

**MINUTES OF A SPECIAL MEETING OF THE
OVERSIGHT BOARD OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
6TH DAY OF AUGUST 2025**

The members of the Oversight Board of the City and County of San Francisco met in a special meeting in person at 10:30 a.m. on the 6th day of August 2025 at City Hall, Room 408, 1 Dr Carlton B. Goodlett Place, San Francisco, CA 94102.

The Oversight Board will convene hybrid meetings that will allow in-person attendance, remote access, and public comment via teleconference. Members of the public may provide public comment in-person at the notified location or remotely via teleconference (detailed instructions available at: <https://sfocii.org/remote-meeting-information>). Members of the public may also submit their comments by email to: commissionsecretary.ocii@sfgov.org; all comments received will be made a part of the official record.

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TO LISTEN TO THE LIVE MEETING OR TO PROVIDE PUBLIC COMMENT:

Dial: 1-415-655-0001 Enter Access Code: 2662 803 5081

Press #, then # again to enter the call.

When prompted, press *3 to request to speak.

1. CALL TO ORDER/ROLL CALL

The meeting was called to order by Chair Van Degna at 10:31 a.m.

Roll call was taken.

Board member Moses Corrette - present

Board member Licinia Iberri - present

Board member Janice Li - present

Vice-Chair Lydia Ely - present

Chair Anna Van Degna - present

All Board members were present. It was noted that seat for the City and County of San Francisco and the seat for San Francisco Community College were still vacant.

Chair Van Degna read the obligatory land statement.

2. APPROVAL OF MINUTES - Special Meeting of January 30, 2025

PUBLIC COMMENT - None

Board member Corrette motioned to move Item 2 and it was seconded by Board member Li.

Voice vote was taken for Item 2.

Board member Corrette - yes

Board member Iberri - yes

Board member Li - yes

Vice-Chair Ely - yes

Chair Van Degna - yes

ADOPTION: IT WAS VOTED BY FIVE BOARD MEMBERS THAT APPROVAL OF MINUTES FOR THE SPECIAL MEETING OF JANUARY 25, 2025, BE ADOPTED.

3. ANNOUNCEMENTS

- A. The next scheduled Board meeting will be a special meeting held in person at City Hall on Thursday, September 4, 2025 at 1:30 p.m. in Room 408.
- B. Announcement of Prohibition of Sound Producing Electronic Devices during the Meeting:
Please be advised that the ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing of or use of a cell phone, pager, or other similar sound-producing electronic device.
- C. Announcement of Time Allotment for Public Comments:
Please be advised that a member of the public has up to three minutes to make pertinent public comments on each agenda item unless the Commission adopts a shorter period on any item. It is recommended that members of the public who are attending the meeting in person fill out a "Speaker Card" and submit the completed card to the Commission Secretary. All dial-in participants from the public will be instructed to call a toll-free number and use their touch-tone phones to provide any public comment. Audio prompts will signal to dial-in participants when their audio input has been enabled for commenting.

DIAL: 1-415-655-0001 ENTER ACCESS CODE: 2662 803 5081

PRESS #, then PRESS # again to enter the call. Press *3 to submit your request to speak.

4. CONSENT AGENDA - None

5. REGULAR AGENDA

- A. Election of Chair and Vice Chair (Discussion and Action)

Chair Van Degna asked for a nomination for the position of Chair.

Board member Li nominated Vice-Chair Lydia Ely for the position of Chair. There were no other nominations.

PUBLIC COMMENT

Speakers: Francisco Da Costa, Director, Environmental Justice Advocacy; Ace Washington, community advocate

Mr. Da Costa stated that he had been monitoring redevelopment in San Francisco (SF) and he felt that the new Chair should be aware of the harm done by the Redevelopment Agency. He stated that there were those who had no idea how people had suffered in the Bayview (BV) as a result of redevelopment. Mr. Da Costa felt strongly that the City needed a leader who served the people because leaders would save the democracy and then democracy would prevail. He pointed out that now there were two Commissions--the Commission on Community Investment and Infrastructure (OCII) and the Oversight Board (OB) and nothing had improved in the City. He asserted that SF needed leaders with compassion for the homeless and with the ability to uplift the people.

Mr. Washington stated that he was appalled because he did not know what the OB was nor did he know anyone on the Board. He missed the last meeting but wanted a copy of the minutes. He complained about how many meetings had been cancelled by OCII. Mr. Washington wanted to know what the OB actually did and who put the Board members there.

Chair Van Degna asked for a motion to move Item 5A to elect Lydia Ely as Chair.

Board member Iberri motioned to move Item 5A and it was seconded by Board member Li.

Voice vote was taken for Item 5A to elect Lydia Ely as Chair.

Board member Corrette - yes

Board member Iberri - yes

Board member Li - yes

Vice-Chair Ely - yes

Chair Van Degna - yes

ADOPTION: IT WAS VOTED BY FIVE BOARD MEMBERS THAT THE MOTION TO ELECT LYDIA ELY AS CHAIR, BE ADOPTED.

Chair Ely asked for a nomination for the position of Vice-Chair.

Board member Li nominated Board member Anna Van Degna for the position of Vice-Chair. There were no other nominations.

PUBLIC COMMENT

Speaker: Francisco Da Costa, Director, Environmental Justice Advocacy; Ace Washington, community advocate

Mr. Da Costa mentioned that he had seen Chair Ely previously at City Hall dealing with housing. He advocated that both positions should be concerned that the City was constructing buildings and was not concerned with clean drinking water. He felt strongly that greywater should be used to flush toilets and not fresh water. Mr. Da Costa advocated for immigrants in the City, who needed good housing because nobody needed to live in tents. He stated that he used to run the Presidio. He criticized the affordable housing built in SF as filthy and stated that the elevators did not work.

Mr. Washington had questions about whether OCII or the OB was in charge. He asked for more attention to the Fillmore. He stated that he was very confused about what the OB did and about who had appointed the Board members. He had a problem with the fact that the Mayor's name and the Executive Director's name were not on the agenda.

Chair Ely asked for a motion to move Item 5A to elect Anna Van Degna for the position of Vice-Chair.

Board member Iberri motioned to move Item 5A to elect Anna Van Degna for the position of Vice-Chair and it was seconded by Board member Li.

Voice vote was taken for Item 5A to elect Anna Van Degna for the position of Vice-Chair.

Board member Corrette - yes

Board member Iberri - yes

Board member Li - yes

Board member Van Degna - yes

Chair Ely - yes

ADOPTION: IT WAS VOTED BY FIVE BOARD MEMBERS THAT THE MOTION TO ELECT ANNA VAN DEGNA FOR THE POSITION OF VICE-CHAIR, BE ADOPTED.

B. Approving, under Sections 34177.7(a)(1)(A), 34177.7(a)(1)(B), 34177.7(f) and 34180(b) of the California Health and Safety Code, the issuance of new money tax allocation bonds by the Successor Agency to the Redevelopment Agency of the City and County of San Francisco, and related actions; affordable housing obligations; Transbay infrastructure obligations (Discussion and Action) (Resolution No. 02-2025)

Presenters: Thor Kaslofsky, Executive Director; Nicholas Jones, Debt Manager

Board member Corrette stated that he had two questions. He noted that on page 7 in the last full paragraph before Actions of the memorandum from Executive Director Kaslofsky, there was discussion about how the bonds in question could be split and issued at different times. He inquired about whether there would be any increased costs for OCII if this was done.

Mr. Jones responded in the affirmative. He gave as an example if the Transbay (TB) project was delayed and that issuance was split and sold at a later time, they would have to prepare separate bond documents as well as a separate preliminary official statement in order to sell those bonds and there would be legal costs associated with doing that, probably in the tens of thousands of dollars. This would also create some uncertainty as to what interest rates would be the longer they waited. He added that the longer they waited to issue bonds the less time they would be paying interest for, which could offset the transaction costs.

Chair Ely noted that there was potential for delay in the TB project but also noted that for the two housing projects, the earliest the funds would be needed for one project would be second quarter of 2027 and the third quarter of 2028 for the other project. She inquired about whether, if the TB project was delayed, this would cause any urgency to issuing the housing pieces so early or whether the entire issuance would be delayed.

Mr. Jones responded that the housing bonds had a fairly long lead time from when the funds were needed to when construction actually started. He explained that there was an application process to another state entity, CDLAC (California Debt Limit Allocation Committee), for an application to receive the authority to fund the affordable housing projects and the deadline to submit that application was in early January. So that would be the deadline by which OCII would need to issue the housing bonds.

Chair Ely wanted confirmation that this was because they would need to have the funds in hand in order to commit them to the project.

Mr. Jones responded in the affirmative and added that OCII would need to submit a commitment letter as part of the application.

Board member Corrette requested a simple answer to his second question, so that the public would be able to understand it. He inquired about what the difference was from OCII's perspective between a taxable bond and a tax-exempt bond.

Mr. Jones responded that the main difference was a higher interest rate. He gave as an example the act of getting a mortgage, which one could get at a 4% or a 6% interest rate. A higher interest rate would cost OCII more to pay tax increment to cover that higher rate.

Executive Director Kaslofsky asked Mr. Jones to explain the necessity for taxable bonds.

Mr. Jones responded that they would very much prefer to issue tax-exempt bonds, if they could. OCII was required under Dissolution Law to pursue the lowest financing cost. However, tax-exempt bonds were not allowed to be used for infrastructure considered as private use, which would include, for example, concessions and kiosks, which were contemplated in Under Ramp Park. which were to be leased to a private operator to sell refreshments. He explained that the private use kiosk could not be built using tax-exempt money.

Board member Li pointed out that this would be the case only if OCII knew about that specific use at that moment in time, but they would not know the forever use of specific infrastructure. She referred to the example of the kiosk Mr. Jones used which might be privately or publicly operated now, but speculated that its use could change in ten years from now.

Mr. Jones agreed and responded that this was part of the due diligence that bond counsel was currently considering. As a result, they needed to be as conservative as possible in the event that this could ever be used by a private party. Mr. Jones added there were certain management contracts that would need to be entered into to make it eligible for tax-exempt or taxable. They would know more about the split required under tax law when they got closer to issuing the bonds.

Executive Director Kaslofsky reported that the design for the park was intended to be a food concession for that park and was being designed around those needs. He acknowledged that this could end up being something else in the future but for now they had an operator who intended to lease it through the East Cut Community Benefits District to activate that park.

Chair Ely inquired about why affordable housing was not eligible for tax-exempt bonds because she explained that the City issued tax-exempt bonds all the time for affordable housing construction.

Mr. Jones responded that this tied into the application process regarding the application due in January. He explained that housing was considered private use because it was not considered publicly accessible space and in order to issue tax-exempt bonds for it, they would have to go through a state application process for private activity bond allocation to allow the issuance of tax-exempt bonds for private use. The plan was that OCII would contribute taxable bonds as part of the application, which would then go to the state to request permission to fund a portion, at least 50% under tax law, of the affordable housing project with tax-exempt bonds. So there would be a combination of sources there.

Chair Ely noted that 10% of the total bond amount was in a debt service reserve fund and inquired about what would happen to that money in the event that it was not needed on this particular issuance.

Mr. Jones responded that this money was set aside in a fund and would stay in the fund for the entire time the bonds were outstanding. He explained that once the final debt service payment of the bonds arrived on the day they matured, that money would be used to make the final payment. If there was excess money in there at any point, for example, if interest was earned, it would be swept out into the debt service fund to make debt service payments.

Chair Ely inquired about the possibility that it could be considered completely excess and surplus to the transaction.

Mr. Jones responded in the negative and explained that when the bonds were sold, they had promised bond investors that they would remain in place for the life of the transaction, so they would not be able to just take it all away.

Executive Director Kaslofsky interjected that if there were ever any excess proceeds such as interest, that those funds would be used in a future Recognized Obligation Payment Schedule (ROPS) allocation for another enforceable obligation such as affordable housing and reused in that way, so the City or the State could reduce the amount of ROPS authority given to OCII in any given year and thus, it would be reduced in that way.

Mr. Jones believed that by law they were required to use any interest earnings to pay debt service. However, he added, that this could free up other money to go for enforceable obligations.

Vice-Chair Van Degna referred to the affordable housing taxable bonds and inquired about whether, if they applied to CDLAC to get the private activity bond allocation, that would mean that this portion of the currently considered taxable bonds could be issued as tax-exempt.

Mr. Jones responded that OCII was providing a subordinate lien loan to the project via the taxable bonds but OCII was not sponsoring the CDLAC application. He believed it was actually the City. So the tax-exempt bond allocation would not go to OCII and therefore, OCII would not be able to issue these bonds as tax-exempt. However, a different governmental agency would be able to if the application went through.

Executive Director Kaslofsky added that this was a not-to-exceed amount, so it might end up being less if some of these things came to fruition.

PUBLIC COMMENT

Speakers: Kurt Kaywood de Archambeau; Francisco Da Costa, Director, Environmental Justice Advocacy; Ace Washington, community activist; Joyce Julio-Sua, Bayview Hunters Point (BVHP)

Mr. Kaywood de Archambeau stated that he was a copper-colored indigenous San Franciscan and part of the community here since 1881. He was raised in the Fillmore and the Bayview and he remembered when redevelopment cut off the freeway from Fell Street and his father's business was cut off from the public. He (and his unnamed organization) had an alternative to the agenda, which would be to place a moratorium on all redevelopment bonds until all copper-colored and black communities were fully included in the planning, oversight and enforcement of future development. Mr. Kaywood requested the creation of an indigenous and black land trust funded through a portion of these bonds to provide ancestral housing, entrepreneurship, the preservation of culture and to reverse generations of loss caused by redevelopment. He and his organization further demanded that no future development projects be approved without the consent of those descendants from SF Black and African Americans in keeping with both natural law and equal protection guarantees of the California Constitution of 1849 and the present Constitution. They (the City, OCII and OB) had a legal and moral obligation to do better and he and his organization wanted to make sure that this happened. He hoped to hear back from the Board at some point.

Mr. Da Costa stated that when they talked about the bonds they discussed "enabling authority" and the California Health & Safety Code Section 34177.7 1a, 1b. He bet that none of the Board members had read that code section. He bet that none of them had done a needs assessment on land prone to liquefaction in Mission Bay or on the contamination due to the depleted uranium stacked in Hunters

Point or understood how long that pollution lasted. As human beings, Mr. Da Costa stressed that they must pay attention to having clean land, good housing, sanitation, recycling, and bonds must be issued for that. No longer would citizens be looking the other way. He reported that housing construction done in 2018 was now a mess. OCII and OB did not pay attention to the state park where RV's were moved to and PGE has refused to provide electricity and now that area was compromised as well. Clean land and quality housing were needed.

Mr. Washington expressed concern about the Fillmore and warned a lawsuit against the City agency. He was doing a report on the Redevelopment Agency which ruined District 5 and the Western Addition.

Joyce Iulio-Sua referred to the affordable housing in BVHP and reported that right now everything was failing. They were talking about new housing but the old housing was failing. She pointed out that the affordable housing was not affordable to those it was being built for. She was very disappointed in the City.

Chair Ely asked for a motion to move Item 5B.

Board member Li motioned to move Item 5B and it was seconded by Vice-Chair Van Degna.

Voice vote was taken for Item 5B.

Board member Corrette - yes

Board member Iberri - yes

Board member Li - yes

Vice-Chair Van Degna - yes

Chair Ely - yes

ADOPTION: IT WAS VOTED BY FIVE BOARD MEMBERS THAT RESOLUTION NO. 02-2025, APPROVING, UNDER SECTIONS 34177.7(A)(1)(A), 34177.7(A)(1)(B), 34177.7(F) AND 34180(B) OF THE CALIFORNIA HEALTH AND SAFETY CODE, THE ISSUANCE OF NEW MONEY TAX ALLOCATION BONDS BY THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, AND RELATED ACTIONS; AFFORDABLE HOUSING OBLIGATIONS; TRANSBAY INFRASTRUCTURE OBLIGATIONS, BE ADOPTED.

6. NEW MATTERS FOR FUTURE CONSIDERATION

Executive Director Kaslofsky stated that he had no announcements at this time.

7. PUBLIC COMMENT ON NON-AGENDA ITEMS

Speakers: Francisco Da Costa, Director, Environmental Justice Advocacy; Kurt Kaywood de Archambeau; Ace Washington, community advocate; Joyce Iulio-Sua, BVHP

Mr. Da Costa announced that there was a group of people in the Bayview (BV), who met every week, who had gone before the Controller for the City and County of San Francisco, Greg Wagner, and had given him empirical data. While the community was hurting, he felt strongly that City agencies should be fighting for women. Today, women have the power to do the right thing and they were doing the wrong thing. Children were dying in the BV while the community benefits, money amounting to \$300 million, were wasted. Mr. Da Costa reviewed his past professional life and stated that leaders today had torn down democracy. He stressed that something must be done for the BV.

Mr. Kaywood stated that he met with Mr. Da Costa on Wednesdays and that the reason he was at this meeting was due to his historic family connection to the Western Addition and the BV. He stated that what he had heard at this meeting was about the private and public shuffling of money. He pointed out that on the private side it was easy to get money but on the public side it was very difficult and that it was difficult to make changes in the City. That was why he requested the moratorium and hoped it would happen. Mr. Kaywood stated that he was standing up for the indigenous people of this country and for the integrity of SF.

Mr. Washington stated that they were going to Sacramento to talk to the governor regarding the ROPS and to find out what was going on, and warned about suing OCII. He reported that the Western Addition and the Fillmore were dysfunctional, and somebody needed to know about it. He had more questions about the OB.

Joyce Iulio-Sua stated that nobody in their community was working. She complained that there was no outreach and no jobs except for outsiders coming in and working in their community.

8. ADJOURNMENT

Chair Ely asked for a motion to move Item 8.

Board member Li motioned to move Item 8 and it was seconded by Vice-Chair Van Degna.

The meeting was adjourned by Chair Ely at 11:47 a.m.

Respectfully submitted,



Board Secretary