

**MINUTES OF A REGULAR MEETING OF THE
OVERSIGHT BOARD OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
28th DAY OF SEPTEMBER 2020**

The members of the Oversight Board of the City and County of San Francisco met in a regular meeting via teleconference at 11:00 a.m. on the 28th day of September 2020.

In accordance with Governor Gavin Newsom's statewide order for all residents to "Stay at Home" - and the numerous preceding local and state proclamations, orders and supplemental directions - aggressive directives have been issued to slow down and reduce the spread of the COVID-19 virus. Individuals are encouraged to participate in the meetings remotely by calling during the public comment section of the meeting.

PUBLIC COMMENT CALL-IN: 1-408-418-9388 **Access Code:** 146 969 6301

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1. CALL TO ORDER/ROLL CALL

Meeting was called to order by Board member Van Degna at 11:14 a.m.

Roll call was taken.

Board member Bevan Dufty - present
Board member Lydia Ely - present
Board member David Goldin - absent
Board member Anna Van Degna - present
Board member Shanell Williams - present

Board member Goldin was absent. All other Board members were present. The seats for the City and County of San Francisco and IFPTE Local 21 were vacant.

2. APPROVAL OF MINUTES – Regular Meeting of January 27, 2020

Secretary Cruz read instructions for the public to call in.

PUBLIC COMMENT – None

Board member Dufty motioned to move Item 2 and it was seconded by Board member Ely.

Voice vote was taken for Item 2.

Board member Dufty - Aye
Board member Ely - Aye

Board member Goldin - Absent
Board member Van Degna - Aye
Board member Williams – Aye

ADOPTION: IT WAS VOTED BY FOUR BOARD MEMBERS WITH ONE ABSENCE THAT APPROVAL OF MINUTES FOR THE REGULAR MEETING OF JANUARY 27, 2020, BE ADOPTED.

3. ANNOUNCEMENTS

A. The next scheduled Board meeting will be a regular meeting held on Monday, January 11, 2021 at 11:00 am.

B. 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 Oversight Board adopts a shorter period on any item. Please note that during the public comment period, all dial-in participants from the public will be instructed to call a number and use their touch-tone phones to register any desire for public comment. Comments will be taken in the order that it was received. Audio prompts will signal to dial-in participants when their audio input has been enabled for commenting. Instructions were given to call in for public comment.

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4. CONSENT AGENDA – None

5. REGULAR AGENDA

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

Board member Van Degna called for nominations for the office of Chair.

Board member Ely nominated Board member Anna Van Degna for the office of Chair and it was seconded by Board member Dufty.

There were no other nominations for Chair.

PUBLIC COMMENT - None

Voice vote was taken for Item 5(A) for the office of Chair.

Board member Dufty - Aye
Board member Ely - Aye
Board member Goldin - Absent

Board member Van Degna - Aye

Board member Williams – Aye

ADOPTION: IT WAS VOTED BY FOUR BOARD MEMBERS WITH ONE ABSENCE THAT BOARD MEMBER ANNA VAN DEGNA BE ELECTED AS CHAIR.

Chair Van Degna called for nominations for the office of Vice-Chair.

Board member Dufty nominated Board member Lydia Ely for the office of Vice-Chair and it was seconded by Board member Williams.

There were no other nominations for Vice-Chair.

PUBLIC COMMENT - None

Voice vote was taken for Item 5(A) for the office of Vice-Chair.

Board member Dufty - Aye

Board member Ely - Aye

Board member Goldin - Absent

Board member Van Degna - Aye

Board member Williams – Aye

ADOPTION: IT WAS VOTED BY FOUR BOARD MEMBERS WITH ONE ABSENCE THAT BOARD MEMBER LYDIA ELY BE ELECTED AS VICE-CHAIR.

Agenda items 5B & 5C related to the Mission Bay South OPA were presented together but acted on separately

- B. Adopting environmental review findings pursuant to the California Environmental Quality Act and approving a Seventh Amendment to the Mission Bay South Owner Participation Agreement with FOCIL-MB LLC, a Delaware Limited Liability Company, to allow hotel and residential uses and increase the total retail square footage on Blocks 29-32 in the Mission Bay South Project Area; Mission Bay South Redevelopment Project Area (Discussion and Action) (Resolution No. 03-2020)
- C. Adopting environmental findings pursuant to the California Environmental Quality Act and conditionally approving an Eighth Amendment to the Mission Bay South Owner Participation Agreement with FOCIL-MB, LLC, a Delaware Limited Liability Company, to allow additional hotel rooms on Block 1 in the Mission Bay South Project Area; providing notice that this

approval is within the scope of the Mission Bay Redevelopment Project approved under the Mission Bay Final Subsequent Environmental Impact Report (“FSEIR”), a Program EIR, and is adequately described in the FSEIR for the purposes of the California Environmental Quality Act; Mission Bay South Redevelopment Project Area (Discussion and Action) (Resolution No. 04-2020)

Presenters: Nadia Sesay, Executive Director; Gretchen Heckman, Development Specialist, Housing Division; George Bridges, Contract Compliance Specialist; Amy Matabuena, Project Coordinator, Stanford Hotels (SOMA Hotel); Erich Smith, VP Hotel Operations, Stanford Hotels (SOMA Hotel)

Board member Dufty asked for comment by staff and the SOMA Hotel relating to minority and disadvantaged business participation, which involvement he stated was critical to help small businesses in San Francisco. He also requested comment regarding the cost of increase for minority and disadvantaged businesses.

Ms. Heckman responded that the SOMA Hotel had worked closely with OCII in its contracting requirements and its good faith efforts. She explained that when they initially started reporting SBE percentage levels, they were at 52%, which exceeded OCII goals. Later they ran into problems with construction administration and had to give some of the scope over to their lead architect which created an adjustment to the SBE percentages. She deferred to Mr. Bridges for more detail.

Mr. Bridges responded that this was an unusual project in that there was an increased timeframe in the early phase of the project involving the professional architects and the lead had increased significantly so the overall percentage of participation by small minority businesses had decreased. He explained that the team had brought on a small African American architectural firm to help with the architecture of the restaurant which helped increase participation to 35% and construction for local small business to 17%. Mr. Bridges reported that working with the General Contractor (GC) and the SOMA Hotel they had continued to work in good faith to bring these numbers up. However, OCII had expressed concern about the numbers and requested that they work harder to create more opportunities.

Ms. Matabuena responded that they were currently working with the GC to expand SBE participation on the contracting side as well as with First Source hiring. She explained that prior to COVID-19, the labor market was very tight and numbers were not very high but now that the market had changed, they hoped that local hiring and First Source hiring would increase. Ms. Matabuena added that they were also reaching out to SBE artists to obtain public art for the hotel and possibly hire an art consultant to help with that work. She stated that they were continuing to work with OCII and the GC to increase the numbers.

Board member Dufty stated that he was pleased about the decision by the SOMA Hotel to eliminate suites so that the Hotel would be more accessible. He felt that this would result in benefits for the City as well as for Mission Bay (MB). Mr. Dufty stated that he appreciated what the sponsor had shared as well as the importance of working with their construction firm. He stated that Board member Williams was also involved in this project and offered to work with Ms. Williams and OCII staff on these issues. Mr. Dufty stated that this was an important opportunity and wanted to work with those concerned to achieve all the goals desired.

Executive Director Sesay stated that she would be happy to help create a connection between Board members Dufty and Williams and OCII staff to work on this project.

Vice-Chair Ely inquired about whether there were any plans to increase the hotel room units and some other things; she inquired about how COVID-19 might impact the overall plan and these changes.

Mr. Smith stated that COVID-19 was a moving target for all businesses and as they moved closer to opening day and operations, the plan might have to change. However, he indicated that they were determined to move forward with this project and anticipated that the hotel would be fully functional and successful when opened.

PUBLIC COMMENT

Donivan Hokett, Field representative, Carpenters Union Local 22

Mr. Hokett stated that he represented approximately 4,000 carpenters in San Francisco and 40,000 in California. He stated he was also a 25-year member of Piledrivers Local 34 and had worked on most of the MB projects during his career. Mr. Hokett explained that he had built his retirement by working on these union jobs and was aware firsthand that many local hires were receiving the same benefits that he had received throughout his career. He reported that members of Local 22 supported SOMA Hotel's request to increasing the room count by replacing suites with more rooms. The San Francisco hospitality industry had been impacted by COVID-19 and they needed to support this request in order to adjust to demands of the current market. He reported that the SOMA Hotel team and their GC were committed to providing union construction jobs that paid well and hired locally. Mr. Hokett urged Board members to support this request as well.

Board member Dufty thanked Mr. Hokett and the Local 22 carpenters for participating in this process.

Board member Dufty motioned to move Item 5(B) and it was seconded by Board member Williams.

Voice vote was taken for Item 5(B).

Board member Dufty - Aye

Vice-Chair Ely - Aye

Board member Goldin - Absent

Chair Van Degna - Aye

Board member Williams – Aye

ADOPTION: IT WAS VOTED BY FOUR BOARD MEMBERS WITH ONE ABSENCE THAT RESOLUTION NO. 03-2020, ADOPTING ENVIRONMENTAL REVIEW FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND APPROVING A SEVENTH AMENDMENT TO THE MISSION BAY SOUTH OWNER PARTICIPATION AGREEMENT WITH FOCIL-MB LLC, A DELAWARE LIMITED LIABILITY COMPANY, TO ALLOW HOTEL AND RESIDENTIAL USES AND INCREASE THE TOTAL RETAIL SQUARE FOOTAGE ON BLOCKS 29-32 IN THE MISSION BAY SOUTH PROJECT AREA; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Board member Dufty motioned to move Item 5(C) and it was seconded by Vice-Chair Ely.

Voice vote was taken for Item 5(C).

Board member Dufty - Aye

Vice-Chair Ely - Aye

Board member Goldin - Absent

Chair Van Degna - Aye

Board member Williams – Aye

ADOPTION: IT WAS VOTED BY FOUR BOARD MEMBERS WITH ONE ABSENCE THAT RESOLUTION NO. 04-2020, ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND CONDITIONALLY APPROVING AN EIGHTH AMENDMENT TO THE MISSION BAY SOUTH OWNER PARTICIPATION AGREEMENT WITH FOCIL-MB, LLC, A DELAWARE LIMITED LIABILITY COMPANY, TO ALLOW ADDITIONAL HOTEL ROOMS ON BLOCK 1 IN THE MISSION BAY SOUTH PROJECT AREA; PROVIDING NOTICE THAT THIS APPROVAL IS WITHIN THE SCOPE OF THE MISSION BAY REDEVELOPMENT PROJECT APPROVED UNDER THE MISSION BAY FINAL SUBSEQUENT ENVIRONMENTAL IMPACT REPORT (“FSEIR”), A PROGRAM EIR, AND IS ADEQUATELY DESCRIBED IN THE FSEIR FOR THE PURPOSES OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- D. Authorizing a First Amendment to the Grant Agreement between the Mexican Museum and the Successor Agency to extend the term by eighteen months (Discussion and Action) (Resolution No. 05-2020)

Presenters: Nadia Sesay, Executive Director; Hilde Myall, Manager, Real Estate and Development Services Division; Andrew Kluger, Chair, Board of Trustees, The Mexican Museum

Vice-Chair Ely expressed support for this item in light of the substantial impacts of COVID-19 on all operations, taking into consideration the complications of predevelopment and fund-raising activities at this time and knowing that business as usual was not possible right now.

Chair Van Degna referred to the \$6.8 million grant funding left and inquired about what the estimated cost of building out the tenant improvements would be.

Ms. Myall stated that they were waiting to receive a complete estimate of tenant improvement budgets from the Museum and deferred to Mr. Kluger for more information.

Mr. Kluger responded that they would receive a list of the estimated costs from their local architects within the next 30 days and would provide that to the Board as well as to OCII as soon as they received it. He explained that they had not been able to get into the building due to COVID-19 and had been waiting for the construction to be completed on the outer shell before starting work on the interior; however, they were now starting this work. Mr. Kluger reported that they would be using a local Latino architectural firm from Oakland and were also finalizing negotiations on the restaurant with a group from Mexico city for hospitality and food service, which was agreeing to take the space and do their own tenant improvements in order to not impact the Museum. He stated that they should have these items finalized within the next two weeks. Mr. Kluger emphasized that this all had been held up due to COVID-19.

PUBLIC COMMENT

Speakers: Alfredo Pedroza, member, Mexican Museum Board of Trustees and life-long resident of the Mission District; Sandra Acevedo-Hanns, Mexican Museum Board of Trustees; Alejandro Vallejo, Vice-Chair, Mexican Museum Board of Trustees; Blanca Zarazúa, Secretary, Mexican Museum Board of Trustees and Honorary Consul of Mexico; Tere Casas member, Mexican Museum Board of Trustees

Mr. Pedroza congratulated the Chair and Vice-Chair on their elections. He stated that the Mexican Museum was the legacy of the late Peter Rodriguez and other community leaders who had been working to bring this to fruition over the past 45 years. He stated that the Board of Trustees urged

support of the 18-month extension of the Mexican Museum to spend down the remaining OCII grant fund of \$6.8 million. Mr. Pedroza thanked everyone involved for their work in making this a reality.

Ms. Hanns stated that she had been a strong supporter of the Mexican Museum since 1998. She described the educational programs that the Museum offered to children in different schools in the Bay Area. She added that they also planned to have a special section in the Museum dedicated to children and youth so that they could learn about Latin American history, culture and heritage and they invited the community to participate in their programming. Ms. Hanns noted that the Museum was able to do this through their rich collection of Mexican and Latin American art. She asked the Board to support this item.

Mr. Vallejo stated that as a member of the Board of Trustees for the past few years, he had seen no greater challenges than right now. He explained that corporate giving and philanthropy had dropped and non-profits and cultural institutions had been greatly impacted by COVID-19. Mr. Vallejo reported that they were making strong progress in the building and were starting to see some thawing out in corporate giving. They were continuing to foster and cultivate strong relationships with local companies and individuals, and they needed to continue their mission. Mr. Vallejo stressed that the Museum was a great source of pride for Mexicans and Latin Americans, Chicano and Mexican-American groups in the area and that the Museum served as a strong advocate for vulnerable communities in the society and now more than ever they needed strong support. He urged the Board to approve the grant extension and thanked them for their support.

Ms. Zarazúa stated that she worked with many people in the Latino community, which had been hit considerably hard by COVID-19 in an economic, health and mental way. She reminded Board members that food workers continued to put food on the table for everyone during the pandemic. This was why the Mexican Museum was a source of support, strength, inspiration, and refuge for the Latino community and was so important to the community now. She stated that the Museum provided access to Mexican and Latin American art and culture and ensured that the contributions of these cultures would be preserved. Ms. Zarazúa urged the Board to approve this resolution.

Ms. Casas spoke about the importance of Mexican and Latin American art and culture which should be shared with the people of San Francisco. She urged the Board to pass this item.

Board member Dufty stated that he was very impressed with the outpouring of support by individuals who had been committed to the Mexican Museum for many years.

Board member Dufty stated that he was honored to make the motion to move Item 5(D) and it was seconded by Board member Williams.

Voice vote was taken for Item 5(D).

Board member Dufty - Aye

Vice-Chair Ely - Aye

Board member Goldin - Absent

Chair Van Degna - Aye

Board member Williams – Aye

ADOPTION: IT WAS VOTED BY FOUR BOARD MEMBERS WITH ONE ABSENCE THAT RESOLUTION NO. 05-2020, AUTHORIZING A FIRST AMENDMENT TO THE GRANT AGREEMENT BETWEEN THE MEXICAN MUSEUM AND THE SUCCESSOR AGENCY TO EXTEND THE TERM BY EIGHTEEN MONTHS, BE ADOPTED.

E. Approving an Amendment to 2020-2021 Recognized Obligation Payment Schedule for January 1, 2021 to June 30, 2021 (“ROPS 20-21”) for the Successor Agency (Discussion and Action) (Resolution No. 06-2020)

Presenters: Nadia Sesay, Executive Director; Mina Yu, Financial Reporting & Management Analyst

Vice-Chair Ely inquired about what the typical California Department of Finance (DOF) response was to these kinds of requests and what had been the response recently to these kinds of cases; inquired about Plan B or an alternative in the event that DOF did not approve this request and whether they would go back to the original spending scheme.

To the first question, Ms. Yu responded that typically they would undertake this amendment process in order to update their property tax projections and that DOF had been amenable to this process because they understood that when the Board came before them in January they were using conservative estimates. Ms. Yu explained that DOF had not been amenable to them coming back through the ROPS amendment process.

To the subsequent questions, Ms. Yu responded that they were using these additional amounts in Hunters Point Shipyard, Candlestick Point and Transbay (TB). She explained that in the Shipyard, they were using these amounts to pay down a reimbursement request they had submitted last year with the understanding that this repayment would take place over a number of years. If they did not get the approval, they would have to go back to the developer and explain to them that they would not be receiving the additional funding this year. Ms. Yu explained that in TB, they had a sufficient amount to pay the debt service on the bonds that were issued. This additional amount represented a bonus amount to pay down the principal amount. Without the approval, they would not be able to supply the funds to the developer or to the Transbay Joint Powers Authority (TJPA) with the understanding that these were in excess of what they had agreed to in the regular ROPS process.

PUBLIC COMMENT – None

Vice-Chair Ely motioned to move Item 5(E) and it was seconded by Board member Williams.

Voice vote was taken for Item 5(E).

Board member Dufty - Aye
Vice-Chair Ely - Aye
Board member Goldin - Absent
Chair Van Degna - Aye
Board member Williams – Aye

ADOPTION: IT WAS VOTED BY FOUR BOARD MEMBERS WITH ONE ABSENCE THAT RESOLUTION NO. 06-2020, APPROVING AN AMENDMENT TO 2020-2021 RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR JANUARY 1, 2021 TO JUNE 30, 2021 (“ROPS 20-21”) FOR THE SUCCESSOR AGENCY, BE ADOPTED.

6. NEW MATTERS FOR FUTURE CONSIDERATION - None

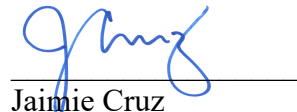
7. PUBLIC COMMENT ON NON-AGENDA ITEMS - None

8. ADJOURNMENT

Board member Dufty motioned to move Item 8 and it was seconded by Vice-Chair Ely.

The meeting was adjourned by Chair Van Degna at 12:33 p.m.

Respectfully submitted,



Jaimie Cruz
Board Secretary

ADOPTED: