



## MEMORANDUM

December 4, 2020

**TO:** MEMBERS, PORT COMMISSION  
Hon. Kimberly Brandon, President  
Hon. Willie Adams, Vice President  
Hon. John Burton  
Hon. Gail Gilman  
Hon. Doreen Woo Ho

**FROM:** Elaine Forbes  
Executive Director 

**SUBJECT:** Update on the Port's equity program and overview of the Port's Racial Equity Action Plan - in advance of Phase 1 submission to the Office of Racial Equity on December 31, 2020

**DIRECTOR'S RECOMMENDATION:** Information Only – No Action Required

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### **EXECUTIVE SUMMARY**

The Port prioritizes equity as a core value and is committed to advancing racial equity such that Port opportunities are shared with people of color and the waterfront intentionally welcomes and includes diverse communities. As equity champions, the Port Commission has urged Port staff to be tenacious, innovative and proactive to ensure Port opportunities reach black and brown people, and other people historically left out and left behind. The Port has intentionally endeavored to break down barriers to achieve greater diversity and renewed and made more intentional efforts starting in 2016, as articulated in the Port Commission's Strategic Plan.

Port staff explored and executed new approaches, policies and programs and formed stronger collaborations with City agencies who are charged with supporting small businesses and advancing economic opportunities to advance equity. Port staff have also initiated efforts to build an antiracist organization, to recognize and address bias, and to weave equity into Port decision making and culture. Finally, the Port took the critical step of investing in staff resources dedicated to equity at the Senior leadership level. This investment is critical for the Port to achieve an equity program that brings

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together efforts of all Port divisions and advances the Port's equity mission comprehensively.

Notably, achieving the equity results the Port seeks requires dedication and persistence and is challenging because the laws and policies the Port is required to operate under are not designed to advance equity. Further, deep systemic and structural deficits that racism has caused require a comprehensive and sustained effort to tackle at the City, State and Federal level. Recognizing these dynamics, the Board of Supervisors created the Office of Racial Equity (ORE), which is charged with advancement of racial equity in the City and to repair harm done by government policy decisions that have created, upheld, and exacerbated. The ORE is advancing a citywide effort through the Racial Equity Action Plan framework and Plan requirement for City departments. This effort is critical to the Port achieving deeper equity because ORE will identify City best practices and laws and policies that govern human resources, contracting, and other opportunities that require change to advance equity.

The ORE-required racial equity action plans are tools to drive institutional and structural change and comprise two phases, internal and external (Phase 1 and Phase 2 respectively). Phase 1 racial equity action plans are due to ORE on December 31, 2020. ORE will forward action plans to the Board of Supervisors and Mayor's Office for review. ORE anticipates releasing the Phase 2 Action Plan framework in the first quarter 2021. The release date of the Phase 2 framework is not certain due to ORE staff resource development.

While the ORE structured Phase 1 of departmental Racial Equity Action Plans to focus on internal stakeholders, primarily department staff, and the external focus framework will be developed early in 2021, the Port's Racial Equity Action Plan Phase 1 (Action Plan) provides recommendations now to create greater racial equity for both external stakeholders as well as internal stakeholders. Capitalizing on the Port's Economic Impact Policy (EIP) work of the past two years, the Action Plan reflects the Port's work to create economic benefits and opportunities for historically marginalized communities adjacent to the waterfront, especially in leasing and contracting. The Port will use the ORE Phase 2 framework to improve upon and amplify our proposed external goals and actions.

To develop the Action Plan, the Port's Race Equity Team examined workforce demographic data and indicators across seven dimensions to establish a baseline understanding of working conditions for Port staff and to identify inequities within the organization. The Race Equity Team then engaged internal stakeholders to develop specific recommendations to reduce racial disparities and increase racial equity. Staff will use this baseline data to measure the impact of policy and practice changes on working conditions and create greater racial equity. Additionally, the Race Equity Team incorporated recommendations from the Port's EIP team to support building greater opportunities for external stakeholders, particularly regarding workforce development.

The Port's Racial Equity Action Plan will serve as the blueprint for advancing racial equity in all aspects of the organization. The Action Plan will be incorporated into the

Strategic Plan to shape the Port's workplan for the next five years and ensure that equity is central to staff's planning and decision-making. Staff will use the Action Plan to guide and inform the Port's 2021 strategic planning process. The Port will improve and expand our external actions through the Phase 2 Action Plan effort, which will guide and inform the Port's 2022 strategic planning process.

The Port is eager to undertake this work and develop a cohesive and comprehensive Action Plan and implementation strategy for increasing racial equity, reducing racial disparity and ensuring that San Francisco's waterfront benefits and attracts a diversity of people.

### **Strategic Objective**

The Action Plan supports the Port's Strategic Plan as follows:

#### **Equity**

By ensuring Port activities advance equity and public benefit and attract a diversity of people to the Waterfront.

#### **Engagement**

By increasing the public's awareness of the purpose and benefits of Port functions and activities.

### **Port Equity Efforts**

Prior to the establishment of ORE in 2019, the Port has worked explicitly to advance equity in both internal practices and external work at the direction and with the support of the Port Commission. This equity work has occurred in many forms. In 2018 Port staff participated in the Government Alliance on Race and Equity (GARE), a national network of governments working to achieve racial equity and advance opportunities for all, along with staff from over a dozen other City departments.

In early 2018, the Port began to develop tools to amplify its economic activities and create a positive impact on neighboring communities. To support this effort, staff formed an Economic Impact Policy (EIP) Team to engage community and to understand how best to ensure that the Port's contracts, leasing, workforce development and investment in open space could support social equity and inclusion for communities in and neighboring Port property, inclusive of historically disadvantaged neighborhoods. The EIP effort spanned six months and included over ten meetings with community members. Last year the Port hired a Senior Community Development Specialist specifically tasked with increasing opportunities and engagement for small disadvantaged local businesses, a key goal of the EIP.

The Port has long been committed to the principles of the Local Business Enterprise and Non-Discrimination in Contracting Ordinance. Whenever possible, the Port creates

opportunities and incentives for local businesses to access and compete for Port contracts. For example, the Port negotiated agreements on private developments located at Pier 70 and Mission Rock obligating project sponsors to commit to local business utilization goals and local hiring requirements.

Port staff also work extensively with the Office of Economic and Workforce Development, the Small Business Commission, CityBuild and the Contract Monitoring Division to bring additional city resources in efforts to advance opportunity and equity.

In 2016 the Port established equity as a core value in its first Strategic Plan and has expanded goals and objective for equity with every update to the Plan. Past equity achievements include:

- Ensuring hundreds of units of affordable housing in new waterfront residential developments (88 Broadway, Mission Rock and Pier 70),
- Increasing contracting with LBEs and working to develop pathways to strengthen relationships with LBEs through contractor open houses and minority business mixers
- Developing new parks and open space including the recently opened Crane Cove Park in the southern waterfront
- Installing new public art in the southern waterfront
- Expanding the Embarcadero Seawall Program to become the Waterfront Resilience Program to include the southern waterfront in order to allow the Port to protect the southern waterfront from hazards, fund improvements in the area and engage with residents that live in the Bayview.
- Adopting two master planned development projects at Pier 70 and Mission Rock with LBE Utilization Plans that govern local business participation commitments of 17% and 20% respectively, along with mandatory local hire requirements from Southern Waterfront zip codes.
- Adopting a local trucking policy requiring Port tenants to utilize local truckers for 60% of all truck transportation and provide rent credits to local truckers that upgrade equipment to reduce emissions and impacts along the Southern Waterfront.
- Creating a mentor opportunity to expand diversity in parking lot operations through a local business partnership for the lease and operation of surface parking lots in the Northern Waterfront.
- Port tenants hire from within the community, Recology hires 95% of employees from 94124 zip code.
- Increasing diversity in the Port's restaurant portfolio by creating a set-aside small minority local business leasing opportunity won by Queen's Po' Boys at Pier 33 ½.
- Organizing annual Contract Opportunities Open Houses to provide networking opportunities for small minority-owned businesses to meet, collaborate, and learn about upcoming Port contracts.

- Approving marine terminal agreement with Pasha Automotive Services with a 50% local hiring requirement of qualified workforce from Supervisorial District 10.
- Opening the Eco-Center to provide a space for environmental education, workshops, assembly, and place where youth, families, and community can gather and engage in the Southern Waterfront.
- Meeting the Mayor's aspirational goal of 40% LBE participation on all awarded contracts for the past five fiscal years.

In July of 2020 the Port hired its first Diversity, Equity and Opportunity Manager. The Diversity, Equity and Opportunity Manager is a member of the Port's senior leadership team, tasked with developing a cohesive and comprehensive strategy for advancing equity and opportunity. Through this new office, Port staff will have access to strategic counsel, training, best practices and new resources to ensure that the agency meets its internal and external equity goals. Since the creation of the Office of Racial Equity, the Port hosted Director Shakirah Simley of the ORE to speak about mandates for City departments to prepare for the work ahead. Additionally, the Port has sought to normalize conversations about race. In July 2020, the Port hosted a port-wide workshop featuring Dr. Jamal Cooks to discuss police violence witnessed across the nation and to provide resources and tools for staff to become allies to their Black co-workers.

To streamline the Port's equity planning efforts, in 2020 staff recommended merging the EIP Team and Port Race Equity Team. The EIP team's work with external stakeholders has been folded into the Action Plan and will drive the organization's work with external stakeholders. Integrating the Economic Impact Policy work into the Port Racial Equity Team and including EIP recommendations in the Action Plan helped drive the creation of cohesive and comprehensive planning at the Port to advance equity. Uniting these two work streams ensures maximization of staff efforts.

### **Background to Creating the Racial Equity Action Plan**

In July 2019, the Board of Supervisors passed Ordinance No. 188-19, which established ORE as a division of the Human Rights Commission. The ORE is charged with advancement of racial equity in the City and to repair harm done by government policy decisions that have created, upheld, or exacerbated racial disparities.<sup>1</sup> The creation of ORE was the result of successful advocacy and organizing by Black City workers, labor leaders and community members.<sup>2</sup>

Pursuant to the ORE legislation passed in July 2019, each City department has been mandated to create a racial equity action plan in alignment with the Racial Equity

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<sup>1</sup>'Internship Opportunities - About the Office of Racial Equity', *Human Rights Commission*, San Francisco, City & County of San Francisco, 2020 <https://sf-hrc.org/internship-opportunities> (06 November 2020)

<sup>2</sup>'Citywide Racial Equity Framework and Action Plan - Phase 1, *Office of Racial Equity*, City & County of San Francisco, CA., 2020, pg. 2, <https://static1.squarespace.com/static/5ed18d943016244d3e57260c/t/5efbe89e247faf024e6fdaca/1593567402561/ORE+SF+Citywide+Racial+Equity+Framework+Phase+1.pdf> (03 December 2020)

Framework, a document outlining the City's vision, goals and overarching strategies to address structural racism and racial disparities. The racial equity action plan is a tool to drive institutional and structural change and will be comprised of two phases, internal and external (Phase 1 and Phase 2 respectively).

The intent of the Phase 1 Action plan is to assess current conditions for all employees, particularly for Black, Indigenous and other people of color in the following seven areas: 1) Hiring and Recruitment, 2) Retention and Promotion, 3) Discipline and Separation, 4) Diverse and Equitable Leadership and Management, 5) Mobility and Professional Development, 6) Culture of Inclusion and Belonging and 7) Boards and Commission.

### **Internal Stakeholder Engagement**

To develop the Action Plan the Port's Race Equity Team consisting of staff representing each division within the Port (Engineering, Executive, Finance & Administration, Maintenance, Maritime, Planning & Environment and Real Estate & Development) created an internal engagement strategy designed to be accessible by all staff - inclusive of remote staff in Maintenance and Maritime divisions. The Race Equity Team's goal was to uplift the collective voices of the Port and provide a safe space for dissenting opinions. Approximately, 60 employees participated in the Listening Tour and shared their reactions, experiences and recommendations through personable, meaningful engagement in response to the seven areas of focus.

The Listening Tour was conducted over a period of four weeks. Portals for input included one-on-one meetings, small focus groups, a virtual drop box and dedicated Port Race Equity email inbox. Conversations were led by examining current workforce demographic data to uncover departmental racial inequities relevant to the Phase 1 framework. Anonymity was maintained through all portals of input to ensure safe spaces for dialogue around racial inequity. Furthermore, the Race Equity Team worked in pairs within their division to host small focus groups inclusive of staff at all levels. At the conclusion of the Listening Tour, the Port Race Equity Team analyzed the feedback received and incorporated the input into goals, objectives and other metrics within Phase 1 of the Action Plan.

### **External Stakeholder Engagement**

As noted above, the Action Plan includes the outcome of the work completed by the EIP Team. To build upon the Port's strengths and enhance the positive impacts of the Port's economic activity, the EIP Team sought both community input and an internal perspective from a staff focus group in the following areas: 1) Contracting, 2) Capital Investments in Parks and Open Space, 3) Workforce and 4) Leasing. Over a period of six months, staff conducted a listening tour with multiple District 10 stakeholders, community benefit organizations (CBOs), faith-based groups and the Port's Southern Advisory Committee members to learn directly from community how the Port can benefit historically disadvantaged neighborhoods adjacent to its property. Groups that staff met with included Young Community Developers, Renaissance Entrepreneurship Center,

Mission Hiring Hall, Success Center, RDJ Enterprises, FRH Consulting, CUESA, La Cocina and APRI.

Themes that emerged from the listening tour included 1.) a willingness to partner with the Port, 2.) a general desire for more information about the Port in each of the four areas above, 3.) the need for more streamlined and specific information about contracting opportunities and 4.) the need for more information about workforce development opportunities to allow CBOs to prepare their communities for work to come. Staff used the input provided by community during the listening tour to establish goals and recommended action items that will be included in the Action Plan.

Contracting		
Stakeholder Input	Recommended Action	Implementation Start Date
Residents want to be aware and informed of economic opportunities within their community and/or neighborhood	Advertise all contracting events to racially diverse businesses, LBE, DBE, and non-certified minority owned businesses	January 2021
Port needs to create right-sized opportunities to engage a more diverse contracting pool	Re-package contracts into smaller projects when feasible to create opportunities for racially diverse micro-LBE firms	January 2021
Expectation that not only should the Port be committed to equity but so should Port partners (i.e. consultants, contractors, tenants and developers)	Enhance equity-based language in all pre-bids to state the Ports values of creating racially diverse contracting teams	July 2021

Leasing		
Stakeholder Input	Recommended Action	Implementation Start Date
Access to capital is challenging for small businesses because they don't have the same	Establish Port's loan and grant program for LBEs, specifically tenants and businesses from the Black,	January 2021

business credit history as larger firms.	Indigenous and people of color communities.	
Smaller businesses are unable to compete financially, with larger businesses nor have access to the significant down payment that may be required	Identify opportunities for best-value selection criteria to include non-cost criteria that elevates small, minority businesses	January 2021

Parks and Open Space		
Stakeholder Input	Recommended Action	Implementation Start Date
Most of the grants and investment have been focused on the northern waterfront. We would like to have those same efforts focused in the southern waterfront.	Plan for, seek grants for, and invest Port Capital, GO Bond funds, potential federal stimulus funds, and SWBF dollars to invest in Port parks and open space.	January 2021
Port southern waterfront properties don't have purpose – if we want residents to utilize our open spaces, they should be activated and/or programmed	Improve opportunities for active and passive public recreation at Port parks and open spaces	July 2021

### **Overview of Racial Equity Action Plan**

The Action Plan consists of six parts, including a historical context statement, department data, demographics and a set of recommended actions for each of the seven areas identified by ORE for increasing racial equity and establishing appropriate benchmarks that will benefit all. Please note that the majority of the Action Plan is a template established by ORE. Most of the actions and indicators in Sections 1 – 7 of the plan were defined by ORE and the Port provided the timelines and implementation plans. In addition, Port staff also supplemented the ORE template with three additional sections that include recommended actions based on the EIP Team’s work. This Action Plan is a living document that Port staff will continue to refine in the next three years,

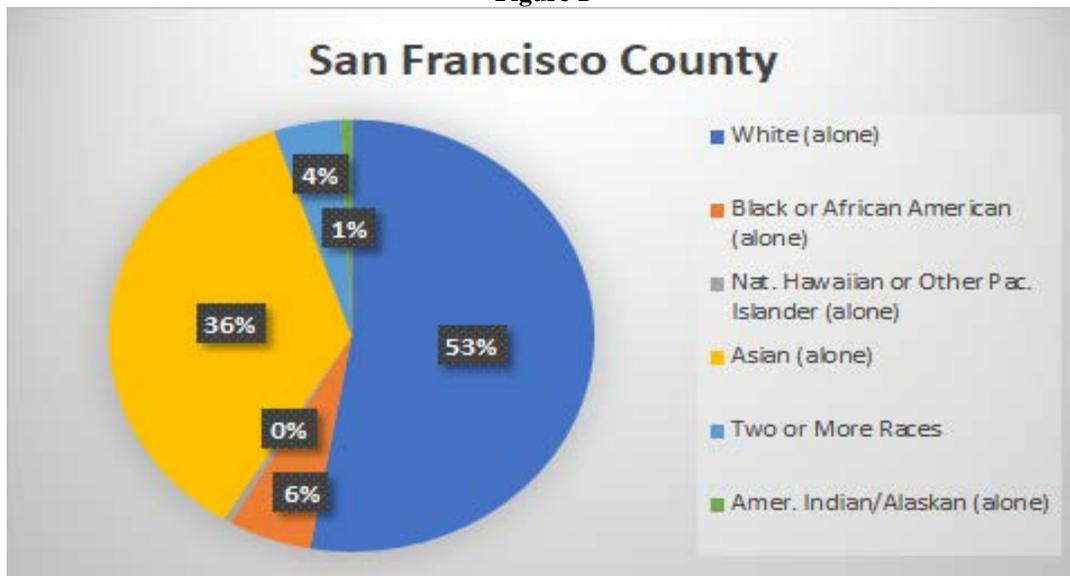
identifying data and defining baselines for measurement of success and refining implementation plans based on experience.

The Action Plan begins with a historical context statement examining the practices and policies that have negatively impacted Black, Indigenous and people of color. The Port acknowledging its past is an important step to begin to address harmful policies which led to racial disparities. The Action Plan also includes results from the Port's departmental race and equity survey (issued September 30, 2019).

Next, Port data related to the seven areas of focus within Phase 1 is included. Data sets cover current Port employee demographics, occupations classification, annual salaries, discipline and adverse actions, promotions among other relevant figures and will be disaggregated by race and gender.

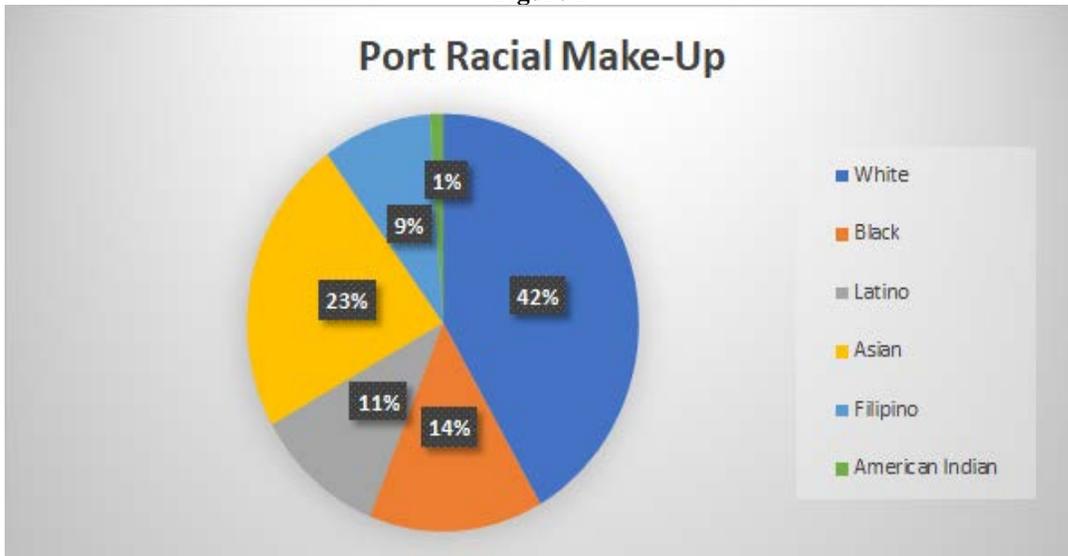
Figure 1 below shows the racial and ethnic demographics of the City & County of San Francisco (2019 US Census Population Estimate) and figure 2 shows the racial and ethnic demographics of the Port (Port administrative data for FY 2019-2020).

Figure 1



Source: U.S. Census Bureau Population Estimates 2019

Figure 2



Source: Port of San Francisco Human Resources Fiscal Year 2019-2020

In fiscal year 2019-2020, the Port had a total of 278 employees, of which 116 identified as White; 64 Asian; 40 Black; 30 Latino; 25 Filipino and the remainder as Indigenous. Of the total number of employees 190 identify as male, and 88 as female.

**See attachment for the full set of data to be included in the Action Plan.**

For the seven areas of focus, the Port developed action items derived from the Port’s internal and external Listening Tours, in addition to the required actions set forth by the ORE. Each action item will have completed metrics and follow the template below:

ACTIONS	RESOURCES COMMITTED	INDICATORS	TIMELINE	IMPLEMENTATION PLAN	STATUS	LEAD
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The ORE template provides for development of measurable objectives, transparency and accountability.

Moreover, the action items will support objectives and goals pertaining to each section of Phase 1 and for the areas of focus from the EIP work. Objectives from each section to be included in the Port’s Racial Equity Action Plan are listed below:

Phase 1 Objectives:

1. Hiring and Recruitment: (1.1) Develop a hiring and recruitment policy and procedure that aligns with the Citywide Racial Equity Framework and the department’s RE Action Plan. (1.2) Strengthen recruitment and hiring strategies to attract and cultivate diverse candidates at all levels of the department. (1.3) Invest in a diverse and equitable talent pool by formalizing robust internship, fellowship, pre-apprenticeship and apprenticeship programs, and provide equal opportunity towards permanent employment. (1.4) Commit to standardized,

transparent, and participatory recruiting and onboarding. (1.5) Conduct targeted and intentional outreach and engagement to increase racially diverse pipeline.

2. Retention, Promotion and Protection: (2.1) Ensure stronger protections for workers of color given anticipated COVID-19 related deployment, budget shortfalls, hiring freezes, layoffs, and furloughs. (2.2) Ensure salaries and benefits meet or exceed industry standards while actively pursuing income equity, centering the experiences of women and people of color. (2.3) Create paths to promotion that are transparent and work to advance equity.
3. Discipline and Separation: (3.1) Create a clear, equitable, and accountable protocol for disciplinary actions.
4. Diverse and Equitable Leadership: (4.1) Commit to developing a diverse and equitable leadership that will foster a culture of inclusion and belonging.
5. Mobility and Professional Development: (5.1) Offer professional and skill development opportunities that center individual goals first, then organizational needs. (5.2) Encourage collaboration between staff and supervisors that are consistent and thoughtful. (5.3) Ensure staff needs are centered and timely met in order to perform and excel at their jobs.
6. Culture of Inclusion & Belonging: (6.1.) Foster an intentional organizational culture that is committed to inclusion and belonging. (6.2.) Develop internal communication processes and procedures that promote equity. (6.3) Improve both physical and digital spaces to meet or exceed accessibility standards. (6.4) Expand the internal culture of belonging by fostering relationships with the external communities the department serves.
7. Boards & Commissions: (7.1) Ensure a diverse and equitable board and commission members that match the community being served. (7.2) Safeguard members so they naturally feel welcomed and valued, not tokenized.

***See attachment for the draft recommendations in the Action Plan.***

External Facing Objectives from EIP effort:

1. Contracts: (8.1) Engage racially diverse businesses in opportunities at the Port. (1.2) Ensure contract teams bidding on Port projects are racially diverse and inclusive. (1.3) Increase the racial diversity of the pipeline of people pursuing careers in professional services and/or construction trades needed on Port projects.
2. Leasing: (9.1) Increase presence of small, local, and minority owned businesses along the waterfront to enhance and improve the experience of all users of the waterfront.

3. Parks & Open Space: (10.1) To increase racial diversity and engagement at waterfront parks and open spaces.
4. Workforce (will appear in Phase 1, Hiring & Recruitment): Train for and increase the number of jobs within the Port organization held by historically underrepresented minorities.

***See attachment for the draft recommendations in the Action Plan.***

### **Next Steps**

The Action Plan will be incorporated into the Strategic Plan to shape the Port's workplan for the next five years and ensure that equity is central to staff's planning and decision-making. Port staff will submit the Action Plan to ORE by December 31, further develop and refine implementation plans and begin implementing recommendations and actions on January 1, 2021. The Action Plan will also be posted on the Port's website.

Implementation of the Action Plan will require Port staff to weave equity into its daily, weekly and monthly workplans. The Executive Director and Divisional Deputy Directors will have responsibility for ensuring that the actions defined in the Plan are accomplished and measured in the Plan's proscribed timeframe. To ensure that equity is a key component of the Port's workplan, the 2021 Strategic Plan will include clear implementation plans for the major equity efforts identified in the Action Plan. In addition, staff will continue to provide regular updates on its ongoing equity work to the Commission through the Executive Director's Report as well as present informational items articulated in the Action Plan. The Action Plan is a living document and will be updated over time. It should be expected that the Action Plan evolve to incorporate and build upon what staff find to be the most effective, results-driven methods as the Port charts its path forward to achieve equity, where race is no longer a factor in the distribution of opportunity.

To support the intentional shift in the Port's efforts to advance equity, the Port has entered into a contract with Rosales Business Partners, LLC (Consultant) to provide facilitation training to senior leadership and the Port's Race Equity Team, as well as provide racial equity training and facilitate racial equity conversations amongst Port staff. Additionally, the Consultant will develop tools to help increase inclusion and racial equity across Port's programs, policies and practices and shall assist the Port in the operationalization of those tools such that they are part of everyday activities.

ORE anticipates releasing the Phase 2 framework of the racial equity action plan next year. Upon receiving the framework, which will be external facing, the Port Race Equity Team will begin to develop a Phase 2 Action Plan.

Beginning in 2022, the Port will prepare an annual report on the department's progress towards goals set forth in the Action Plan. The annual report will be provided to the Port Commission and submitted to ORE, the Mayor's Office and Board of Supervisors for review. Port staff will continue to keep the Commission apprised of its progress related

to the implementation of the Action Plan. Port staff will also report on progress to the Port Commission annually as part of the Strategic Plan review.

Below is a chart of tentative dates and deliverables:

December 8, 2020	Present Information Item to Port Commission
December 31, 2020	Submit Action Plan Phase 1 to ORE
January 2021	Implementation of REAP begins
January 2021 – February 2021	Receive Feedback from ORE; Post REAP to Port website
February 2021	Integrate Phase 1 Actions into Port Strategic Plan
1 <sup>st</sup> Quarter of 2021	Anticipated release of REAP Phase 2 Framework from ORE
1 <sup>st</sup> Quarter of 2021	Start work on Phase 2 of the REAP
February 2022	Integrate Phase 2 Actions into Port Strategic Plan

Prepared by: Toni Autry, Diversity, Equity and Opportunity Manager

Prepared for: Katharine Petrucione, Deputy Director Finance & Administration

Attachment: DRAFT Port Racial Equity Plan - Phase 1 & EIP Objectives