Edwin M. Lee
MAYOR

Mara Rosales
CHAIR

Marily Mondejar
VICE-CHAIR

Miguel Bustos
Leah Pimentel
Darshan Singh
COMMISSIONERS

Tiffany Bohee
EXECUTIVE DIRECTOR

101-0132016-002

Agenda Item **5(a)**
Meeting of March 1, 2016

MINUTES OF A REGULAR MEETING OF THE COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE OF THE CITY AND COUNTY OF SAN FRANCISCO HELD ON THE 1st DAY OF DECEMBER 2015

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 1st day of December 2015, 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 1:08 p.m. Roll call was taken.

Commissioner Bustos - present
Commissioner Mondejar - present
Commissioner Pimentel - present
Commissioner Singh - present
Chair Rosales – absent

Chair Rosales was absent. Commissioner Bustos acted as Chair in her absence. All other Commission members were present.

2. Announcements

A. The next scheduled Commission meeting will be a regular meeting held on Tuesday,

December 15, 2015 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

2. Report on actions taken at previous Closed Session meeting – None

3. Matter of Unfinished Business - None.

5. Agenda

CONSENT AGENDA

a) Approval of Minutes: Regular Meeting of October 6, 2015

PUBLIC COMMENT - None

Commissioner Singh commented that according to the by-laws, the election of officers was required to take place every year. He recalled the first election was in 2013 when former Chair Johnson was elected and inquired about when the next election would take place.

Executive Director Bohee responded the election of officers was scheduled for the next meeting.

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

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

Commissioner Bustos - yes
Commissioner Mondejar - yes
Commissioner Pimentel - yes
Commissioner Singh - yes
Chair Rosales - absent

ADOPTION: IT WAS VOTED BY FOUR COMMISSIONERS WITH ONE ABSENCE THAT minutes for the regular meeting of OCTOBER 6, 2015, BE ADOPTED.

REGULAR AGENDA

b) Authorizing the Executive Director to enter into a Memorandum of Understanding with the City and County of San Francisco Mayor's Office of Housing and Community Development for tracking reporting and administering Community Block Grant Program Income (Discussion and Action) (Resolution No. 75-2015)

Presenters: Tiffany Bohee, Executive Director, OCII; Bree Mawhorter, Deputy Director, Finance & Administration, OCII

PUBLIC COMMENT – None

Commissioner Mondejar inquired about whether they were still monitoring this and requested clarification that this was just a transfer of responsibilities; inquired about whether OCII received a regular report on this; inquired about whether there were any issues OCII needed to be aware of Ms. Mondejar requested they be informed of any issues that might come up.

Ms. Mawhorter responded in the affirmative and added these were the existing responsibilities. She explained OCII was responsible for tracking how they spent the program income and for making sure that expenditures were within the guidelines set by HUD. However, she added, there was a secondary level of responsibility because MOHCD combined OCII data with the rest of the City and reported it to HUD on behalf of the two agencies together. Because they had to report to HUD, they wanted to make sure OCII was in compliance. To the report question, she responded that she was not sure.

Executive Director Bohee responded that in terms of expenditures and revenues, they did get a report and a list of proposed expenditures. She added that for future budget presentations, they could isolate the program income as part of the annual budget workshop for Commissioners.

Ms. Mawhorter stated they would also see particular expenditures in the ROPS under the Yerba Buena Gardens (YBG)/Yerba Buena Center (YBC) expenditure lines in the "Other" category. She added, however, that a particular isolated report of how the CDBG program income was being used would be found in the budget more so than ROPS.

Ms. Mawhorter responded that the fact that the HUD audit came back clean with no findings was an indication OCII was doing everything correctly. She agreed they would inform Commissioners of any future issues.

Commissioner Singh inquired about whether they were making any money from these four projects; inquired about why they had to cancel all these properties.

Ms. Mawhorter responded that, according to HUD law, all of the revenue must be returned and recycled into the community, so these projects were not viewed as profit-making enterprises in the sense that OCII could divert those dollars to be used on anything else. As an example, she explained that in YBG for 2015/16, they had projected about $8.5 million in revenue, but had spent $11 million, so they had to dip into the capital reserve to be able to fund capital improvements. So overall, they generated $8.5 million in revenue in YBG, but they spent the money on capital improvements, so there was no profit gained. Ms. Mawhorter responded that dissolution law required that they transfer all of their assets as part of the wind-down process and that this was in the Property Management Plan currently being reviewed by the Department of Finance (DOF).

Executive Director Bohee explained that under Redevelopment Dissolution Law, once they had completed building out the physical structures, such as parks, housing, streets, etc., these structures are required be transferred to a third party. In this case, these properties would be transferred to the City to oversee and enforce the ongoing restrictions.

Commissioner Mondejar asked for clarification about whether the $8.5 million was for Yerba Buena and whether it covered all four properties; inquired about why they went over the $11 million; inquired about whether this would eventually go off their annual budget.

Ms. Mawhorter responded this included the Marriott, Moscone North, the Metreon, the East and West Café, St. Regis retail blocks and VFC Sports and that the exact amount was $8.8 million. She responded that this was for capital improvements. The revenue had been sufficient to operate the property; however, in order to continue to invest, they had to dip into their capital reserves to make the capital improvements required for these properties.

Executive Director Bohee added the facilities were now over 20 years old and improvements included the expansion, public safety, and lighting, among other things.

Ms. Mawhorter responded they hoped to transfer later in the spring pending DOF approval.

Acting Chair Bustos thanked the staff for the presentation and for working so hard to ensure a clean audit.

Commissioner Singh motioned to move Item 5(b) and Commissioner Mondejar seconded that motion.

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

Commissioner Bustos - yes
Commissioner Mondejar - yes
Commissioner Pimentel - yes
Commissioner Singh - yes
Chair Rosales - absent

ADOPTION: IT WAS VOTED BY FOUR COMMISSIONERS WITH ONE ABSENCE THAT RESOLUTION NO 75-2015, Authorizing the Executive Director to enter into a Memorandum of Understanding with the City and County of San Francisco Mayor's Office of Housing and Community Development for tracking reporting and administering Community Block Grant Program Income, BE ADOPTED.

c) Workshop regarding a proposed five year extension of Residential A and C Certificates as authorized under the Property Owner and Occupant Preference Program (Certificate of Preference Program) (Discussion)

Presenters: Tiffany Bohee, Executive Director, OCII; Jeff White, Housing Program Manager, OCII; Maria Benjamin, Director, MOHCD, Home Ownership & Below Market Rate Programs; Brooke Barber, MOHCD, Assistant to Maria Benjamin

PUBLIC COMMENT

Speaker: Oscar James, native resident Bayview Hunters Point (BVHP)

Mr. James stated he had served on the Joint Housing Commission in 1968 which had created the Certificate of Preference (COP) program and at that time they tried to encourage everyone who was part of the Housing Authority to request a certificate. He explained the Joint Housing Commission had been created to oversee HUD to ensure the Redevelopment Agency did not repeat what had been done to the Western Addition. Mr.

James reiterated these certificates were for all individuals residing in Western Addition when redevelopment came into their area. He requested the Certificates be allowed to be handed down to future generations or current generations, which would be the grandchildren right now. Mr. James recalled that by the time the COP program came into existence in 1968, many of the displaced people had already moved back to the South and other places and never received their certificates they were entitled too. Besides the certificate, displaced people 18 years of age and over were given a stipend of $4,500. Many of displaced Western Addition community members simply bought homes outside of the area and moved away. However, these people had not been contacted about the program and their eligibility.

Commissioner Mondejar inquired about whether the extension was for just one project in particular or for all projects; requested clarification as to whether the COP program had expired for SOMA and YBC projects; inquired as to why these locations were not included; inquired about whether there was something OCII could still do for families in those areas. Ms. Mondejar stated there should be something OCII could do, especially with housing being so difficult in the SOMA district and where there were many Filipinos. She suggested OCII discuss offering some kind of help for that area in the future.

Ms. Benjamin responded the COP extension was for all OCII projects. She responded the point was not that the program had expired for SOMA and YBC projects, but rather that the legislation that created the COP program took place after the displacement in the YBC and it was not included in the legislation during the 60's and 70's. Ms. Benjamin responded she did not have the information from that period of time. She explained the current COP program with different types of certificates only included the project areas covered by the corresponding certificates and could not be expanded for other project areas. They could only be used by people displaced from those particular project areas.

Executive Director Bohee added that the preference for displaced persons was derived from California law which stated that certain displaced persons might have a priority for low income housing. So whether it was YBC or other areas, OCII implemented those policies for businesses as well as for displaced individuals in the production of affordable housing and business opportunities in YBC and other project areas. She clarified that, separate and apart from this, there were other certificates created for the Western Addition and Hunters Point which were provided at a much later date. Ms. Bohee explained that the point was not that people in SOMA were not offered the opportunity, but rather state law dictated there was a priority for new affordable housing for low-income displaced individuals. As far as OCII's ability to expand above and beyond what had already been dictated by state law, it needed to be remembered they were under the rubric of dissolution and the City had adopted a COP program and other forms of expansion for other priorities. Ms. Bohee stressed OCII was constrained by financing as well as dissolution and state law.

Ms. Benjamin responded there was a great deal of building going on currently in the SOMA area and indicated a neighborhood preference program in that area would be very beneficial. She explained that under a neighborhood preference program, residents would have a 40% greater chance at getting housing than the rest of the City.

Commissioner Mondejar inquired about the outreach plans for that program and whether there was any specific communication plans.

Ms. Benjamin responded the neighborhood preference program was just being heard by the Board of Supervisors and once it was solidified, the outreach information would be disseminated from MOHCD.

Commissioner Singh inquired about whether the certificates could be extended to the children and grandchildren of the 1614 people who had been displaced, as recommended by Mr. James; inquired about what happened to a certificate holder who passed away and had not used their certificate; inquired about whether Ms. Benjamin knew why 593 holders had not used their certificates yet; requested about what qualifications a holder had to have;

Ms. Benjamin responded that many of the children would already be COP holders if they had lived in the household at the time of displacement. She explained OCII would not have the legal right to expand the program to include grandchildren under California law because of the way the program had been set up including the dissolution law requirements. She stated if a certificate holder passed away with an unused certificate, nothing would happen with the certificate. Ms. Benjamin responded there could be a few reasons why certificate holders had not used their certificates yet. She explained that they might be waiting for the right place to apply for; others might not qualify yet or were working on their qualifications. Still others were already housed and not ready to move. She added that many certificate holders were waiting for the Shipyard and perhaps for more development at the location they wanted to live in. To the qualifications question, Ms. Benjamin responded certificate holders had to have the means to pay the rent, have no recent eviction history or non-payment history or criminal convictions. She added some holders were waiting for a home-ownership opportunity, which was more significant in which they would have to qualify for a mortgage, and was more complicated in terms of credit and down-payment, etc.

Commissioner Pimentel thanked Ms. Benjamin for her presentation and enjoyed hearing the story about the individual who had moved to Richmond and then, through the COP program, was able to move back to the City. Other than the partnership with the AIDS Housing Alliance, she inquired about what other organizations were participating in the program to help individuals with credit, down payment assistance, etc.; inquired about whether the COP program list was broken down by where individuals wanted to live, so that those that got a location that they did not want were not taking up a spot on a list.

Ms. Benjamin responded that no one was taking up a spot on any list. She explained they held onto the certificate until they found a location they really wanted and then they would apply for that location. She responded that they worked with different partners for rental readiness than for home ownership preparedness and added that some overlapped and did both. She included SFHDC, MEDA (Mission Economic Development Agency), Consumer Credit Counseling Services, Asian Inc., the Veterans Equity Center, among others. Ms. Benjamin explained Home Ownership SF was an umbrella organization of five different non-profit HUD-approved housing counseling agencies, which offered rental counseling as well. They worked one-on-one with individuals on their credit and to identify and resolve the issues and barriers. She added SFHDC was one of the leaders in the rental readiness work and was doing great outreach in San Francisco community to get people in and the word out.

Acting Chair Bustos inquired about when they include information about renewal and extension on new certificates. He suggested that when they indicated the expiration date that they also add a note in parentheses or some other way the certificate was subject to renewal and could be extended another five years after the expiration date. Mr. Bustos pointed out this would prevent people from becoming overly-concerned with the expiration date. He inquired about whether they had data on how many individuals had actually been able to buy a BMR house through the COP program.

Ms. Benjamin responded in the affirmative to the addition of the renewal and extension information on the new certificates. She responded she did not have the data in question but deferred to Ms. Barber for the answer.

Ms. Barber responded they had not helped anyone with home ownership in the past year and before that, they had one in 2014 and another one in 2013, so two in three years. She added that most COP holders go to rental more than home ownership because it was difficult for them to come up with the down-payment or did not have the credit to secure a pre-approval loan or enough money to make up the total 5% for the down-payment on a home.

Ms. Benjamin added the City was able to provide much of the down payment assistance. She pointed out some people were slightly over income and this had been a source of much frustration. However, she assured Commissioners there would be opportunity for that same household during another phase of development.

Acting Chair Bustos commented about the state of the City when redevelopment first happened. He had heard that the majority of residents at that time in the Western Addition actually owned their own buildings by using their own assets to purchase buildings or homes. Then the City basically stated that they were taking over those properties and demolished them for redevelopment, giving owners a small amount of money as payment. Mr. Bustos pointed out that, in reality, those people would be very wealthy right now if they still owned those units and those properties. He indicated that OCII's goal should be to right the wrongs that took place during redevelopment and to first consider all the wealth that had been taken away during that time. He inquired as to why the COP program could not be extended to grandchildren and added that those people would probably still be living in San Francisco if they had not been forced out. They would not have moved if they hadn't had to. Mr. Bustos suggested they convene with the Board of Supervisors and other City agencies to find a solution to be able to extend the program to the grandchildren and he asked Ms. Benjamin for her help with this. As far as readiness, Mr. Bustos commended Home Ownership SF for their work with the public. Finally, Mr. Bustos asked about the possibility of holding a workshop on the COP program with non-profit partners at some location like the Bayview to bring people in to get them the correct information about who qualified and who did not, among other items. Regarding the SOMA district, Mr. Bustos pointed out that this was another community that was wiped out and which had included a large Filipino community. He requested they convene with Supervisor London Breed to see how they could bring information to former Filipino residents and asked Commissioner Mondejar to help with this. Mr. Bustos referred to the success of working with the AIDS Housing Alliance. He described a house near his home that was occupied by gay men with HIV and that the Land Trust had purchased that home and now the men living there were alive and contributing to the Mission and to society. Mr. Bustos stressed that they needed to use all their networks and spheres of influence to get the word out.

6. Public Comment on Non-agenda Items

Speaker: Oscar James, native resident of BVHP

Mr. James stated Commissioner Singh was a part of the Agency along with Commissioners Bustos and King who had worked on extending the COP program before the San Francisco Redevelopment Agency was dissolved. Mr. James requested this meeting be closed in the memory of Estelle Crawford, who had worked as an advocate over 30 years and who had passed away. Mr. James spoke about the homeless people in the City and stressed there had been no solution to house all the homeless that have come into the City. He referred to the 500+ acres in the Shipyard as well as in Alice Griffith and Mission Bay and pointed out that they could build something on those properties for the homeless. Mr. James stressed there was a lot of property in the City where housing could be built for the homeless. He requested OCII, the Mayor's Office and the Board of Supervisors work together to resolve this problem.

7. Report of the Chair

Acting Chair Bustos stated that he did not have a report.

8. Report of the Executive Director

Executive Director Bohee announced they had received an appeal to the certification of the Golden State Warriors Event Center EIR from the Mission Bay Alliance and a response had been filed. She explained that the Board of Supervisors would be hearing the appeal, which was calendared for the following week. Ms. Bohee added there were other appeals to other City actions by the Planning Commission and the Entertainment Commission permit and there were a sequence of appeal hearings coming up. If and when there was litigation on these appeals, she assured Commissioners that they would be informed about it.

Executive Director Bohee announced the next meeting would include election of officers as well as consideration of extension for the COP program and other actions. She announced in January the predevelopment loan and the negotiations agreement would be brought before Commissioners for approval of a housing project in Mission Bay with 50 units for formerly homeless veterans and 50 units for families. In January or February there would also be draft requests for proposals for two sites in Candlestick Point where Lennar was developing the urban retail center with nearly 300 units and within those developments they expected to have housing for formerly homeless individuals. The City would be expected to provide an operating subsidy to keep the building going while OCII would pay for construction of the buildings.

9.Commissioners' Questions and Matters

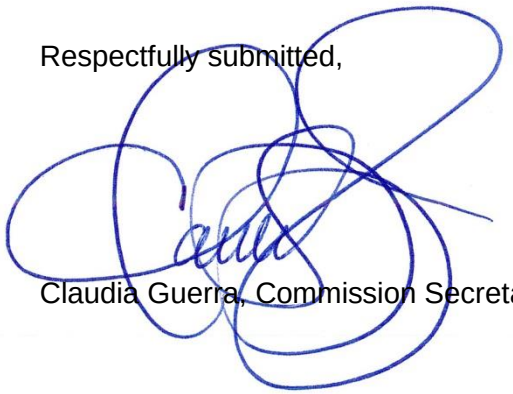
Acting Chair Bustos ended the meeting in the memory of Estelle Crawford and her commitment to redevelopment and to the Commission and closed the meeting in her honor.

10. Closed Session – None

11. Adjournment

The meeting was adjourned by Acting Chair Bustos in honor of Estelle Crawford at 2:25 p.m.

Respectfully submitted,



Claudia Guerra, Commission Secretary