MINUTES OF A REGULAR MEETING OF THE COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE OF THE CITY AND COUNTY OF SAN FRANCISCO HELD ON THE 16th DAY OF AUGUST 2016

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 16th day of August 2016, 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 1:11 p.m. Roll call was taken.

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

Vice-Chair Mondejar was absent. All other Commission members were present.

2. Announcements

A. The next scheduled Commission meeting will be a regular meeting held on Tuesday, September 20, 2016 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

a) Approval of Minutes: July 19, 2016

PUBLIC COMMENT - None

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

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

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

ADOPTION: IT WAS VOTED BY FOUR COMMISSIONERS WITH ONE ABSENCE THAT Approval of Minutes for July 19, 2016, BE ADOPTED.

REGULAR AGENDA

Agenda Items 5(b) and 5(c) related to Candlestick Point Blocks 10a and 11a were heard together, but acted on separately

b) Approving the selection of Tenderloin Neighborhood Development Corporation and Young Community Developers for the development of 140 affordable rental housing units (including one manager's unit) for low income and formerly homeless families at Candlestick Point North Block 10a; Bayview Hunters Point Redevelopment Project Area (Discussion and Action) (Resolution No. 39-2016)

c) Approving the selection of San Francisco Housing Development Corporation and Mercy Housing California for the development of 150 affordable rental housing units (including one manager's unit) for low income and formerly homeless families at Candlestick Point South Block 11a; Bayview Hunters Point Redevelopment Project Area (Discussion and Action) (Resolution No. 40-2016)

Presenters: Tiffany Bohee, Executive Director, OCII; Gretchen Heckman, Development Specialist, Housing Division; Tamsen Drew, Senior Project Manager, Hunters Point Shipyard/Candlestick Point Redevelopment Project; Pamela Sims, Development Specialist, Housing Division; Devon Richardson, Director of Real Estate Development, SFHDC; Doug Shoemaker, President, Mercy Housing California; Shamann Walton, Executive Director, Young Community Developers (YCD); Katie Lamont, Director, Housing Development, TNDC

PUBLIC COMMENT

Speakers: Don Falk, CEO, Tenderloin Neighborhood Development Corporation (TNDC); Shamann Walton, Executive Director, Young Community Developers (YCD); David Sobel, Executive Director, San Francisco Housing Development Corporation (SFHDC); Doug Shoemaker, President, Mercy Housing California; Pete Varma, National Association of Minority Contractors (NAMC); Ronald Batiste, President & CEO, Eagle Environmental and Construction; Bruce Giron, NAMC; Ray Horne, member of San Francisco Glaziers Local 718 Union; Nick Colina, Administrator of Operations, Anco Iron & Construction Inc.; Oscar James, native resident BVHP; Hector Colina, Anco Iron and Construction Inc.

Mr. Falk stated that he was grateful and honored that TNDC was considered for Block 10a. He thanked OCII staff and the CAC for their hard work. Mr. Falk was pleased that this project was resonant with TNDC's mission to offer equitable access, opportunities and resources to low-income people.

Mr. Walton stated that he was excited to develop 10A at Candlestick Point. He thanked OCII for their recommendation and commended the OCII team for their hard work. Mr. Walton explained that this was the second development project for YCD and they were looking forward to working with TNDC with the same commitment to disenfranchised communities needing opportunities to fight migration and displacement. He assured OCII that they would meet local hiring requirements, reach out to Certificate of Preference (CoP) holders and make this project beneficial to the entire community.

Mr. Sobel explained that SFHDC was founded in 1988 by a group of primarily African-American community leaders who wanted to try to stem the widespread displacement of African- Americans and others from San Francisco at that time. Unfortunately, he reported that this was still an ongoing theme today. Mr. Sobel assured OCII that SFHDC would bring its robust housing counsel and rental readiness program to bear so that all interested applicants would be aware of the opportunity and be able to apply for and achieve success at getting into the property. He reported that SFHDC had completed 355 affordable units over the years and was actively working on six projects with several partners to increase their affordable housing portfolio on behalf of the Bayview Hunters Point (BVHP) community. He reported that the partnership with Mercy Housing had started a couple of years earlier when applying for Mission Bay (MB) Block 6 East, and although not successful at that time, they knew they wanted to work with Mercy when this proposal came out. In this joint effort, Mercy Housing would provide the supportive services and SFHDC would provide case management with additional support from ECS and Mercy Housing acting as service coordinator. Mr. Sobel stated that Mercy was one of the most successful non-profit housing providers and management companies. It had completed over 9,000 housing units in California and over 3,000 in San Francisco with extensive experience with mixed use development, ground floor retail with mixed income housing including formerly homeless units, and low income family rental units. SFHDC saw this as not only a gateway for a new community and a gateway between BVHP and Candlestick Point but the opportunity to join together a very old and a very new community. It would also serve as a transition between San Francisco and the South Bay and peninsula and beyond, and most importantly, serve the residents there with support and activities and resources onsite, integrating this site into the neighborhood with inclusiveness and diversity for the entire Candlestick Point.

Mr. Shoemaker stated they were looking forward to working with SFHDC on this project and saw them as very complementary with each other. He thanked OCII staff for a great presentation and work on the entire process.

Mr. Varma stated that he had brought in union trade contractors from the Bayview from zip codes 94124, 94107 and 94134. He stated that while his organization encouraged this type of development, they were still faced with challenges. Mr. Varma stressed the need for contractors to be part of the development design team from the start phase of the project or else they would be left behind again. He explained that minority trade contractors win some of the contracts but there was no sustained growth to keep the contracts coming in and so they had to start the process all over again. Mr. Varma stated that his organization had a solution to this problem. They had identified some solid quality successful contractors and manufacturers in the BV. He thanked OCII staff for their work in helping NAMC. But he stressed that they still needed to move the needle to 50% policy goals assigned by OCII and NAMC could help them get there.

Mr. Batiste thanked Mr. Varma for representing their local General Contractors (GC's) and engineering firms. He reported that fourteen years ago Dr. Espinola Jackson had given him his first office in San Francisco. She envisioned the opportunity for his company to work and make a living in San Francisco as an engineering and general construction remediation firm. Unfortunately, Mr. Batiste reported that it had not worked out too well. He handed out a list of projects that Eagle had bid on from the last two years that they had not won in excess of $100 million. He explained that even though they could place the $47 million bid bond and had the qualifications because they had done this type of work before, they had not been able to qualify on any OCII, SFPUC or SFMTA projects, among others. Mr. Batiste stated that they could not get through the threshold because the RFP's required that contractors had two projects within the last three years within that category in order to qualify, which eliminated companies like Eagle to engage in the process. He reported that he had just won two bids in Atlanta exceeding $100 million and inquired about how it was that Eagle was able to win bids in Atlanta but not in San Francisco. That was a signal that something was wrong with the process and he asked OCII to look carefully into this situation. Mr. Batiste stated that they were willing to place the necessary financing for payroll to support the subcontractors who wanted to work on this project and it was imperative to get local 94124 and surrounding GC's and subcontractors involved.

Mr. Giron stated that he appreciated OCII's hard work on this issue but that more work needed to be done. He reported that his company had been able to work on one project at Hunters Point, but it would take more than that one project for his company to survive in the area. Mr. Giron explained that NAMC members lived and had their businesses in the community and were engaged in the community. However, but if they continued to churn people in and out of employment opportunities, they would not be able to build up skill sets that were equal to those of the workers coming from outside the City, who had a higher level of expertise than City workers. Mr. Giron asked OCII to take a look some of the endemic problems with the system and come up with solutions for them. He stated that between all the agencies that were present there, they were all fighting the same issues and could do a better job.

Mr. Horne stated that two years ago he had transitioned to become owner of R & I Glassworks, an LBE, SBE, and DBE in San Francisco and was new to coming to these types of meetings. Mr. Horne contended that in construction some of the GC's would work with you if they wanted to, but could also come up with many excuses if they did not want to. He stated that he had been fortunate enough to have a couple of GC's take a chance on him and did not demand he fill out pre-qualifications, because, he stated, most of that was about dis-qualification. Mr. Horne indicated that he had just worked on a $100,000 contract at SFO and at UC Berkeley on a $98,000 contract without pre-qualifications. Mr. Horne stated that minority contractors just needed the opportunity and they would perform up to par.

Mr. Colina explained that his company was a third-generation Mexican-American San Francisco-based structural steel company. He recalled driving around BVHP with his father and his father would point out the structural steel companies that were going out of business. Mr. Colina reported that his company was one of the last structural steel companies left in San Francisco and they were fighting to stay alive. He expressed gratitude for the opportunities they had received from the City but wanted to urge the City to continue offering these opportunities because they were providing good paying middle-class jobs to San Franciscans. Mr. Colina indicated that they had been fighting for seven years to get through the recession for a chance at this opportunity and he felt that now was the time for small business minority owners.

Mr. James stated that he had lived in BVHP his entire life from the time when no one wanted to go into that area and now all the projects were coming out there. However, he reported that the native residents were not benefitting from these projects. He commended OCII for putting this project together for homeless families in BVHP and hoped that the families that went to Providence Church at night for free meals would get first priority as well as CoP holders and residents in the Mission, also being relocated. Mr. James recalled that Section 8 gave vouchers to minority residents from BVHP to go to East Bay communities to live when they could not get any housing within their own community, but now they wanted to come back and should be allowed to. Mr. James commended SFHDC and YCD and mentioned Mr. Leroy King, a former Commissioner, and recalled that joint housing was a Model Cities project. He expressed concern over the fact that even though people were getting construction jobs, they were not getting property management jobs and reported that YCD could train people for those positions. Mr. James expressed concern that minority contractors were the last ones to get paid by the GC's and was in favor of stopping jobs when minorities were not getting the jobs on the projects or not getting paid. He asked OCII to stand up for those minority contractors who had the bonding capacity but who were still not getting the jobs. Mr. James indicated that the GC organization was a very powerful organization in San Francisco and was able to keep minority contractors out of the projects.

Mr. Colina stated that his father had started his business in 1969 and indicated that they would like the opportunity to work at Candlestick Point because his company had built the stairs that they just dismantled at Candlestick Park. Their business was located at Edberg, which was very close to Candlestick.

Commissioner Pimentel referred to slide 8 and inquired about the below market rate housing plan. She pointed out that the income level percentages went from 0-60, 80-120,121-160 and inquired about what happened to the middle class in the 61-79% income.

Ms. Heckman clarified that Commissioner Pimentel's question related to the affordability requirements for the Shipyard and Candlestick Point as a project area and that her concern was that, according to the presentation, OCII was serving extremely low to low income populations and then there was a jump to higher income populations. She deferred to Ms. Drew for response.

Ms. Drew responded that the Phase II DDA created the housing letter of opportunity that served people of different income bands. She explained that the OCII affordable housing units focused on income to 60% AMI and the developer's responsibility was to focus on people between 80% and 120% but it was really up to 80%-120%. The middle income in question between 60-80% would be served in the inclusionary units provided by the developer and OCII would be serving a lower level of income affordability on their stand-alone sites between 60-80%.

Commissioner Pimentel asked for clarification that the middle group would still qualify for some type of affordability and inquired about why this was not included in the presentation. Ms. Pimentel referred to page 9 and inquired about the outreach program to local small businesses. She indicated that she would like to work with staff on the outreach program. She inquired about the name of the outreach consultant. Ms. Pimentel referred to page 12 and the child care center. She inquired about what the process would be for selecting families, whether those onsite would have priority and how many that would be and whether the community would have access to the center and parking for pick-up.

Ms. Drew responded in the affirmative and clarified that one could not be over 80% or 120% of AMI but rather up to that amount. She responded that they would work on clarity of the presentation material so that people would not think there was a gap. Ms. Drew responded that they were working on the outreach program and finding more people. She reported that they had recently acquired an outreach consultant to help spread the word about community outreach efforts and through the use of the consultant as well as the Legacy Foundation, they hoped to become more active and engaged with social media, community events and other ways to get the word out to the community. Ms. Drew responded that the consultant was JBR Partners, Inc., whose lead was James Bryant and who was present at a recent meeting. Ms. Drew acknowledged that childcare parking was a huge issue and indicated that there would be designated white zones in the project for that purpose. She then deferred to Ms. Heckman for more detail on the childcare topic.

Ms. Heckman displayed a slide to describe the childcare units. She explained that there would be two 3-bedroom units occupied by a licensed childcare provider at each site and that the provider would have to income-qualify and have an appropriately sized household to qualify for a three-bedroom unit. The developer would decide what the AMI level would be for that unit and it would be leased through a separate lottery process than the rest of the preferences for the other units. Ms. Drew reported that they hoped to have preference for onsite residents so that they would have priority for the childcare spaces. However, this detail would have to be worked out with the developer as they moved forward.

Commissioner Pimentel inquired about whether they would be offering internships for people who wanted to enter the childcare field and wanted to be able to work on building those skills. She inquired about whether they would be hiring family members who wanted to work at a childcare center to lessen household costs; inquired about the parking ratio of .06-.08; inquired about what that translated into as far as parking spaces and who would get preference for the parking spaces; inquired about whether parents would have priority.

Ms. Heckman responded that OCII and their developers worked closely with the Office of Early Care and Education which was very familiar with the pipeline of childcare operators that wanted to work in the City. She responded that the parking offered was not a full parking space per unit and parking spaces would be assigned through a lottery process. They realized that not all residents would have a car so everyone would not be entering the lottery. Ms. Heckman did not believe there would be preference tiering for the parking spaces but that it would simply be a random lottery.

Commissioner Pimentel pointed out that it was very difficult for families to perform all the activities that needed to be done as a family without a parking spot. She inquired about whether they would have a special partnership with ride-sharing businesses.

Ms. Sims responded that their experience in family development showed that, because of the cost of owning an automobile, many low-income families were choosing to use ride-sharing rather than own a car in the City. She reported that the developers and service providers would help the families get signed up with the ride-sharing system so that they had those rides available.

Commissioner Singh inquired about whether they could provide more parking spots and why they could not have one parking spot per unit; he inquired about whether they had a list of preference holders for the units; inquired about when the units would be completed; inquired about whether financing for this would be a loan or a grant; inquired about the interest rate on the loan.

Ms. Heckman responded that the .06 ratio/unit for this project was higher than what they had done in other project areas. It was also based on the transit options that would be available at the time of full build-out at Candlestick and what they had seen at other affordable housing projects, Ms. Heckman responded that CoP holders would have first priority in the leasing process. She responded that if the project began construction in 2018, the units should be completed and fully occupied by 2020. She responded that, like all their other affordable housing projects, this would be a loan with a 55-year term. Ms. Heckman added that they would be returning to OCII in 3-4 months for a pre-development loan and then later for a gap-financing loan. She responded that their standard interest rate was 3%.

Commissioner Singh stated that he wanted to expand their program to include minority contractors. He acknowledged that he was not sure what the process was to qualify as a subcontractor but thought working with Mercy Housing would be a good start.

Commissioner Bustos recalled that when they voted to do the BVHP project, the goal was to go beyond just building a vertical set of buildings and make it about lifting up the community and in that spirit, looking at how San Francisco small, minority and women-owned businesses could benefit from this. He reiterated that the local hire goal was set at 50% in order to help the community, especially the southeast sector, which had experienced a history of neglect by the City. Mr. Bustos announced that he would like to set up a subset commission to work with a subset of Planning and PUC and other City agencies, as a way to combat the discontent and lack of opportunities for minority businesses. He felt that a more pro-active approach would be to set up a committee with other commissioners from other agencies to tackle this issue. He asked the Chair about whether that was something they could do and if staff could check with the City Attorney's office. Mr. Bustos believed that SFHDC and TNDC would want to use some of the local contractors that were already here. He stressed that developers had to be held accountable because this was 100% City resource available to make this happen.

Chair Rosales responded in the affirmative as long as they avoided a Brown Act violation.

Ms. Heckman responded that they had two teams working on workforce on this project. She asked members of the team to come forward and respond to this issue.

Commissioner Bustos pointed out that this was beyond workforce. This was the professional services and local hire from both labor and business standpoints.

Mr. Richardson stated he was a native of San Francisco and the Bayview and was concerned about this issue as well. He reported that in their partnership with Mercy, SFHDC had proposed on the contracting side setting up the RFP with the GC so that it was a joint venture relationship instead of just one prime contractor. He believed that this structure would be more supportive of reaching the local hire goal and bringing in local subcontractors and workers. On the construction side, they were currently doing workforce development in the BV east and west with a person on staff working with contractors for the public housing rebuild and they continued to work with organizations like ABU, YCD and HP Families. He stated he had collected cards from speakers who had come up earlier and intended to get in touch with them personally. Mr. Richardson asserted that SFHDC was passionate about reaching the goal.

Mr. Shoemaker echoed everything stated by Mr. Richardson and agreed with Commissioner Bustos. He reiterated that Mercy and SFHDC would be working together and that SFHDC would be taking the lead but they were working within these policies on every project. Mr. Shoemaker indicated that a more systematic approach would be helpful in this issue. He explained that one of the most frustrating issues for both developers and GC's was when GC's came forward from a neighborhood looking to do work and did or did not meet the minimum qualifications set forth. He stated that developers were looking for appropriate sizes of projects and contracts to make it successful for both parties. He stressed that they needed to figure out how to help contractors move through the process and grow the sizes of projects that they were able to do. Mr. Shoemaker explained that this $60-$70 million project was one of the largest housing projects they have ever worked on. He pointed out that joint ventures were helpful in moving toward success but explained that small businesses started with the $100,000 projects and then moved up to the $4-5 million project to get to the $10-12 million project. Nobody started at $60 million. He reported that infrastructure work that was going on for some of the City agencies engaged different types of contractors. However, the civil work being done on these deals was similar to the type of infrastructure contracting work being done on large infrastructure projects.

Mr. Walton stated that, from a workforce development standpoint, YCD has had the opportunity to provide workforce at 50% local hiring for several projects throughout the BV. He reported that YCD had formal relationships with every workforce provider in the BVHP to provide a quality person who went to the worksite for each of the jobs available. They paid the union dues for 80-90% of the people who worked on the BVHP sites and indicated that they had the resources to do that. Mr. Walton explained that they also work closely with all the building and construction trades to provide opportunities for placement on job sites and with small contractors in the community as well as across the City to make sure that contractors that do not have bonding or bidding capabilities, among other things, were able to access the general assistance contractor's website at Executive Park to learn how to go through a bonding process and put a bid together for projects. He stated that YCD had the relationships with the community to ensure that everyone was part of the employment process and indicated that they would work hard to reach out to the community contractors and those present to help them find work.

Chair Rosales referred to a recent meeting when the Director of CityBuild was present and she had asked that person about whether he thought that the City had been able to tap all the eligible folks within that pipeline, specifically BVHP, because of the labor shortage. He had responded probably not. Ms. Rosales inquired about what YCD was doing to maximize its outreach to people who needed jobs and who were capable of performing.

Mr. Walton responded that he could not speak for the City. However, as far as YCD, he explained that they provided their own certification training on such topics as hazardous waste removal, lead and asbestos abatement removal, OSHA safety, CPR, motor awareness in confined spaces, etc., and provided all certifications that would qualify workers for building and construction trade work throughout the City. Mr. Walton explained that YCD was a feeder into the building and construction trades by providing this training and gave them the ability to increase placement opportunities aside from just working within the system. He reported that they worked well with the City and provided opportunities for people to go into CityBuild. However, he indicated that CityBuild had only two training cycles per year for the most part. However, YCD provided trainings throughout the year.

Ms. Lamont responded that TNDC had experience working the MOHCD and more recently with OCII to implement professional and contracting hiring goals. She reported that they were working on MB 6 East and was pleased to announce that they had met goals for professional services, they had accomplished 54% of contracting goals with SBE's and about 41% of general construction goals with SBE's, including a joint venture with Nibbi Bros. and a local SBE. She reported that they planned to work with Monica Wilson. TNDC was the junior partner on the Related TB 8 team, and Ms. Wilson had assisted them with MB work, specifically on how to reach people and help structure mutually beneficial productive partnerships. Ms. Lamont stated that they were looking forward to the YCD partnership to help TCD grow their development capacity and to help TNDC achieve their community goals regarding contracting and workforce hiring. She reported that they had selected Herman Coliver Locus as architect because they were an SBE and had performed successfully for TNDC in the past. She added that they planned to use scoring in their selection of their contractors which would reward for developing joint venture opportunities either at the prime level or in the major trades. Ms. Lamont believed that these partnerships were beneficial in that it would enable TNDC to work with local people familiar with the local environment and workforce. To the speaker who commented on property management training, she indicated that her property management company worked with an organization called Arriba Juntos to bring people into their training program to work at entry level positions in the property management department, many of whom had been retained and promoted.

Commissioner Bustos commented that they were also looking for long-term San Francisco minority and women-owned businesses. Referring to the selection, he inquired about whether in the RFP they had invited people to apply to more than one project.

Ms. Heckman responded that in the RFP, applicant teams could apply to one parcel or both.

Commissioner Bustos inquired about whether they had made it clear that they were looking for one different for each.

Ms. Heckman responded in the negative. She stated that they were looking for ways to improve their processes and in the future would refine language in any RFP's that had two different sites contained within it.

Commissioner Bustos stated that this was glaring and that they needed to be very clear and transparent to everyone. Luckily they had four great non-profit developers who worked well together and this was all affordable housing. Mr. Bustos was pleased with the design because it looked like a ship and was very different and could result in an iconic building that would impress viewers. He referred to the future view with the red lanes that MUNI/MTA was putting on streets that they are now being forced to reconsider. He indicated that they should not encourage this behavior by putting it on OCII plans. Overall, Mr. Bustos indicated he was very exciting about providing housing for people who had been pushed out of San Francisco and would now have the opportunity to return.

Commissioner Pimentel stated that she had served on a task force where the community was part of the RFQ process and reported that as a result there had been a different outcome because it was the small community based organizations that ended up getting the RFQ's. She inquired about whether OCII could incorporate that strategy into the process, where stakeholders could review the RFQ's, interview the developers and companies, ask them questions and learn from small businesses, such as how many people were employed in their companies. She pointed out that a large company had the capacity to direct one person to work on the RFP; however, a small business might need to involve everyone for a certain period of time. She felt it was critical to have some diversity, like community stakeholders, who were actually invested in the process. Ms. Pimentel expressed concern over the comment by one of the speakers that he could get a contract in Atlanta but not in San Francisco. She stressed that they needed to make sure they were helping the SBE's survive because without them, everything would be all corporate.

Ms. Heckman agreed. She added that they intended to have a member of the HP Shipyard CAC sit in on the evaluation panels and serve as representative of that community given the time served on the CAC.

Commissioner Pimentel thought it would be better to have unique, organic, grassroots stakeholders who were not part of the larger group and who could assist in the outreach who might know someone who knew someone who could apply and make sure their voices were heard. She was concerned that the same developers were on all the same projects all the time.

Chair Rosales stated that she was very excited to be at this point in the selection process and that they had four very competent and qualified development teams who could offer lots of creativity in the process. She was also pleased with the capacity building potential for YCD. Ms. Rosales referred to the CoP program and inquired about whether they knew how many CoP holders there were in BVHP.

Ms. Heckman responded that they did not have that information at this time but could get it for a future presentation.

Chair Rosales restated that the reason for this information was to connect opportunity with the people who were top priority in terms of housing. It would be important to get this information for marketing, outreach and other purposes. This was separate from the survey she had proposed earlier. Ms. Rosales stressed that they needed to know who these people were and be able to contact them.

Chair Rosales referred to the plan to target the homeless or formerly homeless families and inquired about whether they knew how many of those people they had.

Ms. Heckman responded that this information would be coming from the Department of Homelessness and Supportive Housing.

Chair Rosales inquired about whether they knew what the percentage of homeless families was out of the total homeless population.

Ms. Heckman asked for clarification if this pertained to BVHP only.

Chair Rosales responded that it did not have to be neighborhood-specific.

Ms. Heckman responded that she did not have that information but would report back.

Chair Rosales inquired about the status of the neighborhood-preference policy that was in the forward calendar.

Executive Director Bohee responded that there was a workshop planned for commission review and consideration. She explained that if OCII adopted the new enhancements for displaced tenants, it would expand the Ellis Act into fire displaced residents as well as owner move-in. The City had adopted a new category and it was at OCII discretion to apply that new category to OCII projects and the same for resident neighborhood preference. She pointed out that there were a number of existing preferences already adopted for housing in the Shipyard and Bayview Hunters Point, such as CoP and, rent-burden or those individuals who paid more than 50% of their salary for rent. Neighborhood preference could be applied after the existing preferences, should OCII adopt it in the future.

Chair Rosales inquired about whether both of these projects would be developed along the same schedule as that presented in slide 35.

Ms. Heckman responded in the affirmative, projected for two years, as long as everything went according to plan.

Commissioner Singh commented that they used to have a working group that met 4-5 times/year and included minority contractors and subcontractors and he suggested starting that up again.

Commissioner Bustos motioned to move Items 5(b) and 5(c) and Commissioner Singh seconded that motion.

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

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

ADOPTION: IT WAS VOTED BY FOUR COMMISSIONERS WITH ONE ABSENCE THAT RESOLUTION No. 39-2016, APPROVING THE SELECTION OF TENDERLOIN NEIGHBORHOOD DEVELOPMENT CORPORATION AND YOUNG COMMUNITY DEVELOPERS FOR THE DEVELOPMENT OF 140 AFFORDABLE RENTAL HOUSING UNITS (INCLUDING ONE MANAGER'S UNIT) FOR LOW INCOME AND FORMERLY HOMELESS FAMILIES AT CANDLESTICK POINT NORTH BLOCK 10A; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, BE ADOPTED.

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

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

ADOPTION: IT WAS VOTED BY FOUR COMMISSIONERS WITH ONE ABSENCE THAT RESOLUTION No. 40-2016, APPROVING THE SELECTION OF SAN FRANCISCO HOUSING DEVELOPMENT CORPORATION AND MERCY HOUSING CALIFORNIA FOR THE DEVELOPMENT OF 150 AFFORDABLE RENTAL HOUSING UNITS (INCLUDING ONE MANAGER'S UNIT) FOR LOW INCOME AND FORMERLY HOMELESS FAMILIES AT CANDLESTICK POINT SOUTH BLOCK 11A; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, BE ADOPTED.

d) Authorizing a Ground Lease Agreement and an Amended and Restated Loan Agreement, for an aggregate loan amount of $35,750,000, both with 1300 4th Street Associates, L.P., a California limited partnership, for the development of a 143 unit (including one manager's unit) low-income affordable family rental housing development at Mission Bay South, Block 6 East (626 Mission Bay Boulevard North), a project that is within the scope of 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. 41-2016)

Presenters: Tiffany Bohee, Executive Director, OCII; Pamela Sims, Development Specialist, Housing Division

PUBLIC COMMENT

Speakers: Oscar James, BVHP resident; Tom Gilberti, South Beach Marina resident

Mr. James commended the Nibbi Bros as a GC working in BVHP since the 70's and helping minority contractors become self-sustaining and become GC's themselves under the leadership of Nibbi Bros. He commended them for building the Dr. Davis units and for having a high minority workforce. Mr. James referred to a remark made by Ms. Sims during her presentation regarding the homeless being able to remain within their units and requested a clarification on that. He was against having any medical or psychiatric stipulation on the homeless housing. Mr. James stressed that many of the homeless were not necessarily crazy, they were just homeless. He commended the project and pointed out that MB was originally one of the Models Cities project. He pointed out that preferences should be extended to residents from Geneva to the drawbridge from Hwy 280 to the Bay, as stipulated in the Models Cities MOU, and include 50% of community hiring, 100% citywide and 35% minority contractors. Mr. James indicated that he was a homeowner as well as a COP holder. He explained that people displaced from HP long ago did not receive Certificates of Preference. However, if they could provide a report card showing that they went to school in that area, they should get a COP and have priority to move into these units as well.

Mr. Gilberti stated that he had been living at South Beach for 27 years at Townsend and the Embarcadero, which was 6 blocks from this development and requested that people from that area, including Delancy Street, South Beach Marina, and Bayside Village, be considered for inclusion in the preferences. He pointed out that 27 years ago there was nothing out there. With rents going up at such a rapid rate, the seniors in these areas were getting priced out and he requested that residents from the zip codes in those areas be included in the preferences.

Commissioner Singh inquired about the LP; inquired about the permanent loan; inquired about the loan percentage rate.

Ms. Sims responded that the LP was the limited partner investor. She responded that the permanent loan was the $6 million. She responded that the OCII loan would be 1.5%-3% and after 55 years the loan will either be paid off or refinanced.

Chair Rosales inquired about the status of DAHLIA. She referred to DAHLIA as the lottery of disappointment and inquired about how many times would people interested in the lottery have to re-apply before they decided to give up.

Ms. Sims responded that DAHLIA was not ready and they were still working out the bugs. She reported that they had hoped the online application process for renters would be ready by the end of 2016, but it now looked like it would be extended to early 2017. She added that in the last couple of projects, there had been a great effort to reach the CoP holders by calling them and making sure they knew about the housing opportunities, connecting them to the rental readiness service providers if they were interested and getting them help with applications. Ms. Sims stated that they were doing everything possible to make sure that COP holders were getting into these units.

Commissioner Singh inquired about 826 Valencia Street; inquired about whether there was a representative from that organization present at the meeting.

Ms. Sims responded that 826 Valencia Street was an award-winning service provider targeting low and moderate income children to teach them how to write and work on their writing skills. She indicated that they had stand-alone sites in the Mission and the Tenderloin. Ms. Sims responded that the Director of 826 Valencia Street wanted to be present at the meeting, but was out of the country.

Commissioner Bustos motioned to move Item 5(d) and Commissioner Singh seconded that motion.

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

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

ADOPTION: IT WAS VOTED BY FOUR COMMISSIONERS WITH ONE ABSENCES THAT RESOLUTION No. 41-2016, AUTHORIZING A GROUND LEASE AGREEMENT AND AN AMENDED AND RESTATED LOAN AGREEMENT, FOR AN AGGREGATE LOAN AMOUNT OF $35,750,000, BOTH WITH 1300 4TH STREET ASSOCIATES, L.P., A CALIFORNIA LIMITED PARTNERSHIP, FOR THE DEVELOPMENT OF A 143 UNIT (INCLUDING ONE MANAGER'S UNIT) LOW-INCOME AFFORDABLE FAMILY RENTAL HOUSING DEVELOPMENT AT MISSION BAY SOUTH, BLOCK 6 EAST (626 MISSION BAY BOULEVARD NORTH), A PROJECT THAT IS WITHIN THE SCOPE OF 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.

e) Conditionally approving the Schematic Design of a six-story, mixed-use building comprised of seven units, including one affordable unit, underground parking, and ground floor retail at 4128 Third Street and making environmental findings pursuant to the California Environmental Quality Act; Bayview Industrial Triangle Redevelopment Project Area (Discussion and Action) (Resolution No. 42-2016)

Presenters: Tiffany Bohee, Executive Director, OCII; Alok Vyas, Urban Planning Designer; Kodor Baalbaki, Designer, Kodorski Design; John Alan Goldman, Architect, Kodorski Design

PUBLIC COMMENT

Speakers: Andrea Backer for Michael Hamman; Oscar James, BVHP resident; Alfred McAfee, property owner and developer; Tom Gilberti, South Beach Marina resident

Ms. Backer read a letter written by Mr. Hamman and addressed to Chair Rosales, which was handed to Ms. Rosales.

Mr. James stated that he had known Mr. McAfee for a long time as a business person and a concerned resident of BVHP. He explained that Mr. McAfee had owned a clothes cleaning business, which had been destroyed in a fire. Mr. James described Mr. McAfee as someone who was very dedicated to helping people in the community and would hire people off the streets, even out of prison, to come in and work in the business. He supported Mr. McAfee and requested that OCII support him as well.

Mr. McAfee thanked Mr. James for his commendation and acknowledged that Mr. James was a former customer until his building suffered damages in a fire. Mr. McAfee was proud that he had served four generations with his business. He had also worked with Dr. Espinola Jackson, former Mayor Dianne Feinstein, Willie Kennedy and Willie Brown. He explained that he had been in the BV for 43 years and wanted this building to represent something to the people of the area and wanted to leave it as a legacy. Mr. McAfee stated that he loved his community and wanted to continue to serve as long as he was able.

Mr. Gilberti commended the design and supported this project. He pointed out that there were only seven units and inquired whether three of the units could be sold to the people in the local zip code in order to keep community residents within the community. Mr. Gilberti felt strongly that residents who had lived within the same zip code for 20 years should have the right to move into these units. He announced that he would be taking on this issue now for all San Francisco housing.

Commissioner Pimentel inquired about the property manager who would be living on site in one of the units. She stated that she had seen many people come to the cleaners and Mr. McAfee was always there and a real asset to the community. Ms. Pimentel remarked that it was very inspiring for a minority business and property owner in the community to create a development. She added that it was sad to see the cleaners close because of the fire but was very excited about the new development that would result from it.

Mr. McAfee responded that they had not yet determined who the property manager would be, but that information would be available later. He added that the units would be sold as condominiums.

Commissioner Bustos stated that he was concerned when he heard this was a burnt-out building because of all the fires in the Mission. He inquired about what had happened to the tenants who lived upstairs in the building.

Mr. McAfee responded that the building was vacant.

Commissioner Bustos commended the design and Mr. McAfee's desire to help the community and looked forward to bringing his clothes to the cleaners.

Chair Rosales commented that she also appreciated the design and commended Mr. McAfee for earning the support of the community with this development.

Commissioner Singh motioned to move Item 5(e) and Commissioner Pimentel seconded that motion.

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

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

ADOPTION: IT WAS VOTED BY FOUR COMMISSIONERS WITH ONE ABSENCE THAT RESOLUTION No. 42-2016, CONDITIONALLY APPROVING THE SCHEMATIC DESIGN OF A SIX-STORY, MIXED-USE BUILDING COMPRISED OF SEVEN UNITS, INCLUDING ONE AFFORDABLE UNIT, UNDERGROUND PARKING, AND GROUND FLOOR RETAIL AT 4128 THIRD STREET AND MAKING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; BAYVIEW INDUSTRIAL TRIANGLE REDEVELOPMENT PROJECT AREA, BE ADOPTED.

f) Commission Workshop on Amendments to Fiscal Year 16-17 Recognized Obligation Payment Schedule (Discussion)

Presenters: Tiffany Bohee, Executive Director, OCII; Bree Mawhorter, Deputy Director, Finance & Administration; Christine Maher, Director, Real Estate & Development Services

PUBLIC COMMENT - None

Chair Rosales inquired about the location of the Crescent Pool. She referred to Slide 10 and the Fillmore Garage and inquired about the status of the former Yoshi's spot.

Ms. Mawhorter responded that the Crescent Pool was in the space adjacent to the MOMA.

Executive Director Bohee clarified that it was above Martin Luther King Memorial, so one would take the elevator above and the pool was outside between the two café spaces and above the waterfall. It was like a fountain and served as a visual amenity.

To the Yoshi's question, Ms. Maher responded that currently the City was managing the operations of the space via a short-term activation program that allowed community members and groups to rent facilities, including the old theater space. So the entire space was available for rental. As far as long-term basis, Ms. Maher explained that OCII would be transferring the commercial parcel and the garage to the City and the City was working on the RFP for the sale of both properties. They anticipated transfer to the City in October/November and a separate piece would be the issuance of the RFP by the City for the sale.

Chair Rosales inquired about whether they would know what the RFP would look like at the time OCII was asked to transfer.

Ms. Maher responded that the RFP would probably be out; they would not have selected anyone.

6. **Public Comment on Non-Agenda Items** - None

7. **Report of the Chair**

Chair Rosales stated that she did not have a report.

8. **Report of the Executive Director**

a) Request for Proposals to develop and operate affordable rental housing units for low income families as well as a childcare facility space on Mission Bay South Block 6 West; Mission Bay South Redevelopment Project Area (Discussion)

b) Informational Memorandum on OCII Fiscal Year 2016-17 Budget Process (Discussion)

Executive Director Bohee announced that there was a draft RFP for MB Block 6 West, a little over an acre site, surrounded by China Basin, Merrimack, a future park and immediately adjacent from the TNDC parcel that was just approved by OCII for GAP financing and a ground lease. The purpose of this RFP was furtherance of OCII goals to accelerate and deliver affordable housing. She explained that they would be relying on special San Francisco-only provisions for bonding for affordable housing under SB 107 to complete this project. Ms. Bohee added that the number of units that could be developed on this site had not been capped. It was all consistent with the program EIR and environmental reviews but they would be asking developers to maximize the number of units with high quality design, supportive services space and a 40-slot onsite childcare center with private open space. Priority would be for the building and low-income residents and they would be working with the Office of Early Care to maximize the number of low-income spots. The AMI level would be up to 60% AMI based on previous affordable housing sites and other affordable housing developments. In order to maximize opportunities for COP holders, the RFP would be very explicit about requiring lower income tiering to make sure COP holders at 20-30% AMI would have an opportunity. Ms. Bohee explained that this development would be a typical mix of one, two and three-bedroom units consistent with the City's consolidated plan. At the request of the Mayor's Office and Hope SF, there was a potential set aside for a special need of 20-30% of those units for formerly homeless, or the set aside units would be designated for public housing replacement units for Sunnydale and Potrero at a later date.

PUBLIC COMMENT

Speakers: Oscar James, BVHP resident

Mr. James expressed concern regarding childcare centers. He stated that in the 70's under joint housing under the San Francisco Redevelopment Agency, they had built five childcare centers in BVHP in the redevelopment project area. Mr. James explained that every person working at the childcare centers came from the community. They came out of BVHP College, were paid through Model Cities to go through training and then hired by the childcare centers. Later some of those workers got their licenses and started their own centers in their own community locations. Mr. James requested that OCII duplicate the same program this time by providing training for unemployed people moving into the units and allow them to work in the childcare centers. He concluded that this would provide employment for people in the community and would help get people off the streets.

Commissioner Pimentel thanked Mr. James for regularly attending the meetings and for his comments.

Chair Rosales suggested incorporating comments by Commissioners on earlier items into the RFP, such as incentivizing developers to form joint ventures, increasing capacity of the developer community and fulfilling commitments to OCII policies. She inquired about whether this would be on an expedited construction schedule.

Executive Director Bohee responded that it would be about 21 months to build.

Ms. Heckman added that the developers had been securing financing more quickly now than in the past.

9. **Commissioners' Questions and Matters** - None

10. **Closed Session** – None

11. **Adjournment**

The meeting was adjourned by Chair Rosales at 4:13 p.m.

Respectfully submitted,

Natasha Jones for Claudia Guerra

Commission Secretary