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VICE-CHAIR

Dr. Carolyn Ransom-Scott
Mara Rosales
Darshan Singh
COMMISSIONERS

Nadia Sesay
EXECUTIVE DIRECTOR

**MINUTES OF A REGULAR MEETING OF THE
COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE
OF THE CITY AND COUNTY OF SAN FRANCISCO HELD ON THE
15TH DAY OF JANUARY 2019**

The members of the Commission on Community Investment and Infrastructure of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 1:00 p.m. on the 15th day of January 2019, at the place and date duly established for holding of such a meeting.

REGULAR MEETING AGENDA

1. Recognition of a Quorum

Meeting was called to order at 1:10 p.m. Roll call was taken.

Commissioner Rosales - present
Commissioner Scott - absent
Commissioner Singh - present
Vice-Chair Bustos - present
Chair Mondejar - present

Commissioner Scott was absent. All other Commissioners were present.

2. Announcements

A. The next scheduled Commission meeting will be a regular meeting held on Tuesday, February 5, 2019 at 1:00 p.m. (City Hall, Room 416).

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 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

3. Report on actions taken at previous Closed Session meeting - None

4. Matters of Unfinished Business - None

5. Matters of New Business:

CONSENT AGENDA - None

REGULAR AGENDA

- a) Conditionally approving the Basic Concept and Schematic Design of an affordable housing project at Mission Bay South Block 9, which consists of approximately 141 affordable rental units with supportive services for formerly homeless households, including one manager's unit, and is within the scope of and adequately described in the Mission Bay Redevelopment Project, approved under the Mission Bay Final Subsequent Environmental Impact Report ("FSEIR"), a program EIR; and, adopting environmental findings pursuant to the California Environmental Quality Act; Mission Bay South Redevelopment Project Area (Discussion and Action) (Resolution No. 01-2019)

Presenters: Nadia Sesay, Executive Director; Kimberly Obstfeld, Development Specialist, Housing Division; LMS Architects; Richard Stacy, Principal, LMS Architects; Vanna Whitney, Associate Principal, LMS Architects; Matt Irwin, Vice-President, Cahill Contractors; Raymond Lee, Contract Compliance Supervisor

PUBLIC COMMENT

Speaker: Ace Washington, community advocate

Mr. Washington told the story about how he had been denied housing by BRIDGE Housing in the past. He wanted to make sure that there would be black residents in this housing.

Commissioner Rosales inquired about the modular construction procedure; inquired about whether there were any SBE's or LBE's involved in this project.

Ms. Obstfeld responded that this would be the first OCII modular project, but added that there were two other projects sponsored by MOHCD (Mayor's Office of Housing & Community Development) that were also modular, one on Treasure Island and the other on Mission Street. Ms. Obstfeld responded that there were several modular unit manufacturers who were qualified and that the architects had prepared a bid set which was specific for modular. She explained that OCII would issue an RFP, overseen by the OCII Compliance team and they would receive bids back from any qualified modular developer. To the last question, Ms. Obstfeld responded in the negative and stated that they were working on this and explained that, unfortunately, there was only one modular developer that was local and all the others were regional.

Commissioner Singh inquired about whether these were factory built; inquired about whether they would be built in San Francisco.

Ms. Obstfeld responded in the affirmative. She explained that the modules would be constructed at an off-site manufacturing facility, all four walls, wood frame construction and would have to comply with local building codes. They would then be trucked to San Francisco and craned into place and connected to all the utilities for plumbing and wiring. Then the exterior façade would be constructed on site. Ms. Obstfeld responded that there were no modular manufacturers in San Francisco and they had been forced to reach further to find the manufacturers. She reported that there was one modular manufacturer in Vallejo and a few others in California and Idaho.

Vice-Chair Bustos reminded staff to make sure that San Francisco residents were building this City, especially since this was former redevelopment land. He wanted to have long-time San Franciscans build this project. Given the circumstances in this situation, Mr. Bustos reminded Cahill and others to look for San Franciscans for professional services and other service jobs. He mentioned that Commissioners asked staff for bios of the companies involved on all projects and that preference

was made for San Francisco-based companies. Mr. Bustos expressed appreciation in advance for all efforts taken on this topic.

Mr. Irwin responded that Cahill was committed to that effort as well and that they would explore all avenues to be able to integrate SBE local contractors and local hiring, whether for on-site security or transportation, as an example and assured Commissioners that there would be many opportunities for local hire.

Vice-Chair Bustos stated that he had a problem with the design and felt that it was missing the “wow” factor. He contended that just because residents were poor or homeless did not mean they did not deserve the wow factor. Mr. Bustos felt that the design looked like an institution and referred to the small windows. He referred to slide 18, which looked like the building was not finished and like they had run out of money so they put in a small window and it seemed very claustrophobic. Mr. Bustos requested that they consider bigger windows replace the four small rectangular windows. He liked the colors but wanted more light because the units were small.

Chair Mondejar inquired about how many floors there were and what the square footage was.

Ms. Obstfeld responded that there were four floors; 366 square feet for regular studio units and 468 sq. ft. for studio plus units.

Chair Mondejar commented that the units were quite small and agreed with Vice-Chair Bustos that bigger windows would help with making the space seem bigger. Ms. Mondejar pointed out that everyone would be looking at this first modular construction site so she supported Commissioner Bustos’ comment about the wow factor. Ms. Mondejar inquired about how much they would be saving by going modular; inquired about what part of the unit would be modular; inquired about whether there would be a basement, parking and bike parking; inquired about elevators; inquired about how they would be spending the money saved on this construction.

Ms. Obstfeld responded that they would have a more exact amount when they got back the bids but reported that initial estimates indicated approximately 10% in construction costs saving (about \$6.5 million) and that modular would save about four months of vertical construction time.

Mr. Stacy responded that the ground floor was site-built, not modular. He explained that all community serving facilities were on the ground floor and all the service rooms were purposely concentrated on the ground floor to create community and get people out of their apartments and interact with each other. He responded that there was no basement and that the two parking spaces and bike parking were on the ground floor and that the upper floors were primarily modular and all residential. Mr. Stacy explained that the advantage of having the ground floor not be modular was that they could finish construction of the ground floor while the modular pieces were being built offsite, so ideally when the ground floor was finished, the modular pieces could be stacked on top of the ground floor. The units were based on what could be loaded onto a truck and were usually about 14’ wide and could be up to 75’ long. They were built as two units with a corridor in between as a single module because that was a more efficient way to truck it. Then two units at a time would be stacked over the ground floor for the three upper floors. The interior of the units would be completely finished by the time they left the factory. The facade and the corridors were site-fabricated because the corridors were the connection to electrical and plumbing and mechanical. The exterior and roof would be done on-site as well. Mr. Stacy added that the modules were wrapped with weather protection and parked offsite when they arrived in San Francisco until they were all there, because they wanted to start the crane process and keep it going until construction was finished. Mr. Stacy responded to Commissioner Bustos’ comment on the windows. He explained that the bay windows were 9’ tall, 5’ wide and floor to ceiling. The smaller windows were 2.5’ wide and 5-6’ tall and where they did not have bay windows, they had elected to do the exterior wall as glass. Mr. Stacy remarked that they were bigger than they seemed and the units would have a lot of light and openness with the tall ceilings. He stated that they would be happy to look at this again but they had tried to be generous with the windows. He responded there were two elevators, centrally located.

Ms. Obstfeld responded that any money saved on this project would be going to future affordable housing projects and added that they still had several affordable housing parcels to be developed in Mission Bay.

Chair Mondejar inquired about whether they were still seeking to meet the SBE requirements.

Ms. Obstfeld responded in the affirmative.

Commissioner Singh inquired of Mr. Lee about whether all the contracts were in order.

Mr. Lee responded that they were working with the developer and the general contractor to make sure they could get as much SBE and local participation in this project as possible.

Commissioner Rosales referred to the target population for this project and inquired about whether they were looking at single occupancy.

Ms. Obstfeld responded in the affirmative. She explained that all of the referrals for this project would be coming from the Department of Homelessness & Supportive Housing (HSH) and would mostly be single individuals. She stated that they would not restrict occupancy but single occupancy was the expectation and maybe two on very limited occasions; no children would be living here.

Chair Mondejar inquired about whether this would be through DAHLIA.

Ms. Obstfeld responded in the negative. She explained that this project would not involve a lottery like typical OCII projects. This project would be run through the coordinated entry system which connected all the homeless services in the City, so that referrals would come through shelters and navigation centers and then all referrals would be reviewed and prioritized.

Commissioner Rosales inquired about whether Certificate of Preference (COP) holders would be eligible for these units.

Ms. Obstfeld responded in the affirmative. She explained that the HSH was able to crosscheck their database with MOHCD's database for COP holders. She added that COP holders would still have to meet the qualification of being homeless or at risk of homelessness.

Chair Mondejar inquired about whether these were rentals.

Ms. Obstfeld responded in the affirmative.

Chair Mondejar inquired about whether the other City modular projects were finished, where they were located and what size they were.

Ms. Obstfeld responded that the other two projects were not finished, that one was on Mission Street and the other on Treasure Island. She added that the Mission Street project included about 250 units and the Treasure Island project included about 115 units. They are ahead of the OCII project in predevelopment.

Commissioner Singh motioned to move Item 5(a) and Commissioner Rosales seconded that motion.

Secretary Cruz called for a voice vote on Item 5(a).

Commissioner Rosales – yes
Commissioner Scott - absent
Commissioner Singh - yes
Vice-Chair Bustos - yes

Chair Mondejar – yes

ADOPTION: IT WAS VOTED BY FOUR COMMISSIONERS WITH ONE ABSENCE THAT RESOLUTION NO. 01-2019, conditionally approving the Basic Concept and Schematic Design of an affordable housing project at Mission Bay South Block 9, which consists of approximately 141 affordable rental units with supportive services for formerly homeless households, including one manager's unit, and is within the scope of and adequately described in the Mission Bay Redevelopment Project, approved under the Mission Bay Final Subsequent Environmental Impact Report ("FSEIR"), a program EIR; and, adopting environmental findings pursuant to the California Environmental Quality Act; Mission Bay South Redevelopment Project Area, BE ADOPTED.

b) Workshop on the Recognized Obligation Payment Schedule for July 1, 2019 to June 30, 2020 (ROPS 19-20) (Discussion)

Presenters: Nadia Sesay, Executive Director; Mina Yu, Financial Reporting & Management Analyst; Bree Mawhorter, Deputy Director, Finance & Administration; Lila Hussain, Project Manager, Hunters Point Shipyard/Candlestick Phase II; Hilde Myall, Real Estate & Development Services Manager; Jim Morales, General Counsel and Deputy Director

PUBLIC COMMENT

Speaker: Ace Washington, community advocate

Mr. Washington inquired about whether he would be able to speak about the Closed Session legal case on the agenda later. He requested once again that OCII go to the Fillmore and hold a meeting with the community. He requested that he be allowed to present to OCII on the Fillmore area. He stated that Mayor Breed should not be involved in this topic. He referred to RD but did not explain who that was.

Commissioner Singh inquired about what the interest rate was on the bonds and whether they were taxable or tax-exempt. He inquired about how much OCII owed in total.

Ms. Yu deferred to Ms. Mawhorter for that response.

Ms. Mawhorter responded that each bond had a different interest rate which was established at time of issuance. She explained that the interest rate on the new bonds would be established at the time they were issued next year and would depend on market rate at the time. She responded that the bonds were a combination of both tax-exempt and taxable. Ms. Mawhorter added that in general, they used tax exempt for infrastructure reimbursement and taxable for housing. She responded that OCII's total outstanding portfolio amounted to slightly more than \$900 million.

Commissioner Rosales referred to page 20 of the presentation and inquired about the TBJPA pledge of \$8.6 million.

Ms. Yu responded that TBJPA referred to Transbay Joint Powers Authority pledge, which was codified by their tax increment and sales proceeds pledge agreement and committed OCII's net tax increment and sales proceeds from formerly state-owned parcels to the Salesforce transit center. She explained that this was the amount that they remitted every year.

Executive Director Sesay added that this was all formerly state owned parcels that generated increment and was pledged to TBJPA for the Salesforce transit center.

Commissioner Rosales inquired about whether this amount was fixed every year.

Ms. Yu responded that this was not a fixed amount and was based on the property tax assessment rules and generally increased over time.

Commissioner Rosales referred to slide 23 and the reference to the Hunters Point (HP) community benefits and inquired about whether these were the benefits within the OCII jurisdiction; inquired about what the supplemental amount was from the Legacy Foundation.

Executive Director Sesay responded that these were the benefits that were obligated by the developer and overseen by OCII. She responded that they did have the supplemental number amount and deferred to Ms. Hussain for response.

Chair Mondejar inquired about whether the community benefits money from the Legacy Foundation went directly to OCII or whether it went directly to the Legacy Foundation.

Ms. Hussain responded that the \$3.1 million included amounts that the Legacy Foundation was a part of and clarified that the Legacy Foundation was an advisory body to OCII on the community benefits. She reported that at previous meetings the Legacy Foundation had presented to OCII on what they intended to spend during the first five years, an amount she did not have but could get to Commissioners. Ms. Hussain explained that the IC (Implementation Committee) was the other part of the community benefits funds which OCII did not control.

Commissioner Rosales wanted to know about the holistic picture of the amount of community benefits money going to the HP Shipyard.

Executive Director Sesay stated that they would be able to get that information but would need to do more research.

Ms. Hussain explained that the IC was separate from the Legacy Foundation, which was the advisory body to OCII on how to spend the community benefits funds. There were fixed amounts of the community benefits that had to be spent for specific purposes, such as scholarships and travel, and those were non-negotiable. However, there were also certain amounts that were part of the Phase I benefits that had spending flexibility. Ms. Hussain reported that OCII had spent time with Legacy to create a strategic plan on how to spend those funds, which were related to items such as contractor mobilization, assistance in home loans, community dialogues and other things that the Legacy Foundation came up with for use of the flexible funds.

Chair Mondejar inquired about how the San Francisco Foundation fit in with the community benefits; inquired about where the money from the developer went.

Ms. Hussain responded that the San Francisco Foundation helped the IC and did not have a role in the OCII community benefits. She stated that right now OCII had the funds and Legacy advised OCII and they had contractual obligations. Ms. Hussain reported that they would be coming back to Commissioners with some ideas for the scholarship funds because they would have to undergo a competitive process and would release an RFP as discussed in the strategic plan.

Commissioner Rosales referred to slide 27 and the long-range property management plan for the Western Addition. She inquired about what those properties were.

Ms. Myall responded that under the long range property management plan, there were several properties in several different older project areas, including the Western Addition. The properties in the Western Addition were the Fillmore Heritage Center and a remnant property, the Ellis Street Driveway, an entrance into the retail shopping center located between Fillmore and Webster Streets. Ms. Myall explained that in the course of some of the development projects, some remnant properties remained, which were rights-of-way and sidewalks, etc. with no development potential but which still needed to be placed under the correct jurisdiction so they were maintained going forward and closed out correctly.

Chair Mondejar inquired about the Yerba Buena Center (YBC) Center and the Golden Gateway.

Ms. Myall responded that OCII had transferred Yerba Buena Gardens last June to the City and the City was working with the YBG Conservancy currently. She explained that the YBC project area, the remaining project was the 706 Mission project with the 706 Mission developer and the Mexican Museum. Ms. Myall reported that this was a mixed-use project with residential and commercial and that the Museum parcel was slotted for transfer to the City. At that time, the City would become the landlord of the cultural operator tenant of the Museum. Regarding Golden Gateway, Ms. Myall explained that there was an easement remaining on an older project and in YBC there were also a few sidewalks which were remnant parcels. She added that at Rincon Point South Beach there were lease terminations at the South Beach Harbor and that there might be some remnants in South of Market as well.

Chair Mondejar clarified that all of these properties would be turned over to the City.

Ms. Myall responded in the affirmative and added that there were some private dispositions as well such as some of the sidewalk parcels which were slated for adjacent developments.

Chair Mondejar requested a complete summary of all of this information from Ms. Myall.

Commissioner Rosales referred to the work orders with City departments and inquired about the \$50,000 for the City Attorney's Office.

Ms. Yu responded that the work orders only included agency costs but there were other costs imbedded in the project costs, which might include additional expenses with the City Attorney, such as a Transbay project in which OCII might need the City Attorney services.

Mr. Morales explained that first they would seek to cover those legal services in-house and if they needed supplemental services, they would go to the City Attorney and if they needed something beyond that, they would hire someone, in that order.

Chair Mondejar thanked Ms. Yu for the presentation.

6. Public Comment on Non-Agenda Items

Speakers: Oscar James, Bayview Hunters Point (BVHP) native resident; Ace Washington, community advocate

Mr. James spoke about remodeling Building 101 at the Shipyard. He explained that he had been at the CAC meeting the prior evening and that La Shon Walker (Outreach Program, Five Point/Lennar Urban) had given a presentation on many of things discussed at this meeting. Mr. James spoke about Mr. Karl Kimbrough, former Compliance Officer at the HP Shipyard from the 1940's to the closing of the Shipyard and requested that Building 101 be named for him. Mr. James recalled that every summer Kimbrough would make sure that the youth in HP and the Western Addition got jobs at the Shipyard and helped the youth in that area get jobs and avoid a life of crime. Mr. James also asked OCII to name Dry Dock 4 in the Shipyard for Mr. Braden, a resident of HP. Mr. James also had brought some items about the history of the HP Shipyard to show Commissioners

Mr. Washington recalled when the redevelopment meetings used to be filled with black residents; however, the numbers of black residents in the City was decreasing. He spoke about community reform and the history of the City and the six-month trial.

7. Report of the Chair

Chair Mondejar announced that she had no report.

8. Report of the Executive Director

Executive Director Sesay announced that there was a letter in each of the Commissioner's packets received the previous day, which had been sent as a result of the action taken by OCII at the last meeting in December 2018. The letter was from the developer clarifying the contractual obligation of OCII and stating that OCII's action might cause an event of default under the DDA if OCII did not release the lead developer from their obligation to enter into a lease with an acceptable grocery tenant within 30 days. Ms. Sesay announced that they would add this item to the agenda for the next meeting; however, no follow-up had been made yet on this letter.

9. Commissioners' Questions and Matters

Chair Mondejar requested an update on the website at the next meeting.

10. Closed Session

Under California Government Code § 54956.9, Conference with Legal Counsel for Existing Litigation: Shiferaw v. City and County of San Francisco, et al., No. C 18-6830 SBA (N.D. Cal., complaint filed Nov. 9, 2018)

PUBLIC COMMENT

Speaker: Ace Washington, community advocate

Mr. Washington requested that OCII come to a meeting at the Fillmore for an update on the area. He stated that that Oversight Board would also send one board member. He spoke about the out-migration of the black population in the City. He stated he was bringing back WAYPAC.

Chair Mondejar requested that anyone not directly involved with the Closed Session matter to leave the room.

Chair Mondejar announced that no action had been taken during the Closed Session.

11. Adjournment

Vice-Chair Bustos motioned to adjourn and Commissioner Singh seconded that motion.

Chair Mondejar adjourned the meeting at 3:25 p.m.

Respectfully submitted,


Jaimie Cruz
Commission Secretary