
PUBLIC IMPROVEMENTS
**CPMC CITY AGENCY COMPLIANCE REPORT**

**SUBJECT:** Public Improvements

**DEVELOPMENT AGREEMENT OBLIGATION:** Tenderloin Public Improvements - Pedestrian Safety & Lighting

**DEVELOPMENT AGREEMENT SECTION:** Exhibit H § 2.a

<table>
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<tr>
<td>STAFF CONTACT NAME:</td>
<td>Amy Cohen</td>
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<tr>
<td>STAFF CONTACT TITLE:</td>
<td>Director, Neighborhood Business Dev.</td>
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<td>EMAIL:</td>
<td><a href="mailto:amy.b.cohen@sfgov.org">amy.b.cohen@sfgov.org</a></td>
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<tr>
<td>PHONE:</td>
<td>(415) 554-6649</td>
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**DESCRIPTION OF OBLIGATION:**

CPMC shall make the following payments (the “CCHAP Improvement Funds”) to City for the purposes identified below...$4,250,000 to OEWD, DPW or PUC, including at least $3,450,000 for sidewalk widening and pedestrian improvements and up to $800,000 for economic development activities in the Tenderloin, as determined by the Director of OEWD following consultation with the PUC General Manager and the Director of DPW.

**CURRENT STATUS:**

The San Francisco Public Utilities Commission (SFPUC) has executed a Memorandum of Understanding (MOU) with OEWD for the pedestrian lighting project totaling $4.25M. They have assigned a team. OEWD has met with the team twice, including meetings with Planning and MTA to ensure coordination with other public realm work in the Tenderloin. Officially, their design process commenced July 1.

**NEXT STEPS:**

PUC is planning a Lighting Tour for late August that will include community members and key City partners who will help confirm geographic reach of this project. The City anticipates that construction of the street lighting will completed by spring of 2017.

**OPPORTUNITIES FOR COMMUNITY ENGAGEMENT:**

Lighting tour is the first opportunity. We are happy to coordinate other opportunities as the project progresses.

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**CPMC’S FUNDING OBLIGATION REMAINING:**

$2,650,000.00
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<th>Subject:</th>
<th>Development Agreement Obligation: Safe Passage Grant</th>
<th>Development Agreement Section: Exhibit H § 2.a</th>
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<tr>
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<tr>
<td>Staff Contact Name:</td>
<td>Amy Cohen</td>
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</tr>
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**Description of Obligation:**
CPMC shall pay the total sum of Two Hundred Thousand Dollars ($200,000) to OEWD (the “Safe Passage Grant”) as described in Schedule A (Section I), in accordance with Exhibit N (Payment Schedule).

**Current Status:**
We solicited and received a proposal for the capital portion of the proposed Safe Passage program. However, the grantee determined a need for additional funding, so we have been working with a prospective funding partner to supplement the $200,000 and focus on both the capital and the programmatic dollars needed. We are awaiting a revised proposal reflecting the additional funding commitment.

**Next Steps:**
We are awaiting a new proposal from the prospective grantee and will finalize funding agreement at that time.

**Opportunities for Community Engagement:**
Many opportunities, ongoing, given that the program is a collaboration of CBOs in the Tenderloin and relies on volunteer recruitment to ensure safety of the path.

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CPMC CITY AGENCY COMPLIANCE REPORT

SUBJECT: Transportation

DEVELOPMENT AGREEMENT OBLIGATION:

Cathedral Hill Transit and Safety Improvements

DEVELOPMENT AGREEMENT SECTION:

Exhibit H § 2.b

LEAD DEPARTMENT: SFMTA

COMPLETION DATE: 12/7/2016

STAFF CONTACT NAME: Frank Markowitz

OBLIGATION STATUS: IN PROGRESS

STAFF CONTACT TITLE: Senior Transportation Planner

EMAIL: Frank.Markowitz@sfmta.com

PHONE: (415) 701-4442

DESCRIPTION OF OBLIGATION:

$1,550,000.00 to DPW or MTA for transit and safety improvements and work as part of the CCHAP Improvements... in the neighborhoods around the Cathedral Hill Campus.

CURRENT STATUS:

Partial funding has been received. SFMTA and DPW have agreed on proposal to use funds to improve transit travel times and reliability near the campuses:

1. $200,000 for an overhead wire switch at California & Presidio that will allow greater operational flexibility for the 3 Jackson, 1 California and 2 Clement (once it becomes a trolley service)

2. $1,300,000 for transit signal priority (TSP) equipment to be installed on all the fleet vehicles for the 1 California, 38 Geary, and 3 Jackson routes.

NEXT STEPS:

SFMTA will continue to refine the proposal for the use of funds based on stakeholder outreach, including a presentation to the SFMTA Citizens Advisory Council.

OPPORTUNITIES FOR COMMUNITY ENGAGEMENT:

The Cathedral Hill Tranist and Safety Improvements were presented to the SFMTA Citizens Advisory Council (CAC) on August 7, 2014 as part of a larger outreach effort covering all the transportation commitments in the Development Agreement. SFMTA will continue to provide updates on the CPMC Development Agreement to the SFMTA CAC.

CPMC’S FULL FUNDING AMOUNT: $1,550,000.00

FUNDING RECEIVED FROM CPMC TO DATE: $400,000.00

CPMC’S FUNDING OBLIGATION REMAINING: $1,150,000.00
### CPMC CITY AGENCY COMPLIANCE REPORT

**SUBJECT:** Transportation

**DEVELOPMENT AGREEMENT OBLIGATION:** Cal & Pac Campus Enforcement and Traffic Safety Measures

**DEVELOPMENT AGREEMENT SECTION:** Exhibit H § 2.c

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<td>Frank Markowitz</td>
<td>OBLIGATION STATUS</td>
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<td>Senior Transportation Planner</td>
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<td><a href="mailto:Frank.Markowitz@sfmta.com">Frank.Markowitz@sfmta.com</a></td>
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<td>PHONE</td>
<td>(415) 701-4442</td>
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### DESCRIPTION OF OBLIGATION:

CPMC shall make the following payments (the "CCHAP Improvement Funds") to City for the purposes identified below...$3,000,000 to DPW or MTA, as applicable, for Public Improvement Costs for enforcement and traffic safety measures as part of the CCHAP Improvements (shown in Schedule A Section I), around the CPMC Pacific Campus and California Campus.

### CURRENT STATUS:

Partial funding has been received. The City has agreed on the proposal to use funds to improve pedestrian safety by way of the following initial enforcement and traffic safety measures near the California and Pacific campuses:

1. $750,000 for a 2-year Enhanced Parking Enforcement Pilot that will focus on loading zones within one block of campus, but will also enhance parking enforcement in the enforcement zones closest to the California and Pacific campuses. SFMTA will report on the effectiveness of these measures every 6 months, with formal evaluation occurring after 2 years. SFMTA will have the option to extend the enforcement pilot if deemed successful (or remaining funds may be used for other appropriate, more effective measures).

2. $40,000 for rectangular rapid flash beacons at California/Commonwealth intersection, with added pedestrian improvements possible (based on detailed field work and collision analysis).

3. Under $20,000 for continental crosswalk restriping and other visibility improvements for WalkFirst intersections within 2000 feet of the campuses and all unsignalized crosswalks immediately adjacent to the campuses. Specific locations will be determined in the coming months.

### NEXT STEPS:

The California and Pacific Campus Enforcement and Traffic Safety measures were presented to the SFMTA Citizens Advisor Committee on August 7, 2014 as part of a larger outreach effort covering all the transportation commitments in the Development Agreement. SFMTA will continue to provide updates on the CPMC Development Agreement to the SFMTA CAC.

### OPPORTUNITIES FOR COMMUNITY ENGAGEMENT:

SFMTA will be presenting the proposal to the SFMTA Citizens Advisory Council for input and comments. These meetings are open to the public and noticed on SFMTA’s website (http://www.sfmta.com).

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<tr>
<td>Development Agreement Obligation: St. Luke’s &amp; Davies Campuses</td>
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<tr>
<td>Staff Contact Name: Frank Markowitz</td>
<td></td>
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<tr>
<td>Staff Contact Title: Senior Transportation Planner</td>
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<tr>
<td>Email: <a href="mailto:Frank.Markowitz@sfmta.com">Frank.Markowitz@sfmta.com</a></td>
<td></td>
</tr>
<tr>
<td>Phone: (415) 701-4442</td>
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<td>Obligation Status: Complete</td>
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**Description of Obligation:**
CPMC shall prepare final design, specifications and construction plans for the St. Luke’s and Davies (STLD) Improvements for submittal to City, and City shall have sole authority to review and approve improvement plans for the STLD Improvements consistent with the descriptions in Schedule A.

**Current Status:**

**St. Luke’s:** The first phase of St. Luke’s Campus Area STLD Improvements must be delivered in conjunction with the completion of St. Luke’s Hospital, projected in 2020. To date, CPMC has not submitted plans to the City for review.

**Davies:** CPMC has provided funding for the Duboce Park Youth Play Area, and the project is complete.

**Next Steps:**
CPMC will complete the design and determine and submit them to the City for review. The City will work with CPMC to refine and approve the proposed public improvements, and issue the appropriate permits to CPMC. The City anticipates that these projects will be constructed by July 31, 2024.

**Opportunities for Community Engagement:**
The design concepts were reviewed during the public and Board of Supervisors review of the CPMC development project - a list of projects for the St. Luke’s Campus Area can be found in Exhibit H, Schedule A, Page 2-4 of the Development Agreement.
Community Visioning Plans were required in the Development Agreement (Exhibit I-1 through I-3) for the Long-Term Projects for the Davies, California and Pacific Campuses, as set forth below:

**Davies Campus Community Advisory Group:** To facilitate community input regarding planning for the Long-Term Project at the Davies Campus, CPMC is required to establish a Davies Campus Community Advisory Group within six (6) months after Approvals and any Subsequent Approvals for CPMC’s Near-Term Projects have been Finally Granted.

**Pacific Campus Community Advisory Group:** To facilitate community input regarding planning for the Long-Term Projects at the Pacific Campus, CPMC is required to convene an initial meeting of parties who have previously expressed interest in the planning process for the Pacific Campus to discuss interest in and the composition of the Pacific Campus Community Advisory Group (“Pac CAG”) within six (6) months after Approvals and any Subsequent Approvals for CPMC’s Near-Term Projects have been Finally Granted. CPMC is required to promptly thereafter, appoint the Pac CAG.

**California Campus Visioning Advisory Committee:** The California VAC is the community advisory group that will assist CPMC with community outreach, information dissemination and public education efforts regarding the visioning process for eventual reuse of the California Campus. On the date that is the later of (i) six (6) months after Approvals and any Subsequent Approvals for CPMC’s Near-Term Projects have been Finally Granted; and (ii) completion of the Phase II work described in Section 3b-Research and Stakeholder Interviews, CPMC will appoint the Cal VAC.

This obligation is not yet required, as the obligation timeframe is triggered within six (6) months after the Approvals and any Subsequent Approvals for CPMC’s Near-Term Projects have been Finally Granted. Several of CPMC’s Near-Term Projects have not received their Approvals and/or Subsequent Approvals and thus they are not obligated to begin the Community Visioning Plans for the three Long-Term Project Campuses.

However, CPMC has started already started the Community Visioning process for the California Campus. In 2011, CPMC began Phase I, Early Education, Engagement and Presentations, which presented interested individuals and community groups about CPMC’s Near and Long Term Projects and communicated the goals and opportunities for the visioning process.

Earlier this year, CPMC initiated Phase II: Research and Stakeholder Interviews, by retaining a consultant to develop a survey and conduct interviews with community stakeholders.

CPMC may begin these Community Advisory Committees at any time, but are not obligated to start until the Approvals/Subsequent Approvals have been finally granted.

Ongoing as the Community Visioning processes for the three campuses continues.
TRANSPORTATION
**SUBJECT:** Development Agreement

**BRT Contribution**

| LEAD DEPARTMENT: | SFMTA |
| STAFF CONTACT NAME: | Frank Markowitz |
| STAFF CONTACT TITLE: | Senior Transportation Planner |
| EMAIL: | Frank.Markowitz@sfmta.com |
| PHONE: | (415) 701-4442 |

**COMPLETION DATE:** 12/7/2014

**OBLIGATION STATUS:** Complete

**DESCRIPTION OF OBLIGATION:**

SFMTA shall use the BRT contributions for hard and soft costs of planning, administration and construction association with the BRT improvements to be constructed or installed in the Geary/Van Ness public rights of way adjacent to the Cathedral Hill Campus.

**CURRENT STATUS:**

CPMC provided the first annual payment towards the BRT in 2013, totaling $2,100,000.

**NEXT STEPS:**

Funds provided by CPMC will be used to support the design and construction of the Van Ness BRT project. The project is expected to be completed and operating by 2018.

**OPPORTUNITIES FOR COMMUNITY ENGAGEMENT:**

The Van Ness BRT project has extensive community involvement opportunities, including its own Citizens Advisory Committee.

**CPMC’S FULL FUNDING AMOUNT:** $5,000,000.00

**FUNDING RECEIVED FROM CPMC TO DATE:** $2,100,000.00

**CPMC’S FUNDING OBLIGATION REMAINING:** $2,900,000.00
### Development Agreement Obligation: Bicycle Studies

<table>
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<tr>
<th>Lead Department:</th>
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<tr>
<td>STAFF CONTACT NAME:</td>
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<td>PHONE:</td>
<td>(415) 701-4442</td>
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**Completion Date:** 9/4/2013

**Description of Obligation:**
CPMC shall pay to SFMTA the total sum of $400,000. SFMTA shall use the Bicycle Studies Contribution, in its discretion to:

- Develop preferred bicycle routes between CPMC’s campuses...
- Develop design alternatives for improved bicycle facilities on Polk Street...
- Develop traffic calming proposals along the Wiggle...
- Design traffic calming measures along 26th Street between Valencia Street and Potrero Avenue...

**Current Status:**
Full funding has been received in full by SFMTA on 9/4/2013. These funds will be used by SFMTA to improve bicycle safety and access near Cathedral Hill, along the Wiggle, and for traffic calming on 26th Street. Work is currently proceeding on design of Polk Street bicycle safety measures.

**Next Steps:**
SFMTA will work to further develop and implement bicycle improvement. It is anticipated that construction of these projects will be completed by 7/31/2015.

**Opportunities for Community Engagement:**
SFMTA will present the proposals developed through the CPMC Bicycle Studies to the SFMTA Citizens Advisory Council and the SFMTA Bicycle Advisory Committee.

**CPMC’s Full Funding Amount:** $400,000.00

**Funding Received from CPMC to Date:** $400,000.00

**CPMC’s Funding Obligation Remaining:** $0.00
CPMC shall develop and implement a Construction Transportation Management Plan (CTMP) to anticipate and minimize impacts of various construction activities associated with the Proposed Project. The Plan would disseminate appropriate information to contractors and affected agencies with respect to coordinating construction activities to minimize overall disruptions and ensure that overall circulation is maintained to the extent possible, with particular focus on ensuring pedestrian, transit, and bicycle connectivity. The program would supplement and expand, rather than modify or supersede, any manual, regulations, or provisions set forth by Caltrans, SFMTA, DPW, or other City departments and agencies.

CPMC submitted the Contractor Transportation and Parking Management Plan on July 3, 2014. The SFMTA reviewed and submitted comments on July 17, 2014. CPMC submitted a revised TMP on July 22, 2014. This was determined to be acceptable by the SFMTA and approved on July 23, 2014, subject to updating in 2015.

CPMC will monitor the contractor in fulfilling this CTMP. CPMC will revise the Plan in 2015 when additional information is available on actual construction crew demographics and travel patterns.

CPMC will lead community engagement on the TMP and will provide contact information to neighbors who have concerns about the project’s construction impacts.
**CPMC CITY AGENCY COMPLIANCE REPORT**

**SUBJECT:** Transportation Demand Management Program

<table>
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<tr>
<th>DEVELOPMENT AGREEMENT OBLIGATION:</th>
<th>DEVELOPMENT AGREEMENT SECTION:</th>
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<tr>
<td>TDM: Outreach, Marketing and Information</td>
<td>Exhibit K § 5; TDMP Page 7</td>
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<tr>
<th>LEAD DEPARTMENT:</th>
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<tr>
<td>STAFF CONTACT NAME:</td>
<td>Carli Paine</td>
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<tr>
<td>STAFF CONTACT TITLE:</td>
<td>TDM Manager</td>
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<tr>
<td>EMAIL:</td>
<td><a href="mailto:carli.paine@sfmta.com">carli.paine@sfmta.com</a></td>
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<tr>
<td>PHONE:</td>
<td>(415) 701-4469</td>
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| COMPLETION DATE: | 8/10/2015 |
| OBLIGATION STATUS: | COMPLETE |
| IN PROGRESS |
| IN COMPLIANCE |
| NOT IN COMPLIANCE |

**DESCRIPTION OF OBLIGATION:**

Near Term TDM Components (0-2 years) for outreach, marketing and information include: reinstituting the Transportation Services Newsletter, provide TDM communication boards in campus cafeterias, enhance the TDM site on intranet and public website, reinstate and expand the annual Transportation Fair, promote the existing courtesy ride home program, increase marketing of the City’s Emergency Ride Home program, design and outreach program, and develop a TDM operations and maintenance budget.

**CURRENT STATUS:**

CPMC did not provide a status update on outreach, marketing and information TDM obligations in their 2013 Compliance Statement. However, since the obligation is not due until 2015, they are in compliance.

**NEXT STEPS:**

CPMC has targeted hiring a TDM coordinator in the fall of 2014 to be filled by the end of the year. This position will oversee the marketing and outreach programs outlined above. SFMTA and CPMC will meet quarterly starting in September 2014 to discuss details of implementing TDM obligations.

**OPPORTUNITIES FOR COMMUNITY ENGAGEMENT:**

The TDM Plan will be briefly presented to the SFMTA Citizens Advisory Council (CAC) on August 7, 2014 as part of a larger outreach effort covering all the transportation commitments in the Development Agreement. SFMTA will continue to provide updates on the CPMC Development Agreement, including the TDM to the SFMTA CAC.
**DESCRIPTION OF OBLIGATION:**
Near Term TDM Components (0-2 years) states that CPMC shall evaluate and then increase employee parking prices as needed to achieve the trip and parking reduction goals.

**CURRENT STATUS:**
CPMC’s 2013 Compliance Statement describes existing on-site and off-site parking facilities and the number of employees with parking spots. The compliance statement also includes current on-site employee parking rates, but does not say whether those rates have needed to be, or have been, increased. The compliance statement says that “CPMC employees who park at off-site facilities pay subsidized rates that vary by facility,” but does not say if those rates have changed. This obligation is not due until 2015, accordingly.

**NEXT STEPS:**
CPMC will evaluate employee parking prices and determine whether on-site parking rates should be increased, or off-site subsidies decreased, to achieve the trip and parking reduction goals. CPMC will provide documentation of this evaluation to the SFMTA. SFMTA and CPMC will meet quarterly starting in September 2014 to discuss details.

**OPPORTUNITIES FOR COMMUNITY ENGAGEMENT:**
The TDM Plan will be briefly presented to the SFMTA Citizens Advisory Council (CAC) on August 7, 2014 as part of a larger outreach effort covering all the transportation commitments in the Development Agreement. SFMTA will continue to provide updates on the CPMC Development Agreement, including the TDM to the SFMTA CAC.
CPMC CITY AGENCY COMPLIANCE REPORT

SUBJECT: Transportation Demand Management Program

DEVELOPMENT AGREEMENT OBLIGATION: TDM Coordinator

DEVELOPMENT AGREEMENT SECTION: Exhibit K § 5; TDMP Page 7-8

LEAD DEPARTMENT: SFMTA

COMPLETION DATE: 8/10/2015

STAFF CONTACT NAME: Carli Paine

OBLIGATION STATUS: COMPLETE

STAFF CONTACT TITLE: TDM Manager

IN PROGRESS

EMAIL: carli.paine@sfmta.com

IN COMPLIANCE

PHONE: (415) 701-4469

NOT IN COMPLIANCE

DESCRIPTION OF OBLIGATION:
CPMC shall retain a full-time experienced TDM coordinator to coordinate, monitor and publicize TDM activities for the campus including the following: Develop an information package of transportation services and benefits offered by CPMC, and participate in employee orientation training; Promote attendance at the Transportation Fair by providing incentives for employees to attend the Fair, such as free transit fast passes; Maintain and update the TDM communication boards; Monitor and update, as appropriate, the TDM Plan; Track participation rates in TDM programs (monthly & annually); Conduct employee travel surveys on an annual basis; Coordinate parking management and the shuttle program; Create a central database of shuttle utilization data; Oversee the rebranded transportation newsletter.

CURRENT STATUS:
CPMC has not hired a TDM coordinator. This obligation is not due until 2015, accordingly, CPMC is compliance.

NEXT STEPS:
CPMC has targeted hiring a TDM coordinator in the fall of 2014 to be filled by the end of the year. SFMTA and CPMC will meet quarterly starting in September 2014 to discuss details of implementing TDM obligations.

OPPORTUNITIES FOR COMMUNITY ENGAGEMENT:
The TDM Plan will be briefly presented to the SFMTA Citizens Advisory Council (CAC) on August 7, 2014 as part of a larger outreach effort covering all the transportation commitments in the Development Agreement. SFMTA will continue to provide updates on the CPMC Development Agreement, including the TDM to the SFMTA CAC.
The number and location of reserved carpool and vanpool parking shall be monitored annually and increased as necessary to ensure there are a sufficient number of parking spaces for carpools and vanpools.

**Current Status:**
The 2013 Compliance Statement states that carpool program “continues to be implemented.”

**Next Steps:**
CPMC will monitor number and location of reserved carpool and vanpool parking spaces and determine whether there are a sufficient number of parking spaces for carpools and vanpools; increase carpool and vanpool parking as necessary. CPMC will provide documentation of this monitoring and determination to the SFMTA. SFMTA and CPMC will meet quarterly starting in September 2014 to discuss details.

**Opportunities for Community Engagement:**
The TDM Plan will be briefly presented to the SFMTA Citizens Advisory Council (CAC) on August 7, 2014 as part of a larger outreach effort covering all the transportation commitments in the Development Agreement. SFMTA will continue to provide updates on the CPMC Development Agreement, including the TDM to the SFMTA CAC.
### SUBJECT: Development Agreement Obligation

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<th>Obligation</th>
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<tr>
<td>Bicycle Parking</td>
<td>Exhibit K § 5; TDMP Page 8</td>
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#### Lead Department:
SFMTA

#### STAFF CONTACT NAME:
Carli Paine

#### STAFF CONTACT TITLE:
TDM Manager

#### EMAIL:
carli.paine@sfmta.com

#### PHONE:
(415) 701-4469

#### Completion Date:
8/10/2015

#### Obligation Status:
- **Complete**: ☐
- **In Progress**: ☑
- **In Compliance**: ☑
- **Not in Compliance**: ☐

#### Description of Obligation:
The number and location of bicycle racks shall be monitored annually and increased as necessary to provide a sufficient number of parking spaces for cyclists. Both secure long-term parking as well as short-term parking shall be provided.

#### Current Status:
The 2013 Compliance Statement states that a bicycle program “continues to be implemented.”

#### Next Steps:
CPMC will fulfill this obligation by monitoring number and location of bicycle racks and determine whether there is a sufficient number of parking spaces for bicycles; increase bicycle parking as necessary. CPMC will provide documentation of this monitoring and determination to the SFMTA. SFMTA and CPMC will meet quarterly starting in September 2014 to discuss details.

#### Opportunities for Community Engagement:
The TDM Plan will be briefly presented to the SFMTA Citizens Advisory Council on August 7, 2014 as part of a larger outreach effort covering all the transportation commitments in the Development Agreement.
CPMC CITY AGENCY COMPLIANCE REPORT

<table>
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<th>SUBJECT: Transportation Demand Management Program</th>
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**DEVELOPMENT AGREEMENT OBLIGATION:** Vanpool Program  
**DEVELOPMENT AGREEMENT SECTION:** Exhibit K § 5; TDMP Page 7

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</table>

**DESCRIPTION OF OBLIGATION:**
CPMC shall reinstate their vanpool program which included a $2,500 subsidy per year. CPMC shall aggressively market the vanpool program to employees via the monthly newsletter, website, and other appropriate channels.

**CURRENT STATUS:**
CPMC did not provide a status update on the van pool program in their 2013 Compliance Statement. However, since the obligation is not due until 2015, they are in compliance.

**NEXT STEPS:**
CPMC will fulfill the obligation by reinstating and aggressively marketing vanpool program. SFMTA and CPMC will meet quarterly starting in September 2014 to discuss details.

**OPPORTUNITIES FOR COMMUNITY ENGAGEMENT:**
The TDM Plan will be briefly presented to the SFMTA Citizens Advisory Council on August 7, 2014 as part of a larger outreach effort covering all the transportation commitments in the Development Agreement.
<table>
<thead>
<tr>
<th>DEVELOPMENT AGREEMENT OBLIGATION:</th>
<th>RIDESHARE PROGRAM</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEVELOPMENT AGREEMENT SECTION:</td>
<td>Exhibit K § 5; TDMP Page 8</td>
</tr>
</tbody>
</table>

**LEAD DEPARTMENT:** SFMTA  
**STAFF CONTACT NAME:** Carli Paine  
**STAFF CONTACT TITLE:** TDM Manager  
**EMAIL:** carli.paine@sfmta.com  
**PHONE:** (415) 701-4469  
**COMPLETION DATE:** 8/10/2015  
**OBLIGATION STATUS:** COMPLETE

**DESCRIPTION OF OBLIGATION:**
CPMC will encourage employees to rideshare by promoting the 511.org rideshare service.

**CURRENT STATUS:**
CPMC did not provide a status update on their rideshare program in their 2013 Compliance Statement. However, since the obligation is not due until 2015, they are in compliance.

**NEXT STEPS:**
CPMC will fulfill the obligation by promoting the 511.org rideshare service. SFMTA and CPMC will meet quarterly starting in September 2014 to discuss details.

**OPPORTUNITIES FOR COMMUNITY ENGAGEMENT:**
The TDM Plan will be briefly presented to the SFMTA Citizens Advisory Council on August 7, 2014 as part of a larger outreach effort covering all the transportation commitments in the Development Agreement.
<table>
<thead>
<tr>
<th><strong>CPMC CITY AGENCY COMPLIANCE REPORT</strong></th>
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<tbody>
<tr>
<td><strong>SUBJECT:</strong></td>
</tr>
<tr>
<td><strong>DEVELOPMENT AGREEMENT OBLIGATION:</strong></td>
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<td><strong>STAFF CONTACT NAME:</strong></td>
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<tr>
<td><strong>OBLIGATION STATUS:</strong></td>
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</table>

**DESCRIPTION OF OBLIGATION:**
CPMC shall increase the boundaries of the program to cover major transit stops within a reasonable distance of each campus and also promote and market the Courtesy Ride Home program.

**CURRENT STATUS:**
CPMC did not provide a status update on the courtesy ride home program in their 2013 Compliance Statement. However, since the obligation is not due until 2015, they are in compliance.

**NEXT STEPS:**
CPMC will fulfill the obligation by increasing boundaries of Courtesy Ride Home program, promote and market as described above. SFMTA and CPMC will meet quarterly starting in September 2014 to discuss details.

**OPPORTUNITIES FOR COMMUNITY ENGAGEMENT:**
The TDM Plan will be briefly presented to the SFMTA Citizens Advisory Council on August 7, 2014 as part of a larger outreach effort covering all the transportation commitments in the Development Agreement. CPMC will solicit input from employees/community regarding where they would like the program to go.
**CPMC CITY AGENCY COMPLIANCE REPORT**

**SUBJECT:** Transportation Demand Management Program

**DEVELOPMENT AGREEMENT OBLIGATION:** Transportation Surveys

**DEVELOPMENT AGREEMENT SECTION:** Exhibit K § 5; TDMP Page 8

<table>
<thead>
<tr>
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<tr>
<td>STAFF CONTACT NAME:</td>
<td>Carli Paine</td>
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<tr>
<td>STAFF CONTACT TITLE:</td>
<td>TDM Manager</td>
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<tr>
<td>EMAIL:</td>
<td><a href="mailto:carli.paine@sfmta.com">carli.paine@sfmta.com</a></td>
</tr>
<tr>
<td>PHONE:</td>
<td>(415) 701-4469</td>
</tr>
<tr>
<td>COMPLETION DATE:</td>
<td>8/10/2015</td>
</tr>
</tbody>
</table>

**OBLIGATION STATUS:**
- COMPLETE
- IN PROGRESS
- IN COMPLIANCE
- NOT IN COMPLIANCE

**DESCRIPTION OF OBLIGATION:**
CPMC shall conduct an employee transportation survey at all campuses, which will be used to establish a more current baseline commute mode split. CPMC shall achieve a minimum of 30% response rate at each campus. Furthermore, a patient/visitor transportation survey shall be collected from at least 200 patients and visitors at each campus to establish a baseline visitor mode split. The commuter survey shall be conducted annually, and the visitor survey shall be conducted every three years.

**CURRENT STATUS:**
CPMC did not provide a status update on the transportation surveys in their 2013 Compliance Statement. However, since the obligation is not due until 2015, they are in compliance.

**NEXT STEPS:**
CPMC will fulfill obligation by conducting surveys described above. SFMTA and CPMC will meet quarterly starting in September 2014 to discuss details.

**OPPORTUNITIES FOR COMMUNITY ENGAGEMENT:**
The TDM Plan will be briefly presented to the SFMTA Citizens Advisory Council on August 7, 2014 as part of a larger outreach effort covering all the transportation commitments in the Development Agreement.
**CPMC CITY AGENCY COMPLIANCE REPORT**

**SUBJECT:** Transportation Demand Management Program

**DEVELOPMENT AGREEMENT OBLIGATION:** Wayfinding and Signage

**DEVELOPMENT AGREEMENT SECTION:** Exhibit K § 5; TDMP Page 8

<table>
<thead>
<tr>
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<td>Carli Paine</td>
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<tr>
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<td>EMAIL:</td>
<td><a href="mailto:carli.paine@sfmta.com">carli.paine@sfmta.com</a></td>
<td></td>
<td>IN COMPLIANCE</td>
</tr>
<tr>
<td>PHONE:</td>
<td>(415) 701-4469</td>
<td></td>
<td>NOT IN COMPLIANCE</td>
</tr>
</tbody>
</table>

**DESCRIPTION OF OBLIGATION:**
CPMC shall provide on-site signage for patients and visitors identifying the locations of bicycle parking, vehicular parking, and shuttle stops as well as full shuttle schedules with maps in the lobby of each hospital.

**CURRENT STATUS:**
CPMC did not provide a status update on wayfinding and signage in their 2013 Compliance Statement. However, since the obligation is not due until 2015, they are in compliance.

**NEXT STEPS:**
CPMC will fulfill this obligation by providing signage described above. SFMTA and CPMC will meet quarterly starting in September 2014 to discuss details.

**OPPORTUNITIES FOR COMMUNITY ENGAGEMENT:**
The TDM Plan will be briefly presented to the SFMTA Citizens Advisory Council on August 7, 2014 as part of a larger outreach effort covering all the transportation commitments in the Development Agreement. CPMC will solicit community input on sign designs and present options and final designs to SFMTA Citizens Advisory Council.
**CPMC CITY AGENCY COMPLIANCE REPORT**  
**SUBJECT:** Transportation Demand Management Program

<table>
<thead>
<tr>
<th>DEVELOPMENT AGREEMENT OBLIGATION:</th>
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<tr>
<td>Clipper Card Transit Subsidy</td>
<td>Exhibit K § 8; TDMP Page 9</td>
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<tr>
<td>STAFF CONTACT NAME:</td>
<td>Carli Paine</td>
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<tr>
<td>STAFF CONTACT TITLE:</td>
<td>TDM Manager</td>
</tr>
<tr>
<td>EMAIL:</td>
<td><a href="mailto:carli.paine@sfmta.com">carli.paine@sfmta.com</a></td>
</tr>
<tr>
<td>PHONE:</td>
<td>(415) 701-4469</td>
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<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>OBLIGATION STATUS:</td>
<td>COMPLETE</td>
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</tbody>
</table>

**DESCRIPTION OF OBLIGATION:**

TDM Component in the Mid-Term (2-5 years) Transit Subsidy. CPMC shall expand the transit subsidy program to include all campuses and increase the value of the monthly subsidy to be up to the equivalent of the cost of a MUNI Fast Pass, with the employee covering up to 50% of the subsidy.

**CURRENT STATUS:**

The Transportation Demand Management Plan specifies dates to which pieces of the plan should be in place. As described on page 9 of the TDM Plan, the transit subsidy commitment is a mid-term component to be implemented somewhere between years 2 and 5 from and after the August 10, 2013 Development Agreement effective date.

Accordingly, the transit subsidy element can be implemented as early as August 10, 2015 but no later than August 10, 2018.

**NEXT STEPS:**

CPMC plans to implement the transit subsidy commitment to align with the anticipated completion of the BRT project (projected 2018) and transfer of services to the Cathedral Hill Hospital (projected 2019). The subsequent elements of the transit subsidy commitment outlined in Section 8 of Exhibit K would be implemented at that time and thereafter.

**OPPORTUNITIES FOR COMMUNITY ENGAGEMENT:**

The TDM Plan will be briefly presented to the SFMTA Citizens Advisory Council on August 7, 2014 as part of a larger outreach effort covering all the transportation commitments in the Development Agreement.
OTHER OBLIGATIONS
**CPMC CITY AGENCY COMPLIANCE REPORT**

**SUBJECT:** San Jose Ave

<table>
<thead>
<tr>
<th>DEVELOPMENT AGREEMENT OBLIGATION:</th>
<th>DEVELOPMENT AGREEMENT SECTION:</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Jose Avenue City Project</td>
<td>§ 3.3</td>
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<th>LEAD DEPARTMENT:</th>
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<tr>
<td>COMPLETION DATE:</td>
<td>1/29/2014</td>
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<tr>
<td>STAFF CONTACT NAME:</td>
<td>Patrick Rivera</td>
</tr>
<tr>
<td>STAFF CONTACT TITLE:</td>
<td>Division Manager, Infrastructure Design &amp; Construction</td>
</tr>
<tr>
<td>EMAIL:</td>
<td><a href="mailto:patrick.rivera@sfdpw.org">patrick.rivera@sfdpw.org</a></td>
</tr>
<tr>
<td>PHONE:</td>
<td>(415) 554-8221</td>
</tr>
</tbody>
</table>

**DESCRIPTION OF OBLIGATION:**

Completion of San Jose Avenue City Project. The failure to complete the San Jose Avenue City Project in accordance with the timing set forth in the Schedule and Phasing Plan may entitle CPMC to a period of Excusable Delay in connection with the Hospital Commitment as set forth in Section 10.6.2.

**CURRENT STATUS:**

Projects 1201J Cesar Chavez Street Sewer Improvement Project and 1068J Cesar Chavez Streetscape Improvements - 101 To Guerrero are substantially complete. The pedestrian enhancements include three dozen bulb-outs that widen the sidewalk at intersections to shorten the crossing distance; widened medians where people can wait safely to cross the street if they can’t make it in one traffic-signal cycle; and raised crosswalks at two intersections to increase driver awareness.

Other upgrades include new bike lanes, left-turn pockets for motorists, new and rehabilitated sewers and new paving along the entire stretch to make the ride safer and smoother for all users. Traffic lanes were reduced from three in each direction to two.

In addition, several environmentally smart design elements were incorporated. Among them: storm-water planters and pervious pavement to allow rainwater to percolate through the ground to put less burden on the sewer system; and 302 new street trees and 7,600 plants along the median and the sidewalks. In all, 38,620 sq. ft. of concrete and asphalt were converted to green space. Streetlights along the corridor also were upgraded to LED for energy efficiency.

**NEXT STEPS:**

Projects are in close out.

**OPPORTUNITIES FOR COMMUNITY ENGAGEMENT:**

The community gathered on January 29, 2014, to dedicate the Cesar Chavez Streetscape Improvement Project, which creates a safer corridor for pedestrians and cyclists. The upgrades also include greening elements to beautify the once-bleak stretch of roadway and make it more environmentally sustainable. Residents actively sought the neighborhood improvements along the 1-mile stretch of Cesar Chavez from Guerrero to Hampshire streets that is fronted by residences, schools, a church, a hospital and small businesses. The changes were designed to calm traffic and demonstrate that Cesar Chavez is a residential street, not just a way to get to and from the freeway to the east.
### CPMC CITY AGENCY COMPLIANCE REPORT

**SUBJECT:** San Jose Ave Project

**DEVELOPMENT AGREEMENT OBBLIGATION:** Vacation and Transfer of San Jose Ave to CPMC

**DEVELOPMENT AGREEMENT SECTION:** § 3.2

<table>
<thead>
<tr>
<th>LEAD DEPARTMENT</th>
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<tbody>
<tr>
<td>STAFF CONTACT NAME</td>
<td>John Updike</td>
</tr>
<tr>
<td>STAFF CONTACT TITLE</td>
<td>Director</td>
</tr>
<tr>
<td>EMAIL</td>
<td><a href="mailto:john.updike@sfgov.org">john.updike@sfgov.org</a></td>
</tr>
<tr>
<td>PHONE</td>
<td>(415) 554-9850</td>
</tr>
</tbody>
</table>

**DESCRIPTION OF OBBLIGATION:**

In connection with the Project, the City shall vacate and abandon all public rights in the Former Street Property..., each in connection with the completion of the San Jose Avenue CPMC Project and the San Jose Avenue City Project. The City shall transfer the Former Street Property to CPMC in accordance with the San Jose Avenue Transfer Agreement...

**CURRENT STATUS:**

McEnerney Action required to quiet title to street vacation area. Request made to Chicago Title to prepare updated title work required for filing of the action.

**NEXT STEPS:**

CPMC will file the McEnerney when ready, establish escrow for closing of street conveyance when ready in Q4, 2014.

**OPPORTUNITIES FOR COMMUNITY ENGAGEMENT:**

N/A

**CPMC’S FULL FUNDING AMOUNT:** $1,010,000.00

**FUNDING RECEIVED FROM CPMC TO DATE:** $0.00

**CPMC’S FUNDING OBLIGATION REMAINING:** $1,010,000.00
RESPONSE TO COMMENTS
Response to Comments Received

The City received one comment letter on CPMC’s 2013 Compliance Statement from Ascanio Piomelli, Professor of Law and Director of the Community Economic Development Clinic at the University of California Hastings College of the Law. Professor Piomelli’s letter was submitted on behalf of San Franciscans for Healthcare, Housing, Jobs, and Justice (SFHHJJ).

SFHHJJ asserted four specific comments, summarized here and responded to in detail below:

1. CPMC failed to comply with the entry-level operations hiring procedures of Exhibit E, Section C of the DA and failed to make good faith efforts to hire San Francisco Residents.
2. CPMC failed to implement the transportation program outlined in Exhibit K, Section 8 by completely ignoring its commitment to institute a Clipper Card transit subsidy program.
3. Sutter/CPMC’s commitment to provide hospital and specialty care service to 1,500 Tenderloin residents in the San Francisco Health Plan’s Medi-Cal Managed Care Program may not be met.
4. The DA’s annual review process is inadequate to ensure timely, effective oversight of the DA.

SFHHJJ also requested additional information not submitted in CPMC’s 2013 Compliance Statement. To the extent the information was available to City staff it is provided after the response to comments. City Staff in several departments, including the Department of Public Health (DPH), the Office of Economic and Workforce Development (OEWD) – Workforce Division, and the San Francisco Municipal Transportation Agency (SFMTA) have established quarterly meetings with SFHHJJ to create a regular process for following up on concerns relating to the implementation of the CPMC Development Agreement. Other departments, including the Planning Department, Mayor’s Office of Housing and Community Development (MOHCD), and the Mayor’s Office have staff available as needed to answer questions. Accordingly, in the event information was not available as of the publishing of this report, it will be shared with SFHHJJ through these meetings as it becomes available.

Response to Comments: As elaborated in detail throughout the City’s Annual Report, CPMC is in compliance with its obligations outlined in the Development Agreement.

1. CPMC failed to comply with the entry-level operations hiring procedures of Exhibit E, Section C of the DA and failed to make good faith efforts to hire San Francisco Residents.

CPMC is in compliance with Exhibit E, Section C of the Development Agreement. The obligation requires:

As long as this Agreement remains in full force and effect, CPMC’s hiring goals shall be to fill at least forty percent (40%) of Available Entry Level Positions with System Referrals (“Annual Hiring Target”) in each consecutive 12-month period following the Effective Date (each, a “Hiring Year”). Notwithstanding the foregoing, if CPMC does not meet its Annual Hiring Target in any Hiring Year (a "Hiring Deficiency”), the number of Entry Level Positions constituting the Hiring Deficiency will roll over and be added to the Annual Hiring Target for the following Hiring Year....If a Hiring Deficiency exists at the end of the term of this Agreement, then the term will be automatically extended ("Automatic Extension") until such time as CPMC achieves the full Annual Hiring Target for each Hiring Year.

As of June, 30, 2014, CPMC has made four (4) hires from the workforce system during the Hiring Year. At the time of submitting this report, two (2) additional hires were made. Though the Hiring Year is not yet complete, it is anticipated that CPMC’s hires for the Hiring Year will be a total of six (6). This represents 13% of CPMC’s...
total entry-level hires during the Hiring Year, a shortfall of 13 hires from the 40% annual hiring target. This Hiring Deficiency of 13 Entry Level Positions will roll over and be added to next year’s Annual Hiring Target.

CPMC acknowledges their long ramp-up period after the Development Agreement was implemented and recognizes the Hiring Deficit that has resulted. CPMC has expressed its commitment to work more closely with OEWD, the community, and San Francisco Foundation to accelerate and maximize System Referral hires moving forward. On August 1, 2014, CPMC submitted its Projection of Entry-Level Operations Positions for the next Hiring Year. CPMC will also continue to:

- Submit job requisitions for all available Entry-Level positions and coordinate meetings to review hiring goals.
- Consider candidates past the 10 day window of First Source as required by the Development Agreement.
- Hold on-site interviews at Workforce System sites and provide ongoing feedback on System Referrals in weekly check-ins with OEWD staff.
- Track, monitor, and report the progress of System Referrals through the application, hiring and employment process.

Based on lessons learned from this first Hiring Year and feedback from the community, CPMC and OEWD have also jointly recognized the need to make ongoing system adjustments to better streamline the referral, application and hiring process. Early in the next Hiring Year, the following changes will be implemented:

- Large scale group interviews and hiring events in partnership with the Neighborhood Access Points, prioritizing Western Addition, Tenderloin, Mission/SOMA, Outer Mission/Excelsior, and Chinatown and Southeastern neighborhoods. Prior to each event, Neighborhood Access points will conduct prescreening events in order to ensure a match for CPMC requisitions.
- Information sessions and employer spotlight events in targeted neighborhoods with primary stakeholders. CPMC opportunities and detailed information about the CPMC application and hiring process will be presented.
- Wider distribution of CPMC job announcements through multiple channels. Focused small and large group workshops on how to apply to CPMC positions and maximize success in the CPMC hiring process.

OEWD will continue to closely monitor the performance of CPMC. OEWD will also continue to leverage its Sector Academies and work with its network of Community Based Organizations (CBOs) and Access Points for qualified candidates.

2. CPMC failed to implement the transportation program outlined in Exhibit K, Section 8 by completely ignoring its commitment to institute a Clipper Card transit subsidy program.

CPMC is in compliance with its commitment to institute a Clipper Card transit subsidy program. The commitment is defined by CPMC’s Transportation Demand Management Program (TDM). The TDM specifies date ranges during which plan components should be implemented. As described on page 9 of the TDM Plan, the transit subsidy commitment is a mid-term component to be implemented somewhere between years 2 and 5 from and after the August 10, 2013 Development Agreement effective date. Accordingly, the transit subsidy element can be implemented as early as August 10, 2015 but no later than August 10, 2018.
To provide further information in response to SFHHJJ’s comments, City staff requested CPMC to provide further detail on when the Clipper Card transit subsidy program would be implemented. CPMC provided the following statement:

Section 5 of Development Agreement (DA) Exhibit K specifies that CPMC shall implement the Transportation Demand Management Plans (TDM) dated April 1, 2013. The TDM Plan was prepared as part of the City’s environmental impact report on CPMC’s Long Range Development Plan. The document is on file with the lead agency (San Francisco Planning Department) and the San Francisco Municipal Transportation Agency. The commenter states that they have not been able to obtain a copy of the TDM Plan from Sutter/CPMC despite having asked in the past. Since the DA effective date, no known request has been made of CPMC by SFHHJJ for a copy of the TDM Plan. The document has been posted on the San Francisco Planning Department website.

The Transportation Demand Management Plan specifies dates to which pieces of the plan should be in place. As described on page 9 of the TDM Plan, the transit subsidy commitment to set up a master account for employees with the Clipper Card Program is a mid-term component to be implemented somewhere between years 2 and 5 from and after the August 10, 2013 Development Agreement effective date. That being the case, the transit subsidy element can be implemented as early as 2015 but no later than 2018. This particular component of the TDM plan is tied to the sizable staff population shift away from the Pacific and California campuses that will occur with the opening of the new hospital at Van Ness and Geary, a transit rich corridor which will be further strengthened with the completion of the Van Ness Bus Rapid Transit (BRT) line. CPMC will be contributing $5,000,000 to the BRT project and plans to implement the transit subsidy commitment to align with the anticipated completion of the BRT project in 2018. The subsequent elements of the transit subsidy commitment outlined in Section 8b of Exhibit K would be implemented at that time and thereafter.²

3. Sutter/CPMC’s commitment to provide hospital and specialty care service to 1,500 Tenderloin residents in the San Francisco Health Plan’s Medi-Cal Managed Care Program may not be met.

CPMC’s obligations under the Development require:

**MSO Providers.** CPMC shall contract with at least two (2) Management Services Organizations (or its equivalent, such as an independent physician association or, in the event the Program changes its business model to provide MSO services, the Program) participating in the Medi-Cal managed care program (each, an “MSO”) through the Program. CPMC shall contract with an existing MSO to care for New Enrollees, and, when available, with a new MSO where the primary care provider base is located in the Tenderloin to care for 1,500 New Enrollees if and when available from the Effective Date through December 31, 2015. If a new MSO serving the Tenderloin is formed after CPMC has 5,400

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² Email from Vahram Massehian, CPMC to Elizabeth Watty, Assistant Director of Current Planning July 30, 2014.
New Enrollees, then CPMC must still seek to enroll 1,500 New Enrollees from the Tenderloin-serving MSO during this period.

CPMC and the City acknowledge that there is currently no eligible MSO with a primary care provider base located in the Tenderloin, and nothing in this Agreement (except as set forth in Section 3 below with respect to the Innovation Fund) requires CPMC to establish or participate in establishing, maintaining or funding an MSO in the Tenderloin or elsewhere. If there continues to be no MSO with its provider base located in the Tenderloin, then CPMC shall, following consultation with the DPH Director, contract with a new MSO reasonably acceptable to the DPH Director with a primary care provider base that is located outside of the Tenderloin but that serves Tenderloin residents. In the event there is no such new MSO serving Tenderloin residents, then CPMC shall meet its New Medi-Cal Beneficiaries Commitment by contracting with an existing MSO, if available, to the extent the MSO has the capacity to accept New Enrollees.³

There continues to be no available MSO with a provider base located in the Tenderloin with which CPMC could contract for new enrollees. During the last year, the Innovation Fund provided funding to a group of eight clinics that came together to determine whether they could create a new MSO that could partner with CPMC to meet this requirement. Analysis performed by a consultant hired by these clinics revealed that such an MSO would not be financially or operationally feasible. The Innovation Fund Advisors are continuing to work with the clinics to determine whether there are other options for meeting the overall goal of increasing access to quality care for Tenderloin residents. These options include enhancements that would expand access to primary care and support services in an effort to avoid unnecessary emergency room use and hospitalization, as well as alternative managed care arrangements. Staff from the Department of Public Health, through quarterly meetings established with SFHHJJ will continue to provide updates as discussions continue.

4. The DA’s annual review process is inadequate to ensure timely, effective oversight of the DA.

The annual review process for the CPMC Development Agreement is provided in section 8 of the Development Agreement. This section was developed with the input of representatives from the SFHHJJ. The annual review process is intended to provide the public and the City with the most accurate information available to inform findings of compliance. It also aims to provide interested parties with the time needed to compile and review the evidence supporting these findings.

This formal process is supplemented by several more informal opportunities for SFHHJJ, and other members of the public, to engage in monitoring and review of the Development Agreement. Specifically, City staff in several departments, including the Department of Public Health (DPH), the Office of Economic and Workforce Development (OEWD) – Workforce Division, and the San Francisco Municipal Transportation Agency (SFMTA) have established quarterly meetings with SFHHJJ to create a regular process for following up on concerns relating to the implementation of the CPMC Development Agreement. Other departments, including the Planning Department, Mayor’s Office of Housing and Community Development (MOHCD), and the Mayor’s Office have made staff available to answer questions on as needed basis.

Requests for Information: SFHHJJ also requested additional information not submitted in CPMC’s 2013 Compliance Statement. To the extent the information was available to City staff it is provided after the response to comments. In

³ Development Agreement, Exhibit F Sec. 2 (f).
the event information was not available as of the publishing of this report, it will be shared with SFHHJJ as it becomes available.

1. How many entry-level operations positions Sutter/CPMC sought to fill during the review period (i.e., August 10 – December 31, 2013).

CPMC provided OEWD with 74 Job Notifications from August 10, 2013 to June 30, 2014 as follows:

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<th>Requisition</th>
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<td>Food Service Aide</td>
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<tr>
<td>Cooks</td>
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<tr>
<td>Security Officers</td>
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</tr>
<tr>
<td>Transporter/Transport Aide</td>
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<tr>
<td>Clerk/Receptionist</td>
<td>1</td>
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<tr>
<td>Phlebotomy/Specimen Handling Lab Aide</td>
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<td>EKG Technician</td>
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<td>Medical Assistant</td>
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<tr>
<td>Rehabilitation Aide</td>
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<td>Aquatic Instructor</td>
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<tr>
<td>Pathology Lab Accessioner</td>
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<tr>
<td>Client Services Representative</td>
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<td>Patient Services Representative</td>
<td>3</td>
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<tr>
<td>Patient Registration Representative</td>
<td>7</td>
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<tr>
<td>Point of Service Specialist</td>
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</tr>
<tr>
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<td>2</td>
</tr>
<tr>
<td>Certified Home Health Aide</td>
<td>1</td>
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<td>Certified Nursing Assistant</td>
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<tr>
<td>Hospital Attendant</td>
<td>4</td>
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<tr>
<td>Certified Hospital Attendant</td>
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<tr>
<td>Unit Coordinator</td>
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<td>Emergency Department Technician</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>74</strong></td>
</tr>
</tbody>
</table>

2. What systems OEWD has instituted to monitor that Sutter/CPMC does indeed submit all required job notifications/requisitions to OEWD for such entry-level opening and appropriately applies the “urgent need” exemption.

OEWD meets regularly with representatives from CPMC’s Human Resources Department. Weekly check-ins are held between OEWD and CPMC to review open requisitions generated by CPMC’s Human Resource Management System. OEWD tracks all open requisition activity system-wide including type, number and referrals to individual requisition numbers.

Annually, CPMC provides OEWD with employer projections that details the number of estimated openings for all the applicable positions contained within the Development Agreement. OEWD monitors these projections against actual positions received on a monthly basis.
CPMC has not had any “urgent need” to fill any positions immediately.

3. **What systems OEWD has instituted to monitor that Sutter/CPMC does not review any other applications or make any other hires during the exclusive 10-business-day window reserved for OEWD-referred applicants and that it does in fact review all OEWD-referred applicants.**

As referenced above, OEWD tracks all open requisition activity system-wide, including type, number and referrals to individual requisition numbers. OEWD reviews the hiring reports generated by CPMC’s Human Resource Management System and monitors the hire dates of persons hired outside of the Workforce System, and also ensures that there is no hiring activity within the exclusive 10-business day window reserved for System Referrals. Additionally, during the weekly check-ins between OEWD and CPMC, the status of all System Referrals is reviewed and updates are provided on where System Referrals may be in the hiring process. OEWD and CPMC also discuss general feedback on candidates and discuss strategies for enhancing and maximizing the hiring and retention of all System Referrals.

4. **The number of entry-level operations positions Sutter/CPMC claimed an urgent need to fill during the review period and what procedures and standards OEWD has established to monitor and assess Sutter/CPMC’s assertions of such an exemption.**

CPMC has not had any “urgent need” to fill any positions immediately. CPMC has shared that they do not anticipate needing any exemptions, and they will continue to prioritize System Referrals past the 10 day window of First Source as required by the Development Agreement.

If CPMC does determine that there is an urgent need to fill a position immediately in order to perform essential functions of its operations, OEWD has established the following protocol:

- CPMC must make a request in writing to OEWD with justification as to the urgency to fill the position. This justification must include:
  - The type of requisition CPMC is claiming as part of the exemption;
  - The skill-set required for qualification; and
  - An explanation of the urgency.

- These claims will be reviewed on a case-by-case basis by OEWD and an exemption determination will be made within three business days.

5. **All efforts and systems OEWD has implemented, or intends to implement, to reach out to the target neighborhoods identified in the DA, to train and recruit applications for entry-level operations positions from those neighborhoods, and to encourage and track Sutter/CPMC’s hiring of residents in those neighborhoods.**

OEWD will continue to closely monitor the performance of CPMC. OEWD will also continue to leverage its Sector Academies and work with its network of Community Based Organizations and Access Points, specifically targeting the Western Addition, Tenderloin, Mission/SOMA, Outer Mission/Excelsior, Chinatown and Southeastern neighborhoods, and offer the following:

- Large scale group interviews and hiring events in partnership with the Neighborhood Access Points. Prior to each event, Neighborhood Access Points will conduct prescreening events in order to ensure a match for CPMC requisitions.
• Information sessions and employer spotlight events in targeted neighborhoods with primary stakeholders. CPMC opportunities and detailed information about the CPMC application and hiring process will be presented.

• Wider distribution of CPMC job announcements through multiple channels. Currently OEWD distributes CPMC job announcements to over 50 Community Based Organizations (CBOs) and agencies through email.

• Focused small and large group workshops on how to apply to CPMC positions and maximize success in the CPMC hiring process.

Five (5) of the six (6) System Referrals that were hired by CPMC reside in the impacted communities specified in the Development Agreement, specifically Outer Mission/Excelsior, Mission/SOMA, Western Addition, and Southeastern neighborhoods.

OEWD will also continue to work closely with CPMC and the San Francisco Foundation to ensure the Workforce Fund prioritizes programs and services that accelerate and maximize the training and recruitment of residents from the targeted neighborhoods.

6. If the financial feasibility assessment for an MSO/IPA with a primary care provider based in the Tenderloin is positive, the likelihood of its establishment and contracting with Sutter/CPMC before the end of 2015 to provide hospital and specialty care services to 1,500 Medi-Cal beneficiaries from the Tenderloin.

Analysis performed by a consultant hired by these clinics revealed that such an MSO would not be financially or operationally feasible.

7. If the feasibility assessment for an MSO/IPA with Tenderloin-based primary care providers is negative, or if the MSO/IPA cannot be launched in time, the City’s back-up plan to ensure that 1,500 Medi-Cal beneficiaries from the Tenderloin receive hospital and specialty care services.

The Innovation Fund Advisors are continuing to work with the clinics to determine whether there are other options for meeting the overall goal of increasing access to quality care for Tenderloin residents. These options include enhancements that would expand access to primary care and support services in an effort to avoid unnecessary emergency room use and hospitalization, as well as alternative managed care arrangements. Staff from the Department of Public Health, through quarterly meetings established with SFHHJJ will continue to provide updates as discussions continue.
EXHIBIT A
November 19, 2013

John Rahaim
Director of Planning
San Francisco Planning Department
1650 Mission Street
San Francisco, CA 94103

Re: Confirmation of "Effective Date" and "Finally Granted" Date as Defined in the California Pacific Medical Center Development Agreement

Dear Mr. Rahaim:

We are submitting this letter on behalf of our client, Sutter West Bay Hospitals, doing business as California Pacific Medical Center ("CPMC"), to confirm and memorialize the "Effective Date" and the date upon which the Approvals were "Finally Granted", as those terms are defined in the Development Agreement Relating to the Construction and Reconstruction of Healthcare Facilities in Furtherance of the California Pacific Medical Center Long Range Development Plan by and between the City and County of San Francisco and Sutter West Bay Hospitals dated August 8, 2013, and recorded in the Official Records of the City and County of San Francisco on August 12, 2013, as Instrument No. 2013J728647 (the "DA").

For purposes of the DA, the parties agree that the "Effective Date", as defined in Section 2.1 of the DA, is August 10, 2013, and the date upon which the Approvals were "Finally Granted", as defined in Section 1.55 of the DA, is November 8, 2013.

Please countersign below to confirm the City's concurrence that the "Effective Date" and "Finally Granted" date are the dates stated above.

Very truly yours,

[Signature]

Joshua R. Steinhauer

cc: Ken Rich
    Charles Sullivan
    Audrey Pearson
Joshua R. Steinhauer
November 19, 2013
Page 2

AGREED AND ACCEPTED:
CITY AND COUNTY OF SAN FRANCISCO

By: __________________________
John Rahaim

Its: Director of Planning

Dated: ____________

11.22.13
EXHIBIT B
Workforce Fund Grant Agreement

This Workforce Fund Grant Agreement ("Workforce Fund Agreement") is entered into between Sutter West Bay Hospitals, a California nonprofit public benefit corporation, doing business as California Pacific Medical Center ("CPMC") and San Francisco Foundation ("Grantee"), and is further agreed to and accepted by the City and County of San Francisco. Capitalized terms have the meaning set forth in paragraph 1 or as otherwise indicated in this Workforce Fund Agreement.

1. Definitions.

   (a) Allowable Costs: The costs of Grantee allocable to the Workforce Fund, as set forth in paragraph 9.

   (b) City: The City and County of San Francisco, California, a municipal corporation organized and existing under the laws of the State of California.

   (c) Committee: The committee of fund advisers described in paragraph 5 of this Workforce Fund Agreement.

   (d) Workforce Fund: The amount contributed by CPMC pursuant to paragraph 3.

   (e) Workforce Fund Balance: The amount equal to the Workforce Fund adjusted to reflect (i) increases by investment earnings, and (ii) decreases by investment losses, disbursements to recipients pursuant to this Workforce Fund Agreement ("Disbursements"), and Allowable Costs.

   (f) Development Agreement: That certain Development Agreement Relating to the Construction and Reconstruction of Health Facilities in Furtherance of the California Pacific Medical Center Long Range Development Plan By and Between the City and Sutter West Bay Hospitals dated August 8, 2013.

   (g) Workforce Projects: The Workforce Projects as described in the Workforce Agreement, Exhibit E to the Development Agreement.

2. Purpose. The contributions made to Grantee pursuant to this Workforce Fund Agreement shall be used as a designated fund for workforce training purposes and such funds shall be targeted to educational institutions and non-profit organizations with an existing track record of working in the impacted communities (such as Western Addition, Tenderloin, Mission/SOMA, Outer Mission/Excelsior, Chinatown and Southeastern neighborhoods) and in providing barrier removal and job training for the employment opportunities created by the Project in accordance with the terms set forth in this Workforce Fund Agreement.

3. Workforce Fund. Subject to the conditions set forth below and provided that the Development Agreement has not previously been terminated, CPMC shall contribute to the Grantee the total amount of Three Million Dollars ($3,000,000) in installments to be held as a
designated fund by Grantee. The Workforce Fund contributions shall be made as follows: Two Million Dollars ($2,000,000) within thirty (30) days of the earlier of the date Approvals are Finally Granted or the date the Cathedral Hill Hospital Commences Construction, both as defined in the Development Agreement, and the remainder on the first anniversary of the first payment, in accordance with Exhibit N (Payment Schedule) to the Development Agreement. Notwithstanding the foregoing, nothing in this Workforce Fund Agreement shall be construed as a binding pledge to Grantee enforceable by Grantee.

4. Investment Instructions. The Workforce Fund and Workforce Fund Balance shall be invested with a five (5) year horizon for Disbursements as described in paragraph 6(b). Grantee shall exercise final control of the investment of the Workforce Fund Balance pursuant to Grantee's investment policy and the provisions of this paragraph 4.

5. Committee of Fund Advisors.

(a) There shall be a committee of Workforce Fund advisors (the "Committee"). The Committee shall consist of three members: (i) one representative of OEWD on behalf of the City, (ii) one representative of CPMC, and (iii) one representative of Grantee. The Committee shall have the duties specified in this Workforce Fund Agreement and shall provide advice regarding the Disbursements to be made from the Workforce Fund, including the rate, schedule and allocation of Disbursements and the terms, goals and purposes thereof, without liability of any kind or character to any person on account of such advice. Every effort will be made to reach a consensus on any such advice from the members of the Committee. If a consensus is not reached, the City and CPMC shall, through the Committee, provide a single report to Grantee conveying their views, and Grantee shall have the authority to make final Disbursement decisions after considering such report. Subject to the foregoing right of the Committee to provide advice regarding Disbursements, Grantee shall exercise final control of the Disbursement of the Workforce Fund Balance pursuant to the terms of this Workforce Fund Agreement. Except where in this Workforce Fund Agreement notice is specified to be provided by a specific party, Grantee may rely on a written instruction or notice from City or CPMC, as members of the Committee, and shall have no obligation to investigate whether any such written instruction or notice is agreed to by any other member of the Committee, or is consistent with the obligations of CPMC or the City to any party other than Grantee. All Disbursements must be approved by the Board of Trustees of the San Francisco Foundation.

(b) Each year, no later than ninety (90) days after the close of Grantee's annual accounting period, Grantee shall prepare and provide to each member of the Committee, a written accounting of the Workforce Fund Balance, principal and earnings of the Workforce Fund for the preceding year, and Workforce Fund Disbursements.

(c) Grantee shall maintain records as part of its accounting system to account for all Disbursements, costs and expenses for a period of not less than four (4) years following the date of such Disbursements, costs or other expenditures, and annually make records available to City and CPMC as provided herein and upon request.
6. Annual Disbursements.

(a) Grantee shall annually distribute a portion of the Designated Fund Balance to third-party educational institutions and non-profit recipients and others through a grant application process approved by the Committee, in an amount and for such purposes as are consistent with the purposes of the Workforce Fund as described herein.

(b) The annual grant Disbursements shall be scheduled and allocated in such manner so as to maintain sufficient Workforce Fund Balance so that Disbursements may be provided for five (5) years. The first Disbursements shall be made within one (1) year of the first contribution to the Workforce Fund, as determined by the Committee and Grantee as provided above.

(c) Grantee shall confer with the Committee and obtain Disbursement advice from CPMC and City through the Committee prior to making a Disbursement commitment in accordance with Section 5(a) above. Grantee shall impose restrictions and/or conditions on grant Disbursements as necessary to ensure accountability for use of funds and to monitor effectiveness.

(d) City and CPMC shall have no right to challenge the appropriateness or the amount of any Disbursement provided it is consistent with the procedures and purposes identified herein.

7. Initial Program Goals and Allocation. In implementation of the program purposes described in Section 2 above, the Committee shall consult with third-party subject matter experts, in workforce training delivery, as necessary, to evaluate the feasibility, cost-effectiveness, and sustainability of grant proposals. The program purposes and allocations may be adjusted as determined in accordance with Section 5 above.

8. Termination of This Workforce Fund Agreement.

(a) Termination by Grantee. If at any time Grantee (i) fails to qualify as an organization described in Internal Revenue Code Section 501(c)(3), (ii) ceases to exist, or (iii) determines, in its sole judgment, that any restriction or condition in this Workforce Fund Agreement has become unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served, then Grantee shall provide notice to CPMC and City and then transfer the entire Workforce Fund Balance within forty-five (45) days to a successor nonprofit charitable trust, fund, foundation or corporation which has established its tax-exempt status under Internal Revenue Code Section 501(c)(3) and that meets with the approval of CPMC and City.

(b) Termination of Development Agreement. CPMC or City shall notify Grantee no later than ten (10) days after any termination of the Development Agreement between CPMC and City prior to the expiration of its Term. In such event, CPMC shall cease to be a member of the advising Committee, and Grantee shall continue to administer the Workforce Fund Balance in accordance with this Agreement.
9. Allowable Costs. The costs of establishing the Workforce Fund, investment expenses, management fees for professional managers and advisors (whether the Workforce Fund Balance is separately managed or co-mingled with an endowment pool containing other funds) plus 7% for overhead costs of Grantee, shall be charged against the Workforce Fund. If co-mingled, the Workforce Fund Balance shall bear not more than its proportionate share of the fees and costs.

10. Notice.

(a) Procedure. All formal notices to a party shall be in writing and given by delivering the same to such party in person or by sending the same by registered or certified mail, or Express Mail, return receipt requested, with postage prepaid, or by overnight courier delivery, to such party's mailing address. The respective mailing addresses of the parties are, until changed as hereinafter provided, the following:

GRANTOR:

Grant Davies  
Executive Vice President  
California Pacific Medical Center  
2351 Clay Street, 7th Floor  
San Francisco, CA  94115

with a copy to:

Michael Duncheon  
VP & Regional Counsel  
West Bay Region Office of the General Counsel  
Sutter Health  
633 Folsom Street, Seventh Floor  
San Francisco, CA  94107

GRANTEE:

San Francisco Foundation  
1 Embarcadero Center, Suite 1400  
San Francisco, CA  94111  
Attention:  James W. Head

CITY:

Director  
Office of Economic and Workforce Development  
Workforce Development Division  
One South Van Ness Avenue, Fifth Floor  
San Francisco, CA  94102
(b) Notices and communications to members of the Committee shall be given in the manner provided herein at the addresses above, unless otherwise provided by each such member.

(c) Notices and communications with respect to technical matters in the routine performance and administration of this Workforce Fund Agreement shall be given by or to the appropriate representative of a party by such means as may be appropriate to ensure adequate communication of the information, including written confirmation of such communication where necessary or appropriate. All formal notices under this Workforce Fund Agreement shall be deemed given, received, made or communicated on the date personal delivery is effected or, if mailed or sent by courier, on the delivery date or attempted delivery date shown on the return receipt or courier records. Any notice which a party desires to be a formal notice hereunder and binding as such on the other party must be given in writing and served in accordance with this paragraph.

(d) Change of Notice Address. A party or member of the Committee may change its, his or her mailing address at any time by giving formal written notice of such change to the other party (or both parties in the case of a member of the Committee) and each member of the Committee in the manner provided in this paragraph at least ten (10) days prior to the date such change is effected.


(a) In addition to any other reports or notices required by this Workforce Fund Agreement, and until otherwise notified by CPMC or City that the requirement has or will be satisfied by the accounting provided pursuant to Section 5(b) above, Grantee shall submit to CPMC and City full and complete annual reports on the manner in which the principal and income (if any) arising from the Workforce Fund Balance have been allocated or Disbursed, and such annual reports shall be due no later than ninety (90) days after the close of Grantee's annual accounting period.

(b) Grantee shall maintain records of receipts and expenditures and shall make its books and records relating to this Workforce Fund available to CPMC and City at reasonable times.

(c) Grantee shall not use any portion or proceeds from the Workforce Fund:

1. to carry on propaganda, or otherwise to attempt to influence legislation (within the meaning of Internal Revenue Code Section 4945(d)(1)),

2. to influence the outcome of any specific public election of any candidate for public office, or to carry on, directly or indirectly, any voter registration drive (within the meaning of Internal Revenue Code Section 4945(d)(2)),

3. to make any grant to an individual or to another organization unless such grant shall be specifically described in paragraph 6, 7 or 8 hereof,
(4) to undertake any activity for any purpose other than one specified in Internal Revenue Code Section 170(c)(2)(B).

(d) Grantee shall notify CPMC and City of any organizational changes during the term of the grant, including, but not limited to, any changes in the office of President or CEO and Treasurer or CFO, changes in the Grantee's tax-exempt status, and any event that is a disqualification event described in Section 8(a).

12. Miscellaneous. This Workforce Fund Agreement shall be governed by and construed in accordance with the laws of the State of California applicable to contracts entered into between California residents and wholly to be performed in California. This Workforce Fund Agreement constitutes the entire agreement between the parties and supersedes any prior agreements between the parties. This Workforce Fund Agreement may not be modified, and no provision waived, without the prior written consent of the party against whom enforcement of the amendment or waiver is sought.

13. Time. Time is of the essence of this Workforce Fund Agreement and of each and every term and condition hereof. "Days" shall mean calendar days. In the event that any period of time to perform an obligation or notice period under this Workforce Fund Agreement ends on a Saturday, Sunday or state or national holiday, the applicable time period shall be extended to the next business day.

IN WITNESS WHEREOF, the undersigned have executed this Workforce Fund Agreement on the dates indicated.

CPMC

Sutter West Bay Hospitals,
a California nonprofit public benefit corporation, dba CPMC

By: ____________________________

Its: ____________________________

Dated: _________________________

APPROVED AS TO FORM:

DENNIS J. HERRERA,
City Attorney

By: ____________________________

Deputy City Attorney
City and County of San Francisco

GRANTEE

San Francisco Foundation,
a California nonprofit public benefit corporation

By: ____________________________

Its: ____________________________

Dated: _________________________
AGREED AND ACCEPTED:

CITY AND COUNTY OF SAN FRANCISCO

By:  [Signature]

Its:  Director of Workforce Development

Dated:  October 10th, 2013
EXHIBIT C
Innovation Fund Grant Agreement

This Innovation Fund Grant Agreement ("Innovation Fund Agreement") is entered into between Sutter West Bay Hospitals, a California nonprofit public benefit corporation, doing business as California Pacific Medical Center ("CPMC") and [San Francisco Foundation] ("Grantee"), and is further agreed to and accepted by the City and County of San Francisco. Capitalized terms have the meaning set forth in paragraph 1 or as otherwise indicated in this Innovation Fund Agreement.

1. Definitions.

(a) Allowable Costs: The costs of Grantee allocable to the Innovation Fund, as set forth in paragraph 9.

(b) City: The City and County of San Francisco, California, a municipal corporation organized and existing under the laws of the State of California.

(c) Committee: The committee of fund advisers described in paragraph 5 of this Innovation Fund Agreement.

(d) Innovation Fund: The amount contributed by CPMC pursuant to paragraph 3.

(e) Innovation Fund Balance: The amount equal to the Innovation Fund adjusted to reflect (i) increases by investment earnings, and (ii) decreases by investment losses, disbursements to healthcare providers pursuant to this Innovation Fund Agreement ("Disbursements"), and Allowable Costs.

(f) Development Agreement: That certain Development Agreement Relating to the Construction and Reconstruction of Health Facilities in Furtherance of the California Pacific Medical Center Long Range Development Plan By and Between the City and Sutter West Bay Hospitals dated August 8, 2013.

(g) Project: The CPMC project as contemplated by the CPMC Long Range Development Plan and as generally described in Exhibits B-1 to B-5 of the Development Agreement.

2. Purpose. The contributions made to Grantee pursuant to this Innovation Fund Agreement shall be used as a designated fund to enhance the performance and improve the sustainability of community based service providers in the City, in accordance with the terms set forth in this Innovation Fund Agreement.

3. Innovation Fund. Subject to the conditions set forth below and provided that the Development Agreement has not previously been terminated, CPMC shall contribute to the
Grantee the total amount of Eight Million Six Hundred Thousand Dollars ($8,600,000) in installments to be held as a designated fund by Grantee. The Innovation Fund contributions shall be made as follows: Two Million Dollars ($2,000,000), within thirty (30) days of the Effective Date, as defined in the Development Agreement, and the remainder in accordance with Exhibit N (Payment Schedule) to the Development Agreement. Notwithstanding the foregoing, nothing in this Innovation Fund Agreement shall be construed as a binding pledge to Grantee enforceable by Grantee.

4. **Investment Instructions.** The Innovation Fund and Innovation Fund Balance shall be invested with a five (5) year horizon for Disbursements as described in paragraph 6(b). Grantee shall exercise final control of the investment of the Innovation Fund Balance pursuant to Grantee's investment policy and the provisions of this paragraph 4.

5. **Committee of Fund Advisors.**

   (a) There shall be a committee of Innovation Fund advisors (the "Committee"). The Committee shall consist of three members: (i) one representative of the City, (ii) one representative of CPMC, and (iii) one representative of Grantee. The Committee shall have the duties specified in this Innovation Fund Agreement and shall provide to the Grantee advice regarding the Disbursements to be made from the Innovation Fund, including the rate, schedule and allocation of Disbursements and the terms, goals and purposes thereof, without liability of any kind or character to any person on account of such advice. Every effort will be made to reach a consensus on any such advice from the members of the Committee and Grantee. If a consensus is not reached, the City and CPMC shall, through the Committee, nevertheless provide a single report to the Grantee conveying the view of each of the Committee members, and Grantee shall have the authority to make final Disbursement decisions after considering such report. Subject to the foregoing right of the Committee to provide advice regarding Disbursements, Grantee shall exercise final control of the Disbursement of the Innovation Fund Balance pursuant to the terms of this Innovation Fund Agreement. Except where in this Innovation Fund Agreement notice is specified to be provided by a specific party, Grantee may rely on a written notice from City or CPMC, as members of the Committee, and shall have no obligation to investigate whether any such written instruction or notice is agreed to by any other member of the Committee, or is consistent with the obligations of CPMC or the City to any party other than Grantee. All Disbursements must be approved by the Board of Trustees of the San Francisco Foundation.

   (b) Each year, no later than ninety (90) days after the close of Grantee's annual accounting period, Grantee shall prepare and provide to each member of the Committee, a written accounting of the Innovation Fund Balance, principal and earnings of the Innovation Fund for the preceding year, and Innovation Fund Disbursements.

   (c) Grantee shall maintain records as part of its accounting system to account for all Disbursements, costs and expenses for a period of not less than four (4) years following
the date of such Disbursements, costs or other expenditures, and annually make records available to City and CPMC as provided herein and upon request.

6. **Annual Disbursements.**

   (a) Grantee shall annually distribute a portion of the Designated Fund Balance to third-party health care providers/recipients and others through a grant application process approved by the Committee, in an amount and for such purposes as are consistent with the purposes of the Innovation Fund as described herein.

   (b) The annual grant Disbursements shall be scheduled and allocated in such manner so as to maintain sufficient Innovation Fund Balance so that Disbursements may be provided for five (5) years. The first Disbursements shall be made within one (1) year of the contribution of the Innovation Fund, as determined by the Committee and Grantee as provided above.

   (c) Grantee shall confer with the Committee and obtain Disbursement advice from CPMC and City through the Committee prior to making a Disbursement commitment in accordance with Section 5(a) above. Grantee shall impose restrictions and/or conditions on grant Disbursements as necessary to ensure accountability for use of funds and to monitor effectiveness.

   (d) City and CPMC shall have no right to challenge the appropriateness or the amount of any Disbursement provided it is consistent with the procedures and purposes identified herein.

7. **Initial Program Goals and Allocation.** The initial program goals and Innovation Fund allocation guidelines for Disbursements are as follows:

   (a) Support and improve the capacity of community clinics to increase their participation in managed Medi-Cal programs, including, but not exclusive to, the creation of a new MSO or expansion of current MSOs, development of care management capabilities, implementation and integration of evidence-based chronic disease management and team-based care models, investment in electronic medical records, participation in the San Francisco Health Information Exchange and developing organizational partnerships between CPMC and existing community clinics, and support for provision of specialty medical services;

   (b) Support community-based health, human service and behavioral health service providers, with a specific focus on Tenderloin, Mission, Western Addition, South of Market, Bayview and Chinatown neighborhoods, including providers of community-based alternatives to inpatient psychiatric care that allows patients to receive services in the most appropriate and least restrictive setting and reduce unnecessary hospitalizations.
In implementation of the program goals related to MSOs, the Committee will consult with third-party subject matter experts, in health care delivery in a managed care environment, as necessary, to evaluate the feasibility, cost-effectiveness, and sustainability of grant proposals; and

These initial program goals and allocation guidelines are subject to change as determined in accordance with Section 5 above.

8. Termination of This Innovation Fund Agreement.

(a) Termination by Grantee. If at any time Grantee (i) fails to qualify as an organization described in Internal Revenue Code Section 501(c)(3), (ii) ceases to exist, or (iii) determines, in its sole judgment, that any restriction or condition in this Innovation Fund Agreement has become unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served, then Grantee shall provide notice to CPMC and City and then transfer the entire Innovation Fund Balance within forty-five (45) days to a successor nonprofit charitable trust, fund, foundation or corporation which has established its tax-exempt status under Internal Revenue Code Section 501(c)(3) and that meets with the approval of CPMC and City.

(b) Termination of Development Agreement. CPMC or City shall notify Grantee no later than ten (10) days after any termination of the Development Agreement between CPMC and City prior to the expiration of its Term. In such event, CPMC shall cease to be a member of the advising Committee, and Grantee shall continue to administer the Innovation Fund Balance in accordance with this Agreement.

9. Allowable Costs. The costs of establishing the Innovation Fund, investment expenses, management fees for professional managers and advisors (whether the Innovation Fund Balance is separately managed or co-mingled with an endowment pool containing other funds) plus 7% for overhead costs of Grantee, shall be charged against the Innovation Fund. If co-mingled, the Innovation Fund Balance shall bear not more than its proportionate share of the fees and costs.

10. Notice.

(a) Procedure. All formal notices to a party shall be in writing and given by delivering the same to such party in person or by sending the same by registered or certified mail, or Express Mail, return receipt requested, with postage prepaid, or by overnight courier delivery, to such party's mailing address. The respective mailing addresses of the parties are, until changed as hereinafter provided, the following:
GRANTOR:

Grant Davies
Executive Vice President
California Pacific Medical Center
2351 Clay Street, 7th Floor
San Francisco, CA 94115

with a copy to:

Michael Duncheon
VP & Regional Counsel
West Bay Region Office of the General Counsel
Sutter Health
633 Folsom Street, Seventh Floor
San Francisco, CA 94107

GRANTEE:

San Francisco Foundation
1 Embarcadero Center, Suite 1400
San Francisco, CA 94111
Attention: James W. Head

CITY:

DPH Director
101 Grove Street
San Francisco, CA 94102-4593

(b) Notices and communications to members of the Committee shall be given in the manner provided herein at the addresses above, unless otherwise provided by each such member.

(c) Notices and communications with respect to technical matters in the routine performance and administration of this Innovation Fund Agreement shall be given by or to the appropriate representative of a party by such means as may be appropriate to ensure adequate communication of the information, including written confirmation of such communication where necessary or appropriate. All formal notices under this Innovation Fund Agreement shall be deemed given, received, made or communicated on the date personal delivery is effected or, if mailed or sent by courier, on the delivery date or attempted delivery date shown on the return receipt or courier records. Any notice which a party desires to be a
formal notice hereunder and binding as such on the other party must be given in writing and served in accordance with this paragraph.

(d) Change of Notice Address. A party or member of the Committee may change its, his or her mailing address at any time by giving formal written notice of such change to the other party (or both parties in the case of a member of the Committee) and each member of the Committee in the manner provided in this paragraph at least ten (10) days prior to the date such change is effected.


(a) In addition to any other reports or notices required by this Innovation Fund Agreement, and until otherwise notified by CPMC or City that the requirement has or will be satisfied by the accounting provided pursuant to Section 5(b) above, Grantee shall submit to CPMC and City full and complete annual reports on the manner in which the principal and income (if any) arising from the Innovation Fund Balance have been allocated or Disbursed, and such annual reports shall be due no later than ninety (90) days after the close of Grantee's annual accounting period.

(b) Grantee shall maintain records of receipts and expenditures and shall make its books and records relating to this Innovation Fund available to CPMC and City at reasonable times.

(c) Grantee shall not use any portion or proceeds from the Innovation Fund:

(1) to carry on propaganda, or otherwise to attempt to influence legislation (within the meaning of Internal Revenue Code Section 4945(d)(1)),

(2) to influence the outcome of any specific public election of any candidate for public office, or to carry on, directly or indirectly, any voter registration drive (within the meaning of Internal Revenue Code Section 4945(d)(2)),

(3) to make any grant to an individual or to another organization unless such grant shall be specifically described in paragraph 6, 7 or 8 hereof,

(4) to undertake any activity for any purpose other than one specified in Internal Revenue Code Section 170(c)(2)(B).

(d) Grantee shall notify CPMC and City of any organizational changes during the term of the grant, including, but not limited to, any changes in the office of President or CEO and Treasurer or CFO, changes in the Grantee's tax-exempt status, and any event that is a disqualification event described in Section 8(a).
12. **Miscellaneous.** This Innovation Fund Agreement shall be governed by and construed in accordance with the laws of the State of California applicable to contracts entered into between California residents and wholly to be performed in California. This Innovation Fund Agreement constitutes the entire agreement between the parties and supersedes any prior agreements between the parties. This Innovation Fund Agreement may not be modified, and no provision waived, without the prior written consent of the party against whom enforcement of the amendment or waiver is sought.

13. **Time.** Time is of the essence of this Innovation Fund Agreement and of each and every term and condition hereof. "Days" shall mean calendar days. In the event that any period of time to perform an obligation or notice period under this Innovation Fund Agreement ends on a Saturday, Sunday or state or national holiday, the applicable time period shall be extended to the next business day.

IN WITNESS WHEREOF, the undersigned have executed this Innovation Fund Agreement on the dates indicated.

**CPMC**

Sutter West Bay Hospitals,  
a California nonprofit public benefit corporation, dba CPMC

By: [Signature]  
Its: [Title]  
Dated: **August 7, 2013**

APPROVED AS TO FORM:

DENNIS J. HERRERA,  
City Attorney

By: [Signature]  
Deputy City Attorney  
City and County of San Francisco

**GRANTEE**

San Francisco Foundation,  
a California nonprofit public benefit corporation

By: [Signature]  
Its: [Title]  
Dated: **8/30/13**
AGREED AND ACCEPTED:

CITY AND COUNTY OF SAN FRANCISCO

By: __________________________

Its: __________________________

Dated: __________
EXHIBIT D
### Section 10: Culturally and Linguistically Appropriate Services

CPMC shall deliver at all campuses culturally and linguistically appropriate services that are representative of San Francisco’s diverse communities and are in accordance with the mandates, guidelines and recommendations of the National Standards on Culturally and Linguistically Appropriate Services (CLAS).

**CLAS Standards**

<table>
<thead>
<tr>
<th>Guideline Number</th>
<th>Reference</th>
<th>Internal Monitoring/Metric(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Provide effective, equitable, understandable, and respectful quality care and services that are responsive to diverse cultural health beliefs and practices, preferred languages, health literacy, and other communication needs.</td>
<td>Multilingual health literacy sensitive patient educational materials made available in print and online. Our CME courses include the cultural and linguistic issues as appropriate.</td>
<td>Guideline: address culturally competent care</td>
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<tr>
<td><strong>Governance, Leadership and Workforce:</strong></td>
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<tr>
<td>2. Advance and sustain organizational governance and leadership that promotes CLAS and health equity through policy, practices, and allocated resources.</td>
<td>Senior leadership roles support and promote CLAS through policies, practices and allocated resources.</td>
<td>Guideline: address culturally competent care</td>
</tr>
<tr>
<td>3. Recruit, promote, and support a culturally and linguistically diverse governance, leadership, and workforce that are responsive to the population in the service area.</td>
<td>CPMC is actively engaged in promoting workforce recruitment of population in the service area. Employees are required to participate in online education to remain responsive to our patient as well as service area population.</td>
<td>Guideline: address culturally competent care</td>
</tr>
<tr>
<td>4. Educate and train governance, leadership, and workforce in culturally and linguistically appropriate policies and practices on an ongoing basis.</td>
<td>Sutter Health maintains online resources and communications on cultural &amp; linguistic competency. Annual training is given to all Sutter employees to ensure knowledge/ adoption of the components of organizational cultural competency, and why it is important to our patients, staff and organization. Additionally, CPMC Certified Interpreters will, on request, provide education/information on cultural beliefs and practices to further personalized care.</td>
<td>Title VI: mandated for agencies that receive federal funding</td>
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<tr>
<td><strong>Communication and Language Assistance:</strong></td>
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<td></td>
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<tr>
<td>5. Offer language assistance to individuals who have limited English proficiency and/or other communication needs, at no cost to them, to facilitate timely access to all health care and services.</td>
<td>The Medical Center provides interpreter services at no cost to patients with Limited English Proficiency (LEP) or who are deaf or hard-of-hearing, in order to enhance effective communication and ensure access to healthcare information and services in accordance with Federal, State and Local regulations.</td>
<td>Title VI: mandated for agencies that receive federal funding</td>
</tr>
<tr>
<td>6. Inform all individuals of the availability of language assistance services clearly and in their preferred language, verbally and in writing.</td>
<td>Individuals are informed regarding availability of language assistance services in their preferred language verbally as needed and in print. Print notices include those with our top 4 common languages (Chinese, Spanish, Russian &amp; Tagalog), and Language Identifications instructions are in 20 common languages.</td>
<td>Title VI: mandated for agencies that receive federal funding</td>
</tr>
<tr>
<td>7. Ensure the competence of individuals providing language assistance, recognizing that the use of untrained individuals and/or minors as interpreters should be avoided.</td>
<td>Individuals providing language assistance include Certified Medical Interpreters &amp; Qualified Bilingual Staff. CPMC's Interpreter Services Department has programs that evaluate and ensure the language competency of our bilingual staff. A Medical interpreter is an individual who is fluent in English and in a second language or National Certified with the Registry of Interpreters for the Deaf (RID) in sign language. Use of minors, family members and untrained individuals are avoided.</td>
<td>Title VI: mandated for agencies that receive federal funding</td>
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<tr>
<td>8. Provide easy-to-understand print and multimedia materials and signage in the languages commonly used by the populations in the service area.</td>
<td>Signage provided in our common languages: Chinese, Spanish, Russian and Tagalog (at St Luke’s)</td>
<td>Guideline</td>
</tr>
<tr>
<td>Guideline</td>
<td>Reference</td>
<td>Internal Monitoring/Metric(s)</td>
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<td>9. Establish culturally and linguistically appropriate goals, policies, and management accountability, and infuse them throughout the organization’s planning and operations.</td>
<td>Administrative policies are updated/reviewed every three years and monitored by the Policy &amp; Procedure Committee.</td>
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<td>10. Conduct ongoing assessments of the organization’s CLAS-related activities and integrate CLAS-related measures into measurement and continuous quality improvement activities.</td>
<td>Patient Satisfaction surveys are provided in preferred languages. Results of appropriate department level assessments reported to Senior Management.</td>
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<td>11. Collect and maintain accurate and reliable demographic data to monitor and evaluate the impact of CLAS on health equity and outcomes and to inform service delivery.</td>
<td>Sutter EHR system collects/records demographic data and language needs of patients and department level assessments done as needed and care provided appropriately.</td>
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<tr>
<td>12. Conduct regular assessments of community health assets and needs and use the results to plan and implement services that respond to the cultural and linguistic diversity of populations in the service area.</td>
<td>CPMC conducts a tri-annual community health needs assessment in partnership with community based organizations, San Francisco Department of Public Health. CPMC works with SFHIP and through an annual implementation plan to respond to needs identified in the assessment. Additionally Interpreter Services periodically evaluate geographic language demographic &amp; needs data as well as CPMC’s LEP census reports and plan the provision of language assistance accordingly.</td>
<td>The tri-annual community health needs assessment and annual implementation plans are submitted to the IRS and OSHPD and published on the CPMC public website. CPMC participates in SFHIP on an ongoing basis through the Steering Committee. Sutter Electronic Health Record generated LEP Census Reports made available by campus to all appropriate departments for assessment.</td>
</tr>
<tr>
<td>13. Partner with the community to design, implement, and evaluate policies, practices, and services to ensure cultural and linguistic appropriateness.</td>
<td>CPMC conducts a tri-annual community health needs assessment in partnership with community based organizations, San Francisco Department of Public Health. CPMC works with SFHIP and through an annual implementation plan to respond to needs identified in the assessment.</td>
<td>The tri-annual community health needs assessment and annual implementation plans are submitted to the IRS and OSHPD and published on the CPMC public website. CPMC participates in SFHIP on an ongoing basis through the Steering Committee.</td>
</tr>
<tr>
<td>14. Create conflict and grievance resolution processes that are culturally and linguistically appropriate to identify, prevent, and resolve conflicts or complaints.</td>
<td>CPMC’s Patient &amp; Customer Relations Department has processes to handle complaints &amp; grievances of all nature with commitment to service excellence and quality personalized care.</td>
<td>Cultural/diversity complaints tracked as an Event Type in our Online Occurrence Report system. All complaints and grievances are investigated. In compliance with CMS, grievances are acknowledge within 7 days and final response given within 30 days.</td>
</tr>
<tr>
<td>15. Communicate the organization’s progress in implementing and sustaining CLAS to all stakeholders, constituents, and the general public.</td>
<td>Communicated through website, staff meeting and city-wide partnerships.</td>
<td>Communications works with Senior Management to broadcast updates through internal and external channels.</td>
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</tbody>
</table>
November 24, 2014

By Electronic Submission to eacmd63@yahoo.com, health.commission.dph@sfdph.org, and Mark.Morewitz@sfgov.org

Dr. Edward A. Chow, M.D., President
Mr. Mark Morewitz, M.S.W., Executive Secretary
San Francisco Health Commission
101 Grove Street, Room 300
San Francisco, CA 94102

Dear Commission President Chow and Secretary Morewitz:

San Franciscans for Healthcare, Housing, Jobs and Justice (“SFHHJJ” or “the Coalition”) submits the following response to the City Report on Sutter/CPMC’s 2013 Compliance with the Development Agreement (“DA”) signed by the City and Sutter/CPMC. The Coalition requests this response be included in the hearing packet to be distributed to the Health Commissioners and entered into the record for the December 4, 2014, joint hearing of the Planning and Health Commissioners on Sutter/CPMC’s 2013 compliance with the DA.

I. Introduction

Background on the Coalition and the DA. SFHHJJ\(^1\) is a community-labor coalition that has actively worked for more than five years to ensure that Sutter/CPMC’s reconstruction and reconfiguration of its San Francisco campuses serves the interests of patients, workers, neighboring communities, and the City as a whole. Although not a party to the DA signed by the City and Sutter/CPMC in 2013, the Coalition played a key role in shaping the general outline of the agreement and gathering political support on the Board of Supervisors for the community benefits package ultimately incorporated in the DA. As commissioners likely recall, an earlier agreement negotiated in 2012 garnered no support on the Board of Supervisors and languished until mediator Lou Giraudo and Supervisors Campos, Chiu, and Farrell negotiated a more robust

\(^1\) SFHHJJ is a coalition of coalitions. It is comprised of the Coalition for Health Planning-San Francisco, the Good Neighbors Coalition, and Jobs with Justice (itself a community/labor coalition). These coalitions have more than fifty unduplicated organizational members. Active members of SFHHJJ’s coordinating committee and DA implementation committees include: Alliance of Californians for Community Empowerment, Bernal Heights Neighborhood Center, California Nurses Association/National Nurses United, Cathedral Hill Neighbors Association, Chinese for Affirmative Action, Chinese Progressive Association, Communities United for Health and Justice, Community Housing Partnership, Council of Community Housing Organizations (also an organization of organizations), Jobs with Justice, National Union of Healthcare Workers, South of Market Community Action Network, and Tenderloin Neighborhood Development Corporation.
agreement calling for a larger St. Luke’s hospital and a stronger package of commitments for healthcare and jobs benefits for low-income San Franciscans.

SFHHJJ continues to monitor Sutter/CMPC and City efforts to ensure that the promises of the DA come to fruition. The Coalition submitted public comment (a copy of which is attached) on Sutter/CPMC’s 2013 Compliance Statement to highlight Sutter/CPMC’s noncompliance with its first source local hiring commitment for entry-level operations positions at all its campuses and its commitment to provide a public transit subsidy to all of its employees, as well as to urge the City to identify a back-up plan to ensure that 1,500 low-income Tenderloin residents receive specialty and hospital care.

The Coalition finds it necessary to comment as well on the City Report because its across-the-board assertions that Sutter/CPMC was “in compliance” with each provision of the DA are inconsistent with the evidence. Indeed, the City Report reads as if staff were instructed to reach a predetermined conclusion of across-the-board compliance. The Report disregards Sutter/CPMC’s areas of noncompliance by

- ignoring a central provision of the DA’s local hire provisions for entry-level operations positions at all of Sutter/CPMC’s San Francisco campuses,
- failing to pursue evidence to determine the extent of Sutter/CPMC’s admitted noncompliance with required first source hiring procedures,
- registering no concern at horrendous local hiring outcomes over the first full hiring year that followed Sutter/CPMC’s extended failure to follow required procedures,
- interpreting an earlier obligation Sutter/CPMC made as part of the environmental impact report process to somehow trump the terms and effective date of the DA,
- countenancing Sutter/CPMC’s expressed intent to delay for five or six years the transit subsidy program the DA requires it to implement at all its campuses,
- ignoring “information learned from community partners” and its own “concern[s]” about service reductions at St. Luke’s, and
- deeming Sutter/CPMC’s every statement and action as entirely acceptable.

The City Report also fails to identify a back-up plan to ensure that 1,500 low-income Tenderloin residents receive specialty and hospital care.

The Coalition urges the Commissioners to scrutinize more closely the discrepancies between the language of the DA and CPMC’s actual performance, to fairly and objectively examine the facts and evidence concerning each element of the DA, to hold Sutter/CPMC to full performance of its contractual obligations, and to insist that City agencies do everything in their power to achieve the aims of the DA. Such an approach will lead the Commissioners to find that Sutter/CPMC was not in compliance with the DA’s first source local hiring obligation for non-construction positions or its transit subsidy requirement and to urge the Board of Supervisors to convene a hearing to examine the adequacy of the City’s assessment and oversight.

The Larger Context. San Francisco, a city of alternating boom and bust cycles, is in the midst of a new wave of demographic and landscape changes that many worry are making the city inhospitable to low- and moderate-income residents. To overcome such concerns, major new
private developments are often touted, not for the lucrative economic benefits they will bestow on their developers and owners, but on the basis of the jobs and other benefits they promise to provide for low- and moderate-income workers and communities. *If such promises are not fulfilled, skeptics are validated and support for subsequent projects is eroded.* For the largest projects, City government often enters into a public-private partnership in which it provides subsidies or other public policy adjustments in return for promises of community benefits. Sutter/CPMC’s plan to reconfigure its San Francisco campuses is such a project. It only garnered majority support from the Board of Supervisors based on Sutter/CPMC’s commitments to economically support a number of City programs and its promises to provide jobs for economically disadvantaged San Franciscans, to provide healthcare and improve health services to low-income San Franciscans, and to act to minimize automobile trips and further the City’s Transit First policy. In this public-private partnership, San Franciscans are expecting the City not only to cash its partner’s checks, but to act as a full partner to honestly assess, firmly insist, and steadfastly ensure that the benefits its private partner promised are indeed fulfilled – especially those that require Sutter/CPMC to change its operating practices.

The Compliance Review Process and the Role of the Commissions. The Planning and Health Commissions now have the opportunity to build confidence in the City’s oversight process by carefully assessing in which areas Sutter/CPMC fulfilled its obligations, in which areas it failed to do so, and determining, on balance, whether Sutter/CPMC materially complied with the DA in 2013. In the seven-step annual review process established in the DA, we are now at the fourth step for assessing Sutter/CPMC’s compliance during *the first partial year of the DA, i.e., the period from its effective date of August 10, 2013, through December 31, 2013.* The Planning Director and the Director of the Public Health Department have scheduled a joint public hearing before their respective Commissions, to take place on December 4, 2014. Based on this hearing and other evidence gathered, the two Directors shall determine CPMC’s level of compliance with the DA. If both find that CPMC is in material compliance with the DA, they shall issue a Certificate of Compliance and shall forward their findings to an independent Third-Party Monitor, who shall review the findings and send a letter to the Board of Supervisors stating whether s/he concurs.

**II. Summary of Comments**

As elaborated below, the City Report erred in deeming Sutter/CPMC in compliance with three areas of its obligations under the DA:

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2 See Development Agreement Relating to the Construction and Reconstruction of Healthcare Facilities in Furtherance of the CPMC Long Range Development Plan by and between the City and County of San Francisco and Sutter West Bay Hospitals (hereafter “DA”), Section 8.

3 If one or both Directors find CPMC to have materially failed to comply with the DA in 2013, they shall immediately notify the City Attorney for pursuit of appropriate action in accordance with the DA. DA, Section 8.22.

4 Mr. Lou Giraudo served as the third-party monitor on the DA and is named in the agreement. Should he be unable or unwilling to continue serving as monitor, CPMC and the City shall agree on one, or a monitor will be appointed by JAMS. Any member of the Board of Supervisors may elect to hold a hearing at any time, regardless of the findings of the Directors or the Third Party Monitor. DA, Section 8.22.
1. The City Report on Sutter/CPMC’s campus-wide, entry-level operations hiring provision erroneously asserts that Sutter/CPMC is in compliance by ignoring its admitted 4-month failure to follow its First Source Hiring Process obligations to give candidates referred by OEWD first chance to interview, as well as its 8-month failure to provide a Job Needs accounting of its entry-level staffing levels and projection of anticipated openings. The City Report does not express any concern at Sutter/CPMC’s hiring of only six (6) City-referred candidates (out of 47 total hires and out of 74 job openings) in the first full hiring year of the Agreement. Indeed, the City’s interpretation of the DA would countenance Sutter/CPMC performing as poorly or even worse, in perpetuity, without ever violating the DA. Nor does the City Report highlight or scrutinize the significant gaps from projections in the overall numbers of job openings and positions filled.

2. The City Report erroneously asserts that Sutter/CPMC is in full compliance with the DA’s requirement that CPMC institute a Clipper Card transit subsidy program to pay half the cost of a monthly Muni pass for all its employees at all its campuses. It is undisputed that Sutter/CPMC has still not yet begun this transit subsidy program. Despite the DA’s explicit call for such a program and despite the DA’s failure to state an alternate start date for that obligation, the City asserts that somehow CPMC’s Transportation Demand Management (TDM) Plan, which was prepared 3 months before the signing of the DA, trumps the DA and allows Sutter/CPMC to delay implementing the subsidy program for two to five years. Astonishingly, the City Report discloses, without expressing any concern, that Sutter/CPMC intends to defer implementation of this transit subsidy for five to six years, i.e. half the duration of the DA or longer.

3. The City Report asserts that Sutter/CPMC is in compliance with the Community Health Program of the DA, ignoring the City’s own “concerns” and “reports from community partners” of significant cuts in culturally and language-accessible services at the St. Luke’s campus and the Health Commission’s public censure of Sutter/CPMC for its decision to close skilled nursing facility beds. In addition, the City Report failed to identify a back-up plan for how to ensure that 1,500 Tenderloin residents in the City’s Medi-Cal Healthcare Plan receive specialty and hospital services, now that the DA’s anticipated vehicle for referring them to Sutter/CPMC has been deemed infeasible.

III. Specific Comments

A. Erroneous Assessment of Compliance with Workforce Provisions

In Asserting that Sutter/CPMC Was “In Compliance” in 2013 with its Obligation to Make Good Faith Efforts to Hire Economically Disadvantaged San Franciscans for 40% of Its Entry-Level, Operations Job Openings at All its Campuses, the City Report:

- Ignores a Central Provision of the DA that Requires Sutter/CPMC to Follow a Special Hiring Process to Give City-Referred Candidates First Opportunity for Hiring in Order to Be Deemed Complying in Good Faith;
- Ignores Sutter/CPMC’s Admission that for More than 80% of the 2013 Review Period It Did Not Inform the City of Available Job Openings and
Thus Did Not Allow the City to Refer Candidates for the First Opportunity at Hiring;

- Ignores Sutter/CPMC’s Admission that for 8 Months it Did Not Provide an Accounting of its Current Entry-Level Staffing Composition or Projection of Anticipated Hiring, Hindering Efforts to Design Tailored Training Programs for CPMC Jobs;
- Expresses No Concern at Sutter/CPMC’s Hiring over the DA’s First Full Hiring Year of Only Six (6) City-Referred Applicants for 74 Openings and Instead Interprets the DA’s Workforce Requirements to Guarantee That Even if Sutter/CPMC Performs as Poorly or Worse in the Future, It Will Never Violate the Agreement.

1. The City Report ignores a central provision of the DA that requires good faith efforts to reach the hiring target and measures good faith by strict adherence to a special hiring process and by timely provision of information on current and projected entry-level staffing.

Sutter/CPMC was obligated, immediately upon the effective date of the DA, to institute and follow a special recruitment and hiring process in order to meet a hiring target or goal across all of its San Francisco campuses to fill 40% of its entry-level operations job openings with economically disadvantaged San Francisco residents from underserved neighborhoods. The DA requires “good faith efforts” to reach the hiring target and determines good faith in large part by whether CPMC follows the special recruitment and hiring process.5 Even though Sutter/CPMC acknowledged this requirement in its Compliance Statement,6 the City Report entirely ignores the obligation to make good faith efforts to reach the target by implementing and following special hiring procedures. To reach the established outcome target (of 40% local hires), the DA lays outs two procedural paths Sutter/CPMC must follow: it must (1) comply with a First Source “Hiring Procedure” in which it promptly notifies the City of each entry-level job opening and then gives City-identified candidates an exclusive, two-week period in which only those candidates can be considered7 and (2) it must provide information on current staffing levels and expected future openings, described in the DA as “Job Needs Notifications.”8 The purpose of the latter requirement is to enable OEWD and the San Francisco Foundation to design appropriate workforce training programs and deploy $3 million of a Workforce Fund to implement them and to prepare graduates for Sutter/CPMC positions.9

5 DA, Exhibit E, subsections C(3)(a) and C(4).
6 See CPMC Long Range Development Plan Development Agreement 2013 Compliance Statement (hereafter “2013 Compliance Statement”), p. 3 (acknowledging the need to make “required good faith efforts regarding the First Source Entry Level Hiring Goal” and noting: “What constitutes good faith efforts is stated in DA Exhibit E, [Section C,] S{[ub-]-sections 3 and 4.”).
7 DA, Exhibit E, subsection C(4)(a).
8 DA, Exhibit E, subsection C(4)(b). The DA also identifies necessary retention, record-keeping, and reporting obligations that must be followed. DA, Exhibit E, subsections C(4)(c)-C(4)(g).
9 See DA, Exhibit E, section D.
In its initial comments in July on Sutter/CPMC’s Compliance Statement, the Coalition pointed to the clear provision in the DA that states that in order to be deemed to be making good faith efforts to meet the local hire target, Sutter/CPMC must have followed both the “Hiring Procedure” and the “Jobs Need Notification.” The City Report ignores the straightforward language of the DA that to “be deemed to have used good faith efforts to meet the hiring goals set forth in Section 3,” Sutter/CPMC must “satisf[y] each of its obligations under Section 4.” As discussed below, Sutter/CPMC’s admitted conduct did not comply in 2013 with the first source hiring process required by subsection 4.

2. The City Report ignores Sutter/CPMC’s admission that for more than 80% of the 2013 review period it did not inform the City of available job openings and thus did not allow the City to refer candidates for the first chance at hiring – an admission as well to a violation of the San Francisco Administrative Code. The City then compounds its mistake by refusing to explore the full extent of the violation.

Sutter/CPMC did not begin referring job openings to OEWD as of the August 10, 2013, effective date of the DA. Instead it only began to do so on December 5, 2013. By its own admission then, Sutter/CPMC failed to comply for 4 months. For the 143 days of 2013 that comprise the review period, Sutter/CPMC by its own admission only began forwarding job requisitions to OEWD for the final 27 days. For the first 116 days – 81% of the review period – Sutter/CPMC did not advise the City of its job openings and did not give the City an opportunity to refer candidates for early hiring consideration.

Sutter/CPMC’s admitted failure to inform the City of all job openings for more than 80% of the 2013 review period not only violated the DA, it also violated Section 83 of the San Francisco Administrative Code, the City’s First Source Hiring Program. Section 83.12 of the Administrative Code states: “the failure of an employer to make entry level positions available to the FSHA for referral of economically disadvantaged individuals, as specified in an employer's first source hiring agreement, shall be subject to a penalty of up to $5,000.00 for every notice of a new hire improperly withheld.”

It is the Coalition’s understanding that OEWD has failed to seek information from Sutter/CPMC to determine how many job openings it sought to fill during the first 81% of the compliance during which it admits that it failed to notify OEWD of openings – despite the Coalition having urged OEWD to do so in its July public comment on CPMC’s compliance statement. Because

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10 Comments of San Franciscans for Healthcare, Housing, Jobs and Justice on Sutter/CPMC’s Annual Compliance Statement for 2013 (“SFHHJJ Comments”), pp. 3-5
11 DA, Exhibit E, subsection C(3)(a)(i) (referring to subsection C(4)).
13 S.F. Administrative Code, subsection 83.12(a)(2).
14 SFHHJJ Comments, p. 11, n. 11 (asking the City to ascertain the number of entry-level operations positions Sutter/CPMC sought to fill from Aug. 10, 2013-Dec. 31, 2013). CPMC’s compliance statement indicates that in 2013 it notified OEWD of 15 entry-level positions that it sought to fill. 2013 Compliance Statement, Attachment 3, Exhibit B. Those notifications were all made in December 2013. For an organization of its size, it is almost certain that Sutter/CPMC sought to fill additional entry-level positions from August 10, 2013 through December 4, 2013.
it would be a violation of the DA and the Administrative Code to seek to hire individuals outside of the First Source Hiring Process, OEWD should have obtained concrete information regarding how many, if any, job openings CPMC did seek to fill during this time period. It is difficult to interpret the City’s choice not to pursue such information, after the Coalition’s request, as anything other than ignoring CPMC’s actual performance under the DA and a refusal to uncover information that would undermine a mandated, predetermined conclusion of compliance.

3. The City Report also ignores Sutter/CPMC’s admission that for 8 months it did not provide an accounting of its current entry-level staffing composition or projection of anticipated hiring, hindering efforts to design tailored training programs for Sutter/CPMC’s actual mix of jobs and anticipated openings.

Sutter/CPMC failed to provide OEWD with an accounting and Projection of Entry-Level Positions until April 8, 2014. Rather than preparing this accounting and projection “as soon as reasonably practical,” as required by the DA, CPMC did not comply until 8 months (240 days) after the effective date of the Agreement. For an organization of CPMC’s size, it strains credulity that it did not have readily available an accounting of how many entry-level positions were filled in each job category or that it could not quickly project how many entry-level positions it would likely seek to fill in the following year. The accounting and projections were warranted at a much earlier time. As discussed above, timely provision of these “Job Need Communications” is a prerequisite for a finding of good faith effort to meet the 40% local hiring target. Sutter/CPMC’s failure to timely provide this accounting and projection should have led the City Report to conclude that it was out of compliance.

Instead of recognizing this failure as another indication of Sutter/CPMC’s non-compliance with the requirement of good faith effort to meet hiring targets, the City Report excuses the 8-month delay and attributes it to a “ramp up period.” The DA, of course, makes no mention of any extended grace period – certainly not an 8-month one; it required that accounting and projection of anticipated openings “[a]s soon as reasonably practical.” The City Report essentially equates “as soon as reasonably practical” with “whenever Sutter/CPMC chooses to provide it.”

But the City’s refusal to demand that Sutter/CPMC specify the number of job openings it sought to fill during that period (or from August 10th through the end of the 2013 calendar year) keeps the magnitude of Sutter/CPMC’s non-compliance shrouded in mystery.

15 See Compliance Statement, Attachment 3, Exhibit C.
16 DA, Exhibit E, subsection C(4)(b).
17 DA, Exhibit E, subsections C(3)(a)(i) and C(4)(b).
18 When the projections were finally provided, there was no explanation of the period for which the projections were effective. It is unclear whether the numbers reference projections retroactively from August 10, 2013, and going forward for the next 12 months of the hiring year, or were the projections for April 8, 2014 on. The listed Estimated Dates of Next Available Positions similarly lack specificity, only listing a range of months, with no years attached. These errors are repeated in the most recent Projection of Entry-Level Positions, published on August 1, 2014.
19 City Report, p. 15.
20 DA, Exhibit E, subsection C(4)(b).
Sutter/CPMC’s failure to provide information deprived OEWD and the San Francisco Foundation of critically necessary data to design job training efforts in order to prepare economically disadvantaged San Franciscans from target neighborhoods for Sutter/CPMC’s actual mix of entry-level positions and openings.

4. The City Report expresses no concern at Sutter/CPMC’s hiring over the DA’s entire first full hiring year of only six (6) City-referred applicants. Instead, the City Report simply interprets the DA’s workforce requirements in a way that guarantees that Sutter/CPMC can never violate it. The City Report fails to highlight and scrutinize the large gaps in the number of job openings Sutter/CPMC projected, the number of job openings it sought to fill, and the number of actual hires it made.

After not following the DA’s required process to enable the City to refer (and train) economically disadvantaged candidates, it is hardly surprising that Sutter/CPMC abjectly failed to attain the 40% hiring target – not only for the last four and a half months of 2013, but for the entire first hiring year (i.e. through August 9, 2014).21 Out of 47 total hires and 74 job openings in the first full hiring year, CPMC only hired 6 economically disadvantaged San Francisco residents referred through the Workforce System.22 Instead of attaining a 40% local hire rate of City-referred candidates, Sutter/CPMC achieved only a 13% rate. (Put another way, instead of there being one-and-a-half times as many non-system hires as system hires, there were seven times as many entry-level candidates hired outside the workforce process as were hired through it.)

The City Report does not indicate any displeasure or concern at this under-performance. It simply states: “This Hiring Deficiency of 13 Entry Level Positions will roll over and be added to next year’s Annual Hiring Target.”23 This is technically correct: the DA does provide that a deficiency in number of system hires in one year is added to the target for the following year.24 But the consequence of the City Report’s treating the annual hiring target as Sutter/CPMC’s only obligation – and ignoring the accompanying requirement to make good faith efforts to attain the target by following first source hiring procedures – is that the City thereby interprets the DA as incapable of being violated. So if Sutter/CPMC’s hiring results remain dismal, year-in and year-out, each successive annual deficiency will simply be tacked on to the following year’s target. In such a a scenario, at the end of ten years, a huge deficiency will exist and the term of the DA will be automatically extended until Sutter/CPMC hires the aggregate total of all Annual Hiring Targets. But if Sutter/CPMC never makes those hires, the logic of the City Report is that the DA will simply continue – un-violated – in perpetuity. In fact, the DA does not allow such an outcome, because it also requires good faith

21 Even if considered over the full August 10, 2013-August 9, 2014 hiring year – which is not, as Section 8 of the DA makes plain, the relevant compliance period for this review – Sutter/CPMC failed to notify OEWD of job openings for 32% of that year (117 days/365 days) and failed to provide an accounting and projection of jobs for 65% of the period (240 days/365 days).
24 DA, Exhibit E, subsections C(3) and C(3)(a)(ii).
efforts to attain the hiring target. As described above, a determination of good faith requires full compliance with each of hiring process obligations outlined in Section 4 – which by its own admitted conduct, Sutter/CPMC failed. (In addition, a finding of good faith also requires Sutter/CPMC to actively engage in efforts to modify ineffective recruitment and referral processes; simply continuing to follow practices that are not succeeding will not amount to compliance.)  

Finally, the City Report counter-factually asserts that: “Overall, CPMC was in alignment with the projections [of anticipated openings] that were submitted to OEWD on April 8th, 2014.” In fact, Sutter/CPMC’s projection anticipated 114 openings in the first year, yet it only reported 74 openings to OEWD – a deficit of 40 openings or 35% fewer than projected. And instead of making 74 hires for those openings, Sutter/CPMC only made 47 hires – so 38% of job requisitions referred to OEWD were unfilled or somehow vanished. These huge gaps in openings projected, actual numbers of openings, and actual number of positions filled are deeply troubling. They warrant the closest scrutiny. The promise of a significant number of entry-level hiring for ongoing operations positions at San Francisco’s second largest private employer was a key factor in approval of the DA.

B. Erroneous Assessment of Compliance with Transportation Requirements

The DA explicitly calls for Sutter/CPMC to institute a Clipper Card transit subsidy program to pay half the cost of a monthly Muni pass for all its employees at all its campuses. It does not state an alternate start date for that obligation. Yet somehow the City Report asserts that Sutter/CPMC’s Transportation Demand Management (hereafter “TDM”) Plan, prepared 3 months before the signing of the DA, trumps the DA’s language and allows Sutter/CPMC to delay implementing the subsidy program for 2-5 years from the execution of the DA. Astonishingly, the City Report shares, without any expression of concern, that “CPMC plans to implement the transit subsidy commitment” in 5 or 6 years!

The DA calls, in section 8 of Exhibit K, for Sutter/CPMC to establish a Clipper Card program for all its employees at all its campuses, to encourage all its employees to enroll and purchase a Clipper Card, and to encourage and subsidize each employee’s public transit use by paying up to 50% of the value of an adult monthly Muni pass. Nowhere in section 8 does the DA specify

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25 DA, Exhibit E, subsection C(3)(a)(ii).
27 The full text of Section 8 of Exhibit K provides:

Clipper Cards.

a. CPMC shall set up a master account for all employees with the Clipper Card Program or similar/successor electronic debit and transfer mechanism.

b. CPMC shall encourage all employees (new and existing) to enroll and purchase a Clipper Card as a part of its Transportation Demand Management (TDM) plan. As part of its normal TDM activities, CPMC shall promote the use of the subsidy described in Section 8.c below by (1) including this subsidy information in new hire packets and orientation, in transportation services newsletters, on a TDM
that this obligation begins on any date other than the effective date of the agreement, which is August 10, 2013. And at neither the briefings of the Board of Supervisors or the Planning Commission on the terms of the DA was the transit subsidy described as starting at a later date.  

The general rule of contract interpretation is that when an effective date of a contract is identified, all obligations are assumed to commence on that date, unless the contract explicitly specifies another start date. At numerous junctures, the DA specifies alternate start dates for certain provisions.29 Indeed, in other sections of the DA’s Transportation Program, the drafters demonstrated the ability to specify an alternate start date.30 Because section 8 specifies no other start date for the transit subsidy obligation, the clear inference to be drawn is that Sutter/CPMC was obligated to implement the Clipper Card subsidy program on August 10, 2013.

The City Report, however, excuses Sutter/CPMC’s continuing failure to institute the transit subsidy program by asserting that the effective date of the DA is somehow trumped because Sutter/CPMC had committed in April 2013, three months before the DA was signed, as part of the environmental review process, to implement a TDM Plan that made similar promises to eventually encourage, in 2-5 years, employees’ public transit use. The City Report assumes that the implementation schedule of that TDM Plan must also be imported into the DA. Doing so excuses Sutter/CPMC’s failure to implement a Clipper Card transit subsidy program and transforms the requirement into a future commitment, to become due “somewhere between years 2 and 5 from and after” the DA’s August 10, 2013 effective date.31

The flaw in the City Report’s reasoning and contract interpretation is that the DA does not simply state that Sutter/CPMC must implement its TDM Plan. Sutter/CPMC had already committed to implement its TDM Plan, as amended in April 2013. It had already acceded,  

communication board in each Campus cafeteria, and on the TDM page on CPMC’s intranet, (2) promoting the subsidy at the annual transportation fairs held at each Campus, and (3) undertaking additional outreach as necessary to drive up adoption and achieve the SOV reduction goals.

c. CPMC shall share the cost equally between employer and employee of a monthly Fast Pass or Clipper Card (or any successor transit card issued or approved by SFMTA) that an employee buys through CPMC’s automatic payroll deduction program, up to the value of an adult Fast Pass (currently $64), as such amount changes from time to time. CPMC shall have no responsibility to contribute to or to share the costs of a Clipper Card (or other successor transit card) to the extent such costs exceed the value of a Fast Pass.

d. CPMC shall make good faith efforts to include an “opt-out” provision for Clipper Cards in future labor contracts.

DA, Exhibit K, section 8.


29 See, e.g., DA, Exhibit F, subsection 6(a)(iv) (obligation to provide specified services at St. Luke’s begins upon opening of new St. Luke’s Campus hospital)

30 See, e.g., DA, Exhibit K, section 5 (alternate start date for annual transportation surveys).

31 City Report, p. 61.
before the DA was signed, to doing so as a mandatory environmental mitigation measure. As the TDM Plan recites, it is designed to reduce automobile use and parking demand, decrease associated air pollution and greenhouse gas emissions, and to promote the San Francisco’s longstanding Transit First policy.\(^{32}\) (That Transit First policy was just resoundingly ratified by San Francisco voters in their overwhelming rejection of Local Measure L in the recently completed municipal elections.\(^{33}\)) *If Sutter/CPMC’s implementation of the provisions of the April 2013 TDM Plan was the only objective, there would have been no need to include it in the DA.*

Section 8 of Exhibit K is not a single sentence stating that Sutter/CPMC shall implement the TDM Plan, as the City Report implicitly presumes.\(^{34}\) It is comprised of four subsections, three of which make no reference at all to the TDM. It spells out the steps Sutter/CPMC “shall” take to create a Clipper Card program, to promote and encourage employees’ use of public transit, to subsidize half the cost of a Clipper Card (up to the value of a Muni adult monthly Fast Pass) for participating employees at all its campuses, and to allow an “opt-out” provision in future labor contracts.\(^{35}\)

Subsection 8(c) provides that CPMC “shall share the cost equally” of a Clipper Card with its employees up to value of a monthly Muni adult Fast Pass; it makes no mention of the TDM. Similarly, subsections 8(a) and 8(d) make no mention of the TDM. The only subsection that even refers to the TDM plan is subsection 8(b), which simply states that “as part of its normal TDM activities, CPMC shall promote” the transit subsidy required by subsection 8(c). That single reference in subsection 8(b) to the TDM does not mean that the transit subsidy can be delayed 2-5 years. It is simply an acknowledgment and reflection of the fact that the first “near term” component – i.e., a component that must be implemented throughout the first 2 years of the TDM Plan – laid out in the TDM Plan is “Outreach, Marketing, and Information” to inform its employees of its menu of transportation demand management programs.\(^{36}\) Subsection 8(b) simply says that as part of that *normal TDM marketing and outreach*, Sutter/CPMC must also publicize and promote the use of the Clipper Card 50% transit subsidy. Read together, these subsections make plain: **the DA accelerates the required start of the transit subsidy program** and Sutter/CPMC’s obligation to publicize and promote the program. Rather than waiting to 2-5 years as the TDM Plan by itself would allow, the DA provides that the 50% transit subsidy “shall” be implemented, like all other obligations, on the effective date (August 10, 2013) and that CPMC must publicize that transit subsidy program and encourage its employees to take

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\(^{33}\) Measure L, which would have urged the City to modify its Transit First policy to give greater priority to automobile traffic and parking was soundly rejected by more than 63% of the November 2014 municipal electorate.

\(^{34}\) The City Report discusses it under the subject of Transportation Demand Management Program and attributes it to DA Exhibit K, section 8 and to TDM Plan, page 9, City Report, p. 61.

\(^{35}\) DA, Exhibit K, section 8 (reprinted in full at footnote 27 above).

\(^{36}\) TDM Plan, p. 7. Those “TDM Outreach, Marketing, and Information” activities include: instituting a transportation services newsletter, communications boards in cafeterias, intranet postings, adding information to its website for patients and visitors, an annual transportation fair, and similar activities. These outreach, marketing, and information activities are required to continue in the Mid Term (i.e., 2-5 years) and Long Term (5+ years). *Id.* pp. 8, 10.
advantage of it. The City’s assertion that Sutter/CPMC is justified for having failed to implement the subsidy is erroneous.

As stunning as its effort to read the TDM Plan’s 2-5 year delay in implementation of the transit subsidy into the DA is the City Report’s casual mention that Sutter/CPMC “plans to implement the transit subsidy commitment to align with the anticipated completion of the BRT project (projected 2018) and transfer of services to the Cathedral Hill Hospital (projected 2019).”37 In other words, the TDM Plan calls for a transit subsidy program to begin within 2-5 years, Sutter/CPMC says it will get to it in 5-6 years, and the City silently acquiesces, deeming such a delay “in compliance.” The City’s stance is profoundly disturbing. Even if it were credible, which it is not, to assert that the DA’s language allows the subsidy program to be delayed for 2-5 years, why wouldn’t a city with a strong Transit First commitment insist on earlier, rather than the latest possible, implementation? Why tolerate 3-4 additional years (on top of an initial two) of automobile use that could be discouraged by a transit subsidy? Countenancing any delay in implementation of the transit subsidy program sends a message that Sutter/CPMC’s financial interests are deemed more important than the health interests of City residents, the public policy interests of the City, and the economic interests of Sutter/CPMC’s employees.

C. Erroneous Assessment of Compliance with Community Healthcare Agreement and Failure to Identify a Back-Up Plan for Tenderloin Residents

The City Report, which indicates that it covers performance through June 2014, erroneously asserts that Sutter/CPMC is in compliance with the Community Health Program of the DA, disregarding the City’s own “concerns” and “reports from community partners” of significant cuts in culturally and language-accessible services at the St. Luke’s campus. In addition, the City Report failed to identify a back-up plan for how to ensure that 1,500 Tenderloin in the City’s Medi-Cal Healthcare Plan receive specialty and hospital services, now that the DA’s anticipated vehicle for referring them to Sutter/CPMC has been deemed infeasible.

The Community Healthcare Program, Exhibit F of the DA, requires that Sutter/CPMC make a good faith effort to maintain the high quality of services provided at its St. Luke’s Campus and that it provide culturally and linguistically appropriate services at all campuses.38 Sutter/CPMC is required to “continue its good faith efforts . . . on quality improvement initiatives for the purpose of improving patient quality of care at all of the CPMC campuses.”39 Sutter/CPMC is further required to “deliver at all Campuses culturally and linguistically appropriate services . . . in accordance with . . . the National Standards on Culturally and Linguistically Appropriate Services (CLAS) . . .”40 As described in the Appendix to the Coalition’s July 2014 public comments, there have been many cutbacks to services at the St. Luke’s Campus.41 These

37 City Report, p. 61.
38 DA, Exhibit F, sections 7, 10.
39 DA, Exhibit F, section 7 (emphasis added).
40 DA, Exhibit F, section 7.
41 SFHHJJ Comments, pp. 15-17.
cutbacks include several layoffs at St. Luke’s Diabetes Center, including the founder of the Center, a bilingual and bicultural nurse director, a bilingual and bicultural administrative assistant and a Spanish-speaking dietician. All three employees had been with the Center for over twelve years. CPMC subsequently transferred five employees to staff the Center from the California Campus. Of the patients whom the Center has served, 70% of all visits are for gestational diabetes, and 66% of patients are monolingual-Spanish speaking. None of these employees speak Spanish and only one has any experience in treating gestational diabetes. While CPMC has provided interpreters for patients on occasion, it results in a marked decline in the standard of care for these patients, as well as longer waiting times: a doubling of the amount of time for the actual visit. The quality initiatives and the CLAS standards of the DA are not optional; the quoted language indicates that Sutter/CPMC shall adhere to both of these provisions.

Standard 2 of the CLAS states that “health care organizations should implement strategies to recruit, retain and promote at all levels of the organization a diverse staff and leadership that are representative of the demographic characteristics of the area.” Standard 4 of the CLAS mandates that “health care organizations must offer and provide language assistance services, including bilingual staff and interpreter services, at no cost to each patient/consumer with limited English proficiency at all points of contact, in a timely manner during all hours of operation.” Without a Spanish-speaking administrator, Spanish-speaking clients of the St. Luke’s Diabetes Center have not been provided sufficient language assistance services at all points of contact. St. Luke’s had the right staff members to comply with these standards; unfortunately, Sutter/CPMC laid them off.

The City Report addressed the St. Luke’s staff cuts by stating: “The City has learned from community partners that CPMC has made staffing decisions which have reduced the quality of bi-lingual service at the St. Luke’s Campus. The City is concerned about these changes to service and . . . requested that CPMC provide additional information regarding CLAS.” Sutter/CPMC replied simply by providing a copy of its general policy to implement CLAS requirements, attached to the City Report as Exhibit D. Sutter/CPMC’s policy in response to Standard 2 states that the HR department of CPMC works to “recruit and hire staff based on the cultural and linguistic needs of patients.” In its staffing decisions, Sutter/CPMC is clearly not following its own policies. Sutter/CPMC’s policy in response to Standard 4 states that it provides interpreter services at no cost. While this is in compliance with CLAS, Sutter/CPMC has unnecessarily added a layer of difficulty to its patient-healthcare provider relationships that has the likely outcome of decreasing the quality of care.

Notwithstanding the information “learned from community partners that CPMC has made staffing decisions which have reduced the quality of bi-lingual service,” the City’s “concern,” and the lack of substantive response from Sutter/CPMC, the City Report deemed Sutter/CPMC

42 City Report, Exhibit D, emphasis added.
43 Id., emphasis added.
44 City Report, p. 33.
45 City Report, Exhibit D.

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“In Compliance” with the CLAS requirements. The City Report opted not to question any further Sutter/CPMC’s compliance with Subsections 7 or 10 of the Community Health Program, despite indication that Sutter/CPMC was not in compliance with the CLAS requirements or its own policies.

This is not the first instance that Sutter/CPMC’s conduct has raised concern regarding the nature or quality of care at its campuses and its commitment to ensuring a fit between services and community needs. On May 1, 2014, Sutter/CPMC announced that it would realign its Skilled Nursing Facilities (SNF) across its four campuses, reducing its staffed SNF beds from 99 to 75 citywide. Following extensive public comments at the Health Commission’s July 15, 2014 meeting, the Commission unanimously approved a resolution stating “that the closure of 24 skilled nursing facility beds at [Sutter/CPMC] will have a detrimental impact on the health care services in the community.”

Several Sutter/CPMC employees, including Registered Nurses, spoke out against its practices, pointing out that Sutter/CPMC had been miscounting the number of patients who needed SNF beds in order to artificially bring down demand for these beds. Before passing the resolution, several Commissioners expressed skepticism about the accuracy of Sutter/CPMC’s numbers indicating reduced demand for SNF beds. This decision by Sutter/CPMC to reduce SNF beds runs counter to its 2010 agreement with the Health Commission to maintain 100 staffed SNF beds.

These two instances around the Diabetes Center and SNF beds are of concern because they augur poorly for how Sutter/CPMC will decide the mix of services it will offer at the new St. Luke’s Hospital. As the Commissioners doubtlessly recall, perhaps the single most important concern at the heart of the efforts to reshape Sutter/CPMC’s long range development plan was ensuring that St. Luke’s remain a viable, general acute care hospital, able and willing to responsively serve a patient base that includes primarily low-income neighboring communities. Sutter/CPMC has not engaged with the Coalition or the community to reveal, let alone seek input on, its plans for the services it will provide at St. Luke’s. Because Sutter/CPMC is not proceeding transparently, the Coalition and the community can only seek to piece together its intentions from its actions. The signal Sutter/CPMC is sending is that its decision-making on services will not be driven by, nor responsive to, community need, but rather by its finances. The Coalition thus urges the Commissioners and the Health Department to begin now to encourage or, if necessary, to create a public discussion of the appropriate service mix at St. Luke’s.

Specialty and Hospital Care for Tenderloin Medi-Cal Enrollees. With regard to providing specialty and hospital care for Tenderloin residents enrolled in Medi-Cal, there is no indication

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46 San Francisco Health Commission Resolution No. 14-8 Determining that the Closure of 24 Skilled Nursing Facility Beds at CPMC Will Have a Detrimental Impact on Health Care Services in the Community (Jul. 15, 2014).
47 Minutes, San Francisco Health Commission July 15, 2014 meeting.
50 Minutes, San Francisco Health Commission July 15, 2014 meeting.
51 San Francisco Health Commission Resolution No. 02-10 Memorializing the Agreements Reached by the Health Commission and CPMC Regarding Its Institutional Master Plan (Mar. 16, 2010).

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that the City has developed any alternate plans for ensuring that the Tenderloin Community Health Program is implemented in the now likely scenario that a new MSO for Sutter/CPMC to contract with is not timely created. Under the DA, Sutter/CPMC “shall accept responsibility for providing hospital services . . . for no less than [5,400] additional Medi-Cal managed care beneficiaries. . .”52 In order to ensure that these new enrollees have access to CPMC’s specialty care and hospital services, “CPMC shall contract with at least two Management Services Organizations (or its equivalent, such as an independent physician association . . .) participating in the Medi-Cal managed care program through the [San Francisco Health Plan Medi-Cal Managed Care] Program.”53 Further, CPMC “shall contract with a new MSO where the primary care provider base is located in the Tenderloin to care for 1,500 New Enrollees” from the Effective date through December 31, 2015.54 Because there is currently no MSO with a primary care provider base in the Tenderloin, the Community Healthcare Program provides two options: 1) if a new Tenderloin MSO becomes available before December 31, 2015, CPMC shall contract with it or 2) if no MSO becomes available during this time period, CPMC shall, following consultation with the DPH Director, contract with a new MSO with a primary care provider base located outside of the Tenderloin, but that serves Tenderloin residents.55

In its July comments, SFHHJJ asked the City to articulate its back-up plan in the case that it proves infeasible to launch a Tenderloin-based MSO by the end of 2015.56 The City Report responded that “Innovation Fund Advisors are continuing to work with the [Tenderloin] health clinics to determine . . . other options for meeting the overall goal of increasing access to quality care for Tenderloin residents . . . includ[ing] enhancements that would expand access to primary care and support services in an effort to avoid unnecessary emergency room use and hospitalization, as well as alternative managed care arrangements.”57

The Coalition does not doubt the good faith of the Innovation Fund Advisors. The problem with the City’s response, though, is that the aim of the Tenderloin component of the Medi-Cal Managed Care commitment is not to “expand access to primary care and support services in an effort to avoid unnecessary emergency room use and hospitalization,” as the City Report suggests. The aim, rather, is to provide necessary specialty and hospital care for Tenderloin residents at Sutter/CPMC campuses (other than St. Luke’s). The intent is to go beyond simply providing access to primary care services and instead to ensure that Tenderloin residents who live in the neighborhood immediately adjacent to Sutter/CPMC’s new Cathedral Hill hospital and medical office building receive hospital and specialty care services at the new facilities or at other Sutter/CPMC campuses. Ensuring access to quality specialty and hospital care was a key demand of the Coalition and expectation of the Board of Supervisors in approving the DA.

52 DA, Exhibit F, subsection 2(b).
53 DA, Exhibit F, subsection 2(f).
54 Id.
55 Id.
56 Comments of SFHHJJ, p. 11.
57 City Report, p. 74.

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IV. Conclusion: The City Report’s Across-the-Board Assertions that Sutter/CPMC Is “In Compliance” Are Inconsistent with Actual Performance and Send a Troubling Message that the City Will Not Demand that Sutter/CPMC Fully Deliver on the Promises of the DA

The City Report’s assertions that Sutter/CPMC is in compliance with the workforce, transportation, and healthcare provisions of the DA send a signal – to its private partner and to the public – that the City has either not developed adequate oversight mechanisms to assess compliance or that staff have been instructed to overlook any failures by Sutter/CPMC to honor its commitments.

In this first of ten annual reviews of Sutter/CPMC’s compliance with the DA, it is essential for the City to set a tone and standard as a firm, fair grader and a fully equal partner, able and willing to insist on full performance of the DA’s provisions. Failure to do so inevitably emboldens Sutter/CPMC to invest less energy and fewer resources in complying with DA provisions that require not simply writing checks but actual changes in its standard practices. When full performance is not demanded and under- or non-compliance is ignored or tolerated, the actual promises of the DA are not fulfilled and public skepticism is fueled about developers’ and planners’ statements of actually providing benefits to low- and moderate-income people and communities.

The Commissioners have the opportunity to diminish skepticism and engender confidence by carefully probing – rather than ignoring – the gaps between Sutter/CPMC’s conduct and the City Report’s blanket assertions of across-the-board compliance. SFHHJJ respectfully requests the Commissioners find Sutter/CPMC out of compliance with its non-construction local hire and its transit subsidy obligations and urge the Board of Supervisors to hold a hearing to further scrutinize the adequacy of the City’s assessment and oversight.

Respectfully submitted,

SAN FRANCISCANS FOR HEALTHCARE, HOUSING, JOBS AND JUSTICE
Re: Comments of San Franciscans for Healthcare, Housing, Jobs and Justice on Sutter/CPMC’s Annual Compliance Statement for 2013

Dear Ms. Watty:

San Franciscans for Healthcare, Housing, Jobs and Justice (“SFHHJJ” or “the Coalition”) submits the following comments on Sutter/CPMC’s Annual Compliance Statement for 2013.

INTRODUCTION

Background on the Coalition. SFHHJJ is a community-labor coalition that has been actively involved for more than five years in efforts to ensure that Sutter/CPMC’s reconstruction and reconfiguration of its San Francisco campuses serves the interests of patients, workers, neighboring communities, and the City as a whole. Although not a party to the Development Agreement (“DA”) signed by the City and Sutter/CPMC, SFHHJJ played a central role in shaping the contours of the Agreement and gathering political support on the Board of Supervisors for the comprehensive community benefits package ultimately incorporated in the Agreement. SFHHJJ continues to monitor Sutter/CPMC and City efforts to ensure that the promises of the Agreement come to fruition.¹

¹ Since September 2013, SFHHJJ representatives have met monthly with the San Francisco Foundation to advise it on its administration of the Workforce Fund. After the February 20, 2014 hearing before the Neighborhood Services and Safety Committee of the Board of Supervisors, Coalition representatives began quarterly meetings in April with OEWD representatives and in May with DPH representatives.
SFHHJJ is a coalition of coalitions. It is comprised of the Coalition for Health Planning-San Francisco, the Good Neighbors Coalition, and Jobs with Justice (itself a community/labor coalition). These coalitions have more than fifty unduplicated organizational members. Active members of SFHHJJ’s coordinating committee and DA implementation committees include: Alliance of Californians for Community Empowerment, Bernal Heights Neighborhood Center, California Nurses Association/National Nurses United, Cathedral Hill Neighbors Association, Chinese for Affirmative Action, Chinese Progressive Association, Communities United for Health and Justice, Community Housing Partnership, Council of Community Housing Organizations (also an organization of organizations), Jobs with Justice, National Union of Healthcare Workers, South of Market Community Action Network, and Tenderloin Neighborhood Development Corporation.

SFHHJJ is specifically listed in the DA (in Section 8.2.2) as an organization interested in CPMC’s performance under the Agreement. As such, the Planning Department is required to directly notify SFHHJJ of posting of compliance statements and of any public hearings before the Planning Commission pertaining to the Agreement.²

Scope of Comments. The DA establishes a seven-step annual review process. As outlined in Section 8 of the DA, the process entails:

(1) Sutter/CPMC’s preparation of an annual Compliance Statement (by May 30th, reporting on performance in the previous calendar year or portion thereof);
(2) public comment on CPMC’s Compliance Statement (due this year on July 2nd);
(3) the preparation of a City Report on compliance (likely in mid-August);
(4) public hearings (likely in mid- or late-October) before the Planning and Health Commissions to review the Compliance Statement and City Report;
(5) preparation by the Planning and DPH Directors of findings of compliance or noncompliance (for which the Agreement is silent on a due date);
(6) submission to an Independent Third Party Monitor of the Directors’ findings; and
(7) the Monitor’s preparation of a report to the Board of Supervisors agreeing or disagreeing with the Directors’ finding (likely by late November at the earliest).

Because fulfilling the promise of the DA requires action not simply by Sutter/CPMC, but also by the City and its departments and the San Francisco Foundation, SFHHJJ’s comments will address not only Sutter/CPMC’s 2013 performance under the DA, but will also raise issues the Coalition would like addressed in the City Report and discussed in the public hearings before the Planning and Health Commissions.

Overview of Comments. As elaborated below, Sutter/CPMC failed to comply in 2013 in two areas of its obligations under the DA: (1) it failed to comply with the entry-level operations hiring procedures of Exhibit E, Section C of the DA and failed to make good faith efforts to hire San Francisco residents and (2) it failed to implement the transportation

² Notice of the posting of Sutter/CPMC’s Compliance Statement for 2013 was sent to Mark Aaronson. In the future, please send notices by email to cpmc@wjjsf.org and to me as SFHHJJ’s counsel at piomelli@uchastings.edu.
program outlined in Exhibit K, Section 8 by completely ignoring its commitment to institute a Clipper Card public transit subsidy program. In addition, SFHHJJ is concerned that the precondition for Sutter/CPMC’s commitment to provide hospital and specialty care service to 1,500 Tenderloin residents in the San Francisco Health Plan’s Medi-Cal Managed Care Program may not be met and would like the City to address what its back-up plan will be to ensure that Tenderloin residents are served by Sutter/CPMC. Finally, SFHHJJ submits that the DA’s annual review process is inadequate to ensure timely, effective oversight and urges the City to explore alternative or supplemental reporting processes to avoid the lengthy time lag between performance and public scrutiny and accountability, to enable prospective problem-identification in addition to retrospective review, and to ensure that all performance is considered in assessing compliance.

I. Sutter/CPMC Failed to Comply with Its Obligation to Make Good Faith Efforts to Meet a 40% Local Hiring Target for Entry-Level Operations Positions by Failing to Provide Information on Its Staffing and Projections of Anticipated Openings and Failing for Three and Half Months to Notify OEWD of Job Openings

A key provision of the DA is its requirement (outlined in Exhibit E, Section C, at pages 13-18) that Sutter/CPMC must make good faith efforts to meet a 40% annual hiring target to fill entry-level positions at all its San Francisco campuses with economically disadvantaged San Francisco residents (specifically targeting 6 neighborhoods: Western Addition, Tenderloin, Mission/SoMa, Outer Mission/Excelsior, Chinatown, and Southeastern neighborhoods). The provision creates a First Source Hiring Program that applies from the effective date of the DA, i.e., August 10, 2013, and lasts for at least 10 ten years. (DA, Exhibit E, Section C(3).) If there is still a hiring deficiency at the conclusion of ten years, the provision continues until the requisite number of San Francisco residents have been hired for entry-level positions. (Id.) Hiring years run from the effective date, i.e., August 10th, through the following August 9th. (Id.)

Sutter/CPMC did not comply in 2013 with its obligations under this section. To be deemed in good faith compliance, Section C(3)(a)(i) and Section (C)(4) of Exhibit E of the DA explicitly require Sutter/CPMC to have done all of the following (all emphasis added):

A. follow a First Source Hiring Process in which it notifies OEWD of all its available entry-level jobs (except those that urgently must be filled) and for 10 business days only interviews or hires applicants referred by OEWD and reviews all applicants referred from OEWD before considering other applications (DA, Exhibit E, subsection C(4)(a));

B. communicate job needs by providing OEWD “as soon as reasonably practical” after August 10, 2013 (and annually thereafter) a Projection of Entry-Level Positions form (identifying, for each entry-level position title, the numbers currently filled, currently available, and projected to become available in the next 12 months) (DA, Exhibit E, subsection C(4)(b));

C. regularly communicate with OEWD to provide ongoing, general feedback on the quality of individuals referred by OEWD and the performance of those hired (Exhibit E, subsection C(4)(d));
D. track, and report every 6 months, on the number of individuals referred by OEWD who are interviewed, the number hired, and the zip codes of those hired (DA, Exhibit E, subsections C(4)(f) and C(4)(g)).

During the relevant review period, Sutter/CPMC did not comply with the first two of these provisions and thus cannot, pursuant to Exhibit E, subsection C(3)(a)(i), be deemed to have made good faith efforts to meet the DA’s local hiring goal. Sutter/CPMC did not provide OEWD with a Projection of Entry-Level Positions until April 8, 2014. Rather than preparing this Projection “as soon as reasonably practical,” as required by Exhibit E, subsection (C)(4)(b), Sutter/CPMC did not comply until 8 months (240 days) after the effective date of the agreement and beginning of the hiring year (August 10, 2013). Sutter/CPMC provides no explanation for this failure to comply during the review period; indeed, it does not even acknowledge the lengthy delay as a failure. Sutter/CPMC states that it spent the first four months after the DA was executed (which occurred on July 9, 2013) “analyzing past trends and conferring with hiring managers to determine hiring projections.” Such a timetable would mean the projections were completed in early November 2013, yet Sutter/CPMC did not provide the projections to OEWD until 5 months later in April 2014.

This failure to provide information on current entry-level staffing and projected job openings is significant, for it prevents OEWD and the San Francisco Foundation from making informed decisions on how optimally to structure workforce training programs to create a pipeline of prepared applicants for Sutter/CPMC job openings. The DA (in Section D of Exhibit E at page 19) provides $4 million for Workforce Training Programs – $1 million managed by OEWD and $3 million administered by the San Francisco Foundation – to train potential entry-level workers in the target neighborhoods and remove barriers to their employment. Withholding information on the numbers of entry-level positions in each job category and projected openings forestalls the ability to create appropriately tailored workforce training programs.

In addition to failing to provide necessary job projections to enable OEWD and the San Francisco Foundation to design workforce training programs to fit Sutter/CPMC’s mix of entry-level openings, the Compliance Statement reports that Sutter/CPMC did not even begin to refer jobs to OEWD – or post “requisitions” to use its terminology – until “early December” 2013. The DA clearly provides that “Commencing as of the effective date,” i.e. August 10, 2013, Sutter/CPMC “shall follow the . . . hiring procedures” outlined in Exhibit E, Subsection (C)(4) (emphasis added). It strains credibility to assume that an institution of Sutter/CPMC’s size did not seek to fill any entry-level openings between August 10th and early December of 2013. Once again, Sutter/CPMC offers no explanation in its Compliance Statement for the delay of at least three and a half months in making the first requisition/job referral to OEWD.

3 See Sutter/CPMC’s 2013 Compliance Statement (hereafter “Compliance Statement”), Attachment 3, Exhibit C.

4 See Compliance Statement, Attachment 3, page 2.

5 Id.
Because the Compliance Statement is silent as to how many, if any, entry-level job openings Sutter/CPMC sought to fill during the review period but did not inform OEWD about, the Coalition requests that OEWD pursue such information and address in the City Report: (1) how many entry-level positions Sutter/CPMC sought to fill during the review period (i.e., August 10-December 31, 2013), (2) what systems OEWD has instituted to monitor that Sutter/CPMC does indeed submit all required job notifications/requisitions to OEWD for such openings and appropriately applies the “urgent need” exemption; and (3) what systems OEWD has instituted to monitor that Sutter/CPMC does not review any other applications or make any other hires during the exclusive 10-business-day window reserved for OEWD-referred applicants and that it does in fact review all OEWD-referred applicants.

It is clear from the Compliance Statement that for the final 143 days of 2013 that comprise the review period, Sutter/CPMC by its own admission was only issuing job requisitions for at most the final 31 days (or at most 21.7% of the period). By its own admission, for all of those 143 days (as well as the following 97 days of 2014), Sutter/CPMC failed to provide job need projections to OEWD.

For all these reasons, Sutter/CPMC cannot be deemed, pursuant to subsection C(3)(a)(i) of Exhibit E, to have made good faith efforts to meet its local hiring target. That subsection explicitly states: “CPMC shall be deemed to have used good faith efforts to meet the hiring goals set forth in section 3 if CPMC satisfies each of its obligations under Section 4.” (DA, Exhibit E, subsection C(3)(a)(i)(emphasis added).) But Section 4 required job notifications to begin on August 10, 2013, and the submission “as soon as practical” of job need projections. (DA, Exhibit E, subsections (C)(4), C(4)(a), and C(4)(b).) Sutter/CPMC failed in both those regards and was thus not in compliance during the review period with its entry-level operations hiring obligations detailed in Section C of Exhibit E of the DA. Those obligations – to make good faith efforts to hire substantial numbers of economically disadvantaged San Franciscans for entry-level positions – were a critical concern of the Coalition and the Board of Supervisors during the negotiation and finalization of the DA. They are certainly a material provision of the DA. Sutter/CPMC’s failure to comply with its entry-level operations local hiring obligations should therefore lead the Planning Director to withhold the issuance of a Certificate of Compliance for 2013.

SFHHJJ understands that under the terms of the DA, the first hiring year does not end until August 9, 2014, so it is premature to assess whether the initial annual hiring target has been met yet. The Coalition recognizes as well that a failure to meet the annual hiring target is not considered under the DA as a demonstration of lack of good faith; it

Subsection C(4)(a)(iii) of Exhibit E of the DA does create an exemption from Sutter/CPMC’s requirement to notify OEWD of positions “if CPMC reasonably determines that there is an urgent need to fill that position immediately in order to fulfill essential functions of its operations.” The Coalition therefore requests that in the City Report, OEWD also report on how many such positions Sutter/CPMC claimed an urgent need to fill and what procedures and standards OEWD has established to monitor and assess Sutter/CPMC’s assertions of such an exemption.
simply creates a "hiring deficiency" or shortfall that must added to the following year’s hiring target. (DA, Exhibit E, Subsection C(3) and (C)(3)(a)(ii).)

Nonetheless, SFHHJJ would be remiss not to point out that Sutter/CPMC’s actual hiring results are abysmal and cause to thoroughly reconsider the current recruitment and referral system. The initial reporting period of the Compliance Statement (during which CPMC sent 15 job notifications/requisitions, OEWD referred 16 candidates, CPMC interviewed 7, and 0 were hired) may well be too small of a sample size from which to draw conclusions. But subsequent performance, beyond the initial review period, indicates a striking failure or refusal by Sutter/CPMC to hire San Francisco residents for entry-level positions. OEWD has shared with the Coalition that from 2013 through May 23, 2014, the cumulative totals were 34 job notifications/requisitions to OEWD, OEWD referred 149 applicants, and Sutter/CPMC hired only 3 of those applicants. Thus, through the first eight and a half months of the initial hiring year, only 8.8% of Sutter/CPMC’s entry-level hires for its San Francisco operations were San Francisco residents (and it is unclear how many reside in the target neighborhoods), a shortfall of 11 hires from the 40% target.

The Coalition stands ready to share its suggestions with OEWD and Sutter/CPMC on how the recruitment and referral should be changed to make it more effective and efficient. As the Coalition can elaborate, the current system is unnecessarily time-consuming and confusing for potential applicants and for the community-based job developers assisting applicants through the process.

SFHHJJ’s ultimate aim, however, is not simply to ensure that Sutter/CPMC complies in good faith with the first source hiring procedures outlined in the DA, but to work in constructive partnership with OEWD, the San Francisco Foundation, and Sutter/CPMC to ensure that the DA’s target hiring outcome is actually met – that economically disadvantaged residents from the 6 target San Francisco neighborhoods comprise at least 40% of all new entry-level employees hired by Sutter/CPMC over the next ten years.

II. Sutter/CPMC Failed to Comply with Its Obligation to Implement Transportation Program Benefits

The DA (in Recital I at pages 2-3) highlights “major additional public benefits accruing to the City from the CPMC Project.” These benefits include a “transportation demand program and other funding for related transportation studies and a clipper card/wage works program.” (Emphasis added.)

Exhibit K of the DA sets forth Sutter/CPMC’s specific obligations regarding Transportation Program benefits. Section 8 of Exhibit K (at p. 5) addresses Clipper Cards.

7 Email dated May 23, 2014, from Emylene Aspilla to Ascanio Piomelli.
8 The Coalition therefore also requests that the City Report discuss all efforts and systems OEWD has implemented or intends to implement to reach out to the target neighborhoods identified in the DA, to train and recruit applicants from those neighborhoods, and to encourage and track Sutter/CPMC’s hiring of residents of those neighborhoods.
Subsection 8(a) states: “CPMC shall set up a master account for all employees with the Clipper Card Program or similar/successor electronic debit and transfer mechanism.” Subsection 8(b) begins as follows: “CPMC shall encourage all employees (new and existing) to enroll and purchase a Clipper Card as part of its Transportation Demand Management (TDM) Plan.” This subsection then spells out specific promotional actions to be taken including Sutter/CPMC obligations to provide Clipper Card subsidy information in hiring packets, in transportation services newsletters, on TDM communication boards in campus cafeterias, on the TDM page on Sutter/CPMC’s intranet, and at annual campus transportation fairs and to undertake “additional outreach as necessary to drive up adoption and achieve the SOV [single occupancy vehicle] reduction goals.” Subsections 8(c) and 8(d) require, respectively, Sutter/CPMC to share equally with the employee the monthly cost of a MUNI Fast Pass or Clipper Card and to make good faith efforts to include “opt-out” provisions for Clipper Cards in future labor contracts. As there is no language to the contrary in the DA, these terms became effective as of the DA’s Effective Date, i.e., August 10, 2013.

Strikingly, Sutter/CPMC’s Compliance Statement makes no mention of the Clipper Card program, notwithstanding that Subsection 8.2.2 of the DA (at p. 33) explicitly requires the City to address in its City Report “[t]ransportation commitments, including implementation of Sutter/CPMC’s TDM and Clipper Card programs.” Sutter/CPMC has cavalierly disregarded any mention of its Clipper Card implementation obligations. The only conclusion that can be reached is that Sutter/CPMC did nothing in 2013 to institute the Clipper Card program.

Indeed, the un-rebutted testimony by CPMC nurses at the February 20, 2014, hearing before the Neighborhood Services and Safety Committee of the Board of Supervisors indicated that as of that date – more than 6 months after the DA went into effect – Sutter/CPMC had not implemented the Clipper Card subsidy program. That testimony led Supervisor Yee to suggest to Sutter/CPMC at the hearing that it take immediate steps to rectify the failure to implement the program (by either extending the commitment an additional 6 months or paying employees’ full cost, rather than half the cost, of a MUNI Fast Pass for the current year). Remarkably, now more than ten and a half months after the DA went into effect, nurses continue to report that Sutter/CPMC still has not implemented this public transportation promotion and subsidy program.

Establishing and operating a Clipper Card program is a material part of the Transportation Program set forth in the DA. It is a provision that was strongly advocated for by SFHHJJ representatives and members of the Board of Supervisors during the negotiation and finalization of the DA. As such, Sutter/CPMC’s failure to comply with the Clipper Card provision is a basis for the Planning Director to withhold issuing a Certificate of Compliance to CPMC as provided in Subsection 8.2.2 of the DA (at p. 34). It is imperative that the Planning Director deny certification of the 2013 Compliance Report until he determines the present status of Sutter/CPMC’s Clipper Card program and has taken whatever actions are necessary both to compel Sutter/CPMC to institute immediately the Clipper Card program and to establish a system for closely monitoring Sutter/CPMC’s performance in implementing the program.
Because no TDM plan is posted on the Planning Department’s CPMC webpage and Coalition representatives have not been able to obtain a copy from Sutter/CPMC despite having asked in the past, SFHHJJ is not in a position to comment on Sutter/CPMC’s applicable TDM plan and the extent to which it meets Sutter/CPMC’s overall transportation obligations under the DA. The Compliance Statement’s comments regarding the TDM plan are sparse and unpromising. Section 3.5b of the Compliance Statement (at p. 5) notes only the following: “The existing elements of the TDM program that continue to be implemented by CPMC include employee and visitor/patient park [sic] pricing, transit subsidies, commuter check, carpool, carshare, bicycle, emergency ride and courtesy ride home programs.” There then is a reference to Attachment 6, a one-page document that includes, in a chart format, location information and data about off-site and on-site parking. At the bottom of the page, without any explanation or connection to the charts above, there appears the following statement: “The percentage of employees who participate in the commuter benefits program is approximately 8% (460 employees). Approximately 24% of CPMC employees (1,326 employees) are eligible for the transit subsidy and 10% (136) of those eligible actually participate.”

On its face, this statement is distressing in three respects. First, it indicates less than a quarter of Sutter/CPMC employees are eligible for transit subsidies. Such a representation flies in the face of the DA requirement that CPMC establish a Clipper Card program as part of its TDM plan, for which “all employees” (see above) are eligible for a 50% subsidy. Disturbingly, it is a further indication that Sutter/CPMC has yet to take any steps to institute and promote the Clipper Card program as required by the DA. Second, the percentages of employees who participate in commuter benefit and transit subsidy programs are alarmingly low. Third, there is no information relating the percentages presented to the 15% system-wide target reduction in single occupancy vehicle usage set forth in the DA (DA, Exhibit K, at page 4). Partial statistics not analyzed in terms of DA Transportation Program objectives and concerns are not helpful. Encouraging and providing incentives to employees not to use their own vehicles to get to work is an immediate and ongoing DA objective and a fundamental element of San Francisco’s transit-first public policy. With respect to reporting on its Transportation Program not involving cash payments to the City, Sutter/CPMC has taken a frustratingly perfunctory approach.

To remedy Sutter/CPMC’s cursory response regarding its TDM plan, the Planning Director should withhold certification of the 2013 Compliance Report until CPMC, for public posting, has provided a copy of its applicable TDM plan and has amended its Compliance Statement to provide information and analyses addressing measures taken from August 10 through December 31, 2013, to achieve the TDM plan’s purposes. The public then needs 30 days from such posting to comment on the additional information submitted.

Sutter/CPMC’s failure to respond comprehensively and meaningfully to the full gamut of the DA’s Transportation Program reporting requirements calls into question its good faith in meeting not only ongoing programmatic obligations under the DA, but also its responsibilities in accordance with San Francisco law and policy to urge its employees to
use public transit first. Sutter/CPMC is the City’s second largest private employer. Its total disregard of its commitment to establish a Clipper Card program and its lackadaisical and vacuous response regarding the operations of its TDM plan cannot be left unaddressed.

III. Tenderloin Healthcare Access at Risk

Another key component of the DA is the Community Healthcare Program (outlined in Exhibit F) designed to ensure that Sutter/CPMC provides its fair share of healthcare to vulnerable populations and meets the healthcare needs of neighboring communities and the City as a whole.

One element of the Community Healthcare Program is a commitment by Sutter/CPMC, commencing August 10, 2013, to provide hospital and specialty care service to 5,400 new enrollees – i.e. those who enroll after January 1, 2012 – in the San Francisco Health Plan’s Medi-Cal Managed Care Program. (DA, Exhibit F, subsection 2(b).) These new Medi-Cal enrollees can live anywhere in San Francisco. There is an additional requirement, outlined in subsection 2(f) of Exhibit F, for Sutter/CPMC to serve 1,500 new Tenderloin residents in the Medi-Cal Managed Care Program. This requirement only comes into effect if a Management Services Organization (MSO), or an Independent Physician Association (IPA), with a primary care provider base in the Tenderloin is created by the end of 2015. (DA, Exhibit F, subsection 2(f).) The DA provides (in Exhibit F, Section 3) for facilitating the creation of such an MSO or IPA with a primary care provider base in the Tenderloin through a grant from the Community Health Innovation Fund administered by the San Francisco Foundation.

SFHHJJ is concerned that the precondition for Sutter/CPMC’s commitment to serve 1,500 Tenderloin residents enrolled in the San Francisco Health Plan’s Medi-Cal Managed Care Program – the creation of an MSO or IPA with a primary care provider base in the Tenderloin – may not be met on time. Exhibit E to Attachment 1 of Sutter/CPMC’s Compliance Statement is a May 2014 report by the San Francisco Foundation describing initial grants from the Innovation Fund. That report notes that a grant was made to Mission Neighborhood Health Center to evaluate the financial feasibility of creating an IPA of eight community clinics and healthcare centers that would include primary care providers located in the Tenderloin. The Coalition understands that the conclusion of that feasibility assessment is expected shortly.

The Coalition is concerned that even if the financial feasibility assessment is positive, less than 18 months remain before the December 31, 2015 deadline to actually

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9 If fewer than 5,400 new Medi-Cal enrollees are assigned to Sutter/CPMC, it only needs to remain open to accepting the number assigned to it. (DA, Exhibit F, subsection 2(c).) In addition, Sutter/CPMC’s commitment to serve new Medi-Cal beneficiaries is limited by a cap of $5 million, adjusted annually for medical inflation, on the shortfall it must cover between cost of service and reimbursement received. (DA, Exhibit F, subsection 2(e).)

10 Depending upon the timing of formation of the MSO/IPA, some or all of the 1,500 Tenderloin residents could be in addition to the 5,400 citywide new Medi-Cal enrollees.
create the MSO/IPA – a potentially involved process of getting multiple non-profits to quickly act in concert – and to contract with Sutter/CPMC. If that deadline is not met, Sutter/CPMC has no obligation to serve 1,500 Tenderloin Medi-Cal beneficiaries. The Coalition requests the City to address in its City Report: (1) if the financial feasibility assessment for such an MSO/IPA is positive, the likelihood of its establishment and contracting with Sutter/CPMC before the end of 2015 and (2) if the feasibility assessment is negative or if the MSO/IPA cannot be launched in time, what the City’s back-up plan will be to ensure that Tenderloin residents’ needs for hospital and specialty care are served by Sutter/CPMC.

The DA provides that if a new MSO/IPA is not created, Sutter/CPMC “shall, following consultation with the DPH director, contract with a new MSO reasonably acceptable to the DPH Director with a primary care provider base that is located outside of the Tenderloin but that serves Tenderloin residents.” (DA, Exhibit F, Subsection 2(f).) The DA continues: “In the event there is no such new MSO serving Tenderloin residents, then CPMC shall meet its New Medi-Cal Beneficiaries Commitment by contracting with an existing MSO, if available, to the extent the MSO has the capacity to accept New Enrollees.” (Id.)

Ensuring that a substantial number of Tenderloin residents, who live in the neighborhood immediately adjacent to Sutter/CPMC’s new Cathedral Hill hospital and medical office building, receive hospital and specialty care services at the new facilities was a key demand of the Coalition and expectation of the Board of Supervisors in approving the DA. While Sutter/CPMC currently contracts with North East Medical Services (“NEMS”) and could potentially accept more Medi-Cal beneficiaries from it, NEMS targets the medically underserved Asian population across the City and in Daly City and San Jose. Some of NEMS’ target population may live in the Tenderloin, but many Tenderloin residents would not be likely to be served by NEMS. SFHHJJ consequently asks the City to include DPH’s ideas on how it intends to proceed to ensure that Tenderloin residents on Medi-Cal have their hospital and specialty healthcare needs served.

IV. To Provide Timely and Effective Accountability, the DA’s Compliance Review Process Must Include a Detailed Report on City Efforts to Implement and Monitor Achievement of the DA’s Promises and the Lengthy Time Lag Between Performance and Public Accountability Must Be Rectified

One of the reasons that SFHHJJ urged the Board of Supervisors to convene a public hearing in February 2014 on implementation of the DA is that successful delivery on the Agreement’s promise requires extensive concerted action, not only by Sutter/CPMC, but also by several City Departments (as well as the San Francisco Foundation and community health clinics) to create and vigilantly operate an effective infrastructure of implementing, monitoring, and funding systems. Another reason for the call for an earlier public hearing was that the Coalition considers the annual review process outlined in the DA insufficient, on its own, to provide timely, effective oversight and public accountability.
SFHHJJ is heartened that following the February hearing, OEWD and DPH have begun regular quarterly meetings with the Coalition to discuss DA implementation. And the Coalition appreciates the longstanding openness of the San Francisco Foundation to information-sharing and community input. These opportunities for private meetings and information exchange – critical and welcome as they are – are not, however, substitutes for public forms of accountability provided by written reports and public hearings. SFHHJJ urges the City in its initial City Report to not only comment on Sutter/CPMC’s Compliance Statement, but to also **publicly describe in detail the measures and systems that City departments and other actors have already established or intend to implement to monitor and ensure delivery on the promises of the DA**. This comment letter has outlined a number of specific questions the Coalition requests the City Report to address.\(^\text{11}\)

The experience of commenting on Sutter/CPMC’s Compliance Statement for 2013 demonstrates the insufficiency of the seven-step annual review process outlined in Section

\(^{11}\)To recap, in addition to the general request that the City Report describe in detail the measures and systems that City departments have already begun or intend to institute to monitor and attain full delivery on the promise of the DA, SFHHJJ respectfully asks the City Report specifically to discuss:

1. How many entry-level operations positions Sutter/CPMC sought to fill during the review period (i.e., August 10-December 31, 2013).
2. What systems OEWD has instituted to monitor that Sutter/CPMC does indeed submit all required job notifications/requisitions to OEWD for such entry-level openings and appropriately applies the “urgent need” exemption.
3. What systems OEWD has instituted to monitor that Sutter/CPMC does not review any other applications or make any other hires during the exclusive 10-business-day window reserved for OEWD-referred applicants and that it does in fact review all OEWD-referred applicants.
4. The number of entry-level operations positions Sutter/CPMC claimed an urgent need to fill during the review period and what procedures and standards OEWD has established to monitor and assess Sutter/CPMC’s assertions of such an exemption.
5. All efforts and systems OEWD has implemented, or intends to implement, to reach out to the target neighborhoods identified in the DA, to train and recruit applicants for entry-level operations positions from those neighborhoods, and to encourage and track Sutter/CPMC’s hiring of residents of those neighborhoods.
6. If the financial feasibility assessment for an MSO/IPA with a primary care provider base in the Tenderloin is positive, the likelihood of its establishment and contracting with Sutter/CPMC before the end of 2015 to provide hospital and specialty care services to 1,500 Medi-Cal beneficiaries from the Tenderloin.
7. If the feasibility assessment for an MSO/IPA with Tenderloin-based primary care providers is negative, or if the MSO/IPA cannot be launched in time, the City’s back-up plan to ensure that 1,500 Medi-Cal beneficiaries from the Tenderloin receive hospital and specialty care services.
8 of the DA to provide timely oversight and effective public accountability. The time lag between performance, review, and accountability is simply too long.

As summarized in the introduction to these comments, if the DA's annual review process is followed verbatim: Sutter/CPMC's annual Compliance Statement (due at the end of May) discusses performance 5-17 months after it occurred; public comments (due in early July) discuss events 6-18 months after they occur; the City Report (due in mid-August) reviews performance 7.5-19.5 months after the fact; the earliest that public hearings are held (in mid- or late-October) is 9.5-21.5 months after the facts being discussed; and, if the Third Party Independent Monitor disagrees with the Department Directors' findings, her/his report to the Board of Supervisors (likely due in November) comes 11-23 months after the events it discusses.

Public review delayed so long is tantamount to effective public review denied.

The local hire provisions for entry-level operations positions provide a stark example. The end of the first hiring year will be August 9, 2014. Public hearings before the Planning and Health Commissions will be held (and perhaps even the City Report will be submitted) after the completion of the full hiring year, but the DA provides that the only performance to be evaluated by the City and at the public hearings is during the first 3.5 months of the hiring year. Under a strict reading of the DA's provisions, Sutter/CPMC's performance during the first hiring year (which ends August 9, 2014), will not be addressed by a City Report, will not be discussed at public hearings before the Planning Commission, and will not factor into the Planning Director's decision on a certificate of compliance until after the completion of the second hiring year.

In addition to the lengthy time lag, the public review process as currently designed is exclusively retrospective; it only looks backward to assess what already occurred. But effective public monitoring requires prospective anticipation of potential problems and forward-looking adjustments and interventions. Public comments, City Reports, and public hearings should be occasions not simply to look back, but also to anticipate and attempt to shape future conduct and compliance. Rather than simply relying on the threat of a potential retrospective finding of material non-compliance ten months or more after the fact, the City and public should be able to use public forums to prospectively identify issues and uncover information in time for Sutter/CPMC to modify its conduct before it becomes a violation of the DA.

An example of the need for prospective consideration is demonstrated by Appendix A to these comments, a summary by Dr. Ken Barnes, M.D., a former longtime St. Luke's physician and a member of SFHHJJ, reviewing recent service cutbacks at St. Luke’s and their implications for the new St. Luke’s Hospital. Even though the new hospital is not scheduled to be opened for five more years, it is readily apparent – after a decade of efforts to keep the hospital open, viable, and effectively serving the community that depends upon it – that extended, concerted effort by the public and the City will be necessary to ensure that Sutter/CPMC effectively consults with the City and public to ensure that the service
mix at the new hospital serves the community and the City.\(^\text{12}\) Waiting until after the opening of the new St. Lukes – as the Spreadsheet “Healthcare Compliance Report” that Sutter/CPMC included as Attachment 1 to the Compliance Statement suggests on page 2 is when the commitment begins – is far too late.

For all these reasons, SFHHJJ urges the City to promptly pursue the following two adjustments to the annual review process:

1. In an era of electronic data systems, the Coalition urges the parties to the DA to modify Section 8 to require Sutter/CPMC to submit its Compliance Statement within 30 days (rather than 150 days) of the conclusion of its fiscal year (which is currently identical to the calendar year\(^\text{13}\)) and also to explicitly clarify that events and performance occurring after the review period may properly be considered in the annual review process. SFHHJJ recognizes that some of the health care provisions of the DA require independently audited information, but the Coalition also notes that the independent auditor employed to confirm unduplicated patient counts and community benefits expenses appears to have been able to complete its audits within 11 days of execution of a statement of work.\(^\text{14}\) Such modifications would substantially decrease the enormous time lag between performance and public review and accountability and ensure that the full spectrum of performance data is considered.

2. SFHHJJ urges the City to schedule supplemental, semi-annual public hearings broadly addressing issues relevant to implementation of the DA by adding an additional hearing – prospective as well as retrospective in scope, in which City officials and the public are invited to address any and all issues – six months before the hearings on the Compliance Statement and City Report. Under the current timetable, this would mean an additional hearing in April, to precede the hearings on the Compliance Statement and City Report likely to occur in October. At that April hearing, Sutter/CPMC and relevant City departments would be invited to present interim progress reports and City officials and the public would be able as well to address prospective issues of concern.

\(^{12}\) Sutter/CPMC’s recent cutbacks of skilled nursing facility (SNF) beds is both another poor omen and a reinforcement of the need for the public and City to engage in an extended, proactive effort to encourage Sutter/CPMC to configure its services to meet City and community needs. As the Health Commission recently explored in a June hearing, Sutter/CPMC announced in May that it intends to cut its staffing of SNF beds citywide from 100 to 75, eliminate all such beds at its California campus, and concentrate them at Davies and St. Luke’s, thereby almost doubling the number of SNF beds at St. Luke’s.

\(^{13}\) DA, Exhibit F, footnote 1.

\(^{14}\) Exhibits A and B to Attachment 1 of the Compliance Statement are letters from Deloitte & Touche, LLP, both dated May 9, 2014, summarizing audit findings completed pursuant to a Statement of Work dated April 28, 2014.

Comments of San Franciscans for Healthcare, Housing, Jobs and Justice on Sutter/CPMC’s Annual Compliance Statement for 2013
CONCLUSION

For all the reasons discussed in these comments, Sutter/CPMC did not comply during 2013 with the entry-level operations hiring provisions or the transportation program implementation provisions of the DA. The Director of Planning should consequently not issue a Certificate of Compliance. SFHHJJ asks the City Report to address the issues identified in these comments and urges the City to modify and supplement the annual review process as outlined above.

Respectfully Submitted,

Ascanio Piomelli
UC Hastings Community Economic Development Clinic
Attorney for San Franciscans for Healthcare, Housing, Jobs and Justice
APPENDIX A

CUTBACKS AT ST. LUKE’S AND IMPLICATIONS FOR NEW HOSPITAL

In the past several months to a year, there have been a number of cutbacks in services at the St. Luke’s Campus of CPMC. This is very concerning in that Sutter/CPMC agreed in the Development Agreement it signed in 2013 that St. Luke’s would be a full-service acute care community hospital. In addition, there have been no efforts by CPMC to dialogue with the community served by St. Luke’s regarding the mix of services to be provided at the new hospital.

Cutbacks to Services

1. In the past several months the outpatient laboratory in the Monteagle Medical Office Building adjacent to St. Luke’s began closing at 4:30 PM instead of 6:30 PM. This means that a patient who sees a doctor in the late afternoon and needs immediate blood tests must come back another day.

2. The Cardiac Catheterization Laboratory at St. Luke’s was closed several months ago. Although its use for heart procedures was limited, a vascular (blood vessel) surgeon was using it for various procedures that can now only be done at Pacific Campus. This means the ambulance transfer of patients from St. Luke’s to Pacific Campus, often at the patient’s cost.

3. Recently the ICU at St. Luke’s has been admitting patients directly from the emergency rooms at Davies and Pacific Campuses, virtually all of whom are homeless, uninsured, and substance users. Sutter/CPMC is upset that St. Luke’s is not bringing enough money into their system. Although not technically a cutback, it is CPMC directly causing a decrease in revenue that can be used as justification that St. Luke’s doesn’t pull its weight within the system, and hence, in some way, is not deserving of better services.

4. Nuclear Medicine has been closed for several months, which means that if inpatients at St. Luke’s need this service they must be transported by ambulance, again often at their expense, to Pacific Campus, or if outpatient nuclear medicine procedures are needed, the patient must travel to the other side of the City.

5. Interventional Radiology services are less available due to the reduction in the number of radiologists available at St. Luke’s. Formerly three radiologists could do these procedures and now it is only one.

6. The most recent cut in services was at the St. Luke’s Diabetes Center. On March 12 of this year, CPMC suddenly announced several layoffs at the Diabetes Center. These included the nurse director and founder who had been with the Center 18 years, and who is bilingual and bicultural (Spanish). The bilingual, bicultural (Spanish) administrative assistant, who had been with the Center for 17 years, was also laid off; her responsibilities included intake, registration, marketing, scheduling, and preparing patients for visits by checking their blood sugars. Finally, also laid off was the Spanish-speaking dietician who had been with the Center for 12 years.
What is particularly disturbing about this action is that the patients of the Center are largely Spanish-speaking. Fifty-two percent of the patients have gestational or pregnancy-related diabetes, and of these, 66% are monolingual-Spanish speaking. To put this into further context, 70% of all visits are for gestational diabetes. The impact of these changes was felt immediately and continues to be felt as the obstetricians scramble to find ways of taking care of these patients.

To “replace” the lost of the nurse-educator and dietician, CPMC transferred 3 diabetes educators, one dietician and two diabetic nurse educators, from their Center for Diabetes Services at the California Campus. None of these people speak Spanish. And only one has minimal experience in treating gestational diabetes. Interpreters have been made available on an as-needed basis, which means they have to come from other campuses to translate. This has often meant significant waiting times for patients, and the actual visits often take twice as long as before. In fact, this replacement is more of a displacement and diminution of the community purpose of St. Luke’s Hospital.

These administrative decisions have established cultural and linguistic barriers that increase health risks rather than address the practices, well-researched and well known, that enhance the patient’s health. Inserting interpreters adds another layer of complexity that cannot possibly come up to the previous standard of care with Spanish-speaking educators.

There are no plans to replace the administrative assistant with a Spanish-speaking person. All phone calls related to scheduling are answered at a remote site, and it appears that the people who answer the phone have very limited Spanish-speaking capabilities.

The reason given for these actions were “cost savings,” where the two new nurse educators and dietician were said to cost less than the nurse director and dietician who were laid off at St. Luke’s. Two dieticians were laid off at the California Campus out of 12 staff members, compared to the 3 of 5 staff laid off at the St. Luke’s Campus.

The message is: the staff of educators at St. Luke’s, and the patients at St. Luke’s, are more expendable than the staff and patients at the California Campus. Most of the patients at St. Luke’s are uninsured or have Medi-Cal. At the Palo Alto Medical Foundation, which is part of Sutter, their diabetic center does not serve uninsured patients and only serves a few Medi-Cal patients, which might explain, in part, why these changes are being made.

What is particularly concerning is that only one of the educators transferred to St. Luke’s has only minimal experience in treating gestational diabetes. Many of these women require insulin management during pregnancy, and the new people have little or no experience in doing this. Besides not speaking Spanish, this educator cannot meet anything close to the significant needs of the patients.
Cynically, CPMC says it is leaving the St. Luke’s Diabetes Center “whole.” This is an attack on Spanish-speaking and low-income patients who use the Center, and has very serious implications.

CPMC’s response to the criticism from doctors at St. Luke’s whose patients use the Center is to agree to “study” the situation. They want the physicians to gather data over the next period of time that supports the need for the Spanish-speaking educators and staff. This delay, where women will receive little or no treatment, exposes pregnant women with diabetes to birth defects, miscarriages, and can lead to over nutrition of and large babies because of mother’s high blood sugars. This means more caesarean sections for delivery and generally increases the risks during vaginal labor and delivery.

This situation gives insight into the thinking of Sutter/CPMC as it approaches the decisions on the mix of services at the new St. Luke’s. At a recent Board of Supervisors committee hearing, Mike Cohill, the Sutter West Bay region President, said: “We’re primarily working with our medical staff in combination with the demographics of the neighborhood we anticipate serving, not the neighborhood we serve today but the neighborhood we are going to serve in the future, which we hope will be better employed and better educated.” Could this be any more clear? Is Sutter saying that their plans are to push out the lower income and Spanish-speaking patients, those with Medi-Cal or no insurance, and replace them with the “new demographic” of the Mission and South of Market, the “techies” moving in who are more affluent and more likely to have good paying insurance?

This demographic change will surely need to be accommodated, but it should not be at the expense of those who live in the southern part of the City and have for several generations used St. Luke’s as their primary hospital.

What is happening now is a slow dismantling of services at St. Luke’s. The implications for the new St. Luke’s are potentially very grave.

Sutter/CPMC must be willing to collaborate with the community and make it part of the planning process of the new St. Luke’s, as well as the new Cathedral Hill Campus. This will help to insure that the services provided are those most needed by the patients it will serve. We urge Sutter/CPMC to solicit input from community in a process that the community can convene. Accountability and transparency are necessary in a democratic society, and this includes the arena of health care.