MINUTES OF A REGULAR MEETING OF THE COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE OF THE CITY AND COUNTY OF SAN FRANCISCO HELD ON THE 2nd 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 2nd 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 1:16 p.m. Roll call was taken.

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

Commissioner Bustos and Vice-Chair Mondejar were absent. All other Commission members were present.

2. Announcements

A. The next scheduled Commission meeting will be a regular meeting held on Tuesday, August 16, 2016 at 1:00 p.m. (City Hall, Room 416).

B. Announcement of Prohibition of Sound Producing Electronic Devices during the Meeting

C. 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.

D. 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:

<u>CONSENT AGENDA</u> - None

<u>REGULAR AGENDA</u>

a) Authorizing a Second Amendment to the Memorandum of Understanding for environmental and design review services with the City and County of San Francisco, acting through the San Francisco Planning Department, to extend the term from Fiscal Year 2016 to Fiscal Year 2018 and to increase the budget by an amount not to exceed $450,000, for a total aggregate amount not to exceed $1,125,000 (Discussion and Action) (Resolution No. 35-2016)

Presenters: Tiffany Bohee, Executive Director, OCII; Jose Campos, Manager, Planning and Design Review; OCII, Jim Morales, General Counsel and Deputy Director, OCII

PUBLIC COMMENT

Speaker: Tom Gilberti, South Beach Marina resident

Mr. Gilberti pointed out the Millennium Building on Market Street was sinking. He referred to the presentation and inquired about what .15 full-time equivalent hours meant. He referred to the increase of the environmental review to $450,000 and inquired about whether that was enough. Mr. Gilberti stated he did not think they would want to continue pushing that along. He inquired about whether the amount for all the other agencies was just for Transbay (TB) or downtown or whether that was for all the development areas.

Commissioner Singh inquired about how things were coming along with the Warriors project and whether they expected any problems moving forward. He inquired about how long it would be before they could start the project.

Mr. Morales responded the Superior Court had recently ruled against those who were challenging the Warriors Arena and event complex on all counts in both the case against OCII and the case against the City. He explained that subsequently petitioners had five days to file an appeal with the Court of Appeals, which they had done but had not yet filed their briefs which would be due within a month. He indicated this would be done on an expedited basis and they expected to prevail on appeal. Mr. Morales responded this project was certified by the Governor as an Environmental Leadership project which held a special statutory provision under CEQA which required that litigation be finished within a year. This meant that both the trial court and appeals had to be completed within 270 days after certification of the record. Mr. Morales reported they were now in the middle of proceedings and still had several months until the courts had to resolve finally and conclusively all matters related to the litigation. He added the Warriors had taken that into account and had proposed commencement and completion of the construction schedule after this 270-day period was over.

Commissioner Pimentel inquired about the monthly breakdown of hours for staff coming out of the $150,000.

Mr. Campos clarified that Commissioner Pimentel was referring to the $150,000 for environmental review services. He explained this would be equivalent to 1.0 FTE which was one full time staff working 8 hours/day 5 days/week. He added that there was not much work yet so it had been less than that.

Chair Rosales referred to Slide 9 regarding the Warriors project and inquired about whether the .15 FT equivalent hours would be reimbursed directly by the Warriors. She requested clarification this would not be in the OCII MOU but was rather a component of the Warriors' direct payments to the Planning Department. Ms. Rosales referred to approval of Transbay Block 4 which was paired up with the Parcel F transaction. She recalled a discussion through the Executive Director, they would ask the Planning Department to allocate resources to ensure the Parcel F process was expedited and inquired about whether that had happened.

Mr. Campos responded in the affirmative. He clarified this would be in the OCII MOU and would be called out as an item under their purview but was something that the Planning Department had budgeted and agreed to provide as services separately. However, he explained this was not paid through OCII but rather paid through the Warriors directly to the Planning Department. To answer the speaker's question, Mr. Campos explained that .15 FTE's was equivalent to about six hours/week. To the Transbay question, Mr. Campos responded there was a delegation agreement in Transbay. The Transbay Redevelopment Project Area incorporated two zones: Zone 1 which included Block 4 and Zone 2, the portion to the north, which included Parcel F. That was separated out because Zone 2 was administered through the C3 downtown zoning code and Zone 1 was a different entity, under OCII Development, Controls & Design guidelines, administered in house through OCII. They had delegated that the Planning Department would be responsible for land use permits and would have land use authority in Zone 2. He reported that part of that delegation agreement required a working group formed from both departments. Mr. Campos added that staff meets often, currently once a month, to discuss development permits in both areas. He hoped that within that framework they could further their collaboration on Block 4.

Executive Director Bohee added the Planning Director had been receptive to OCII's request to expedite review because the development of Parcel F was under Planning's land use jurisdiction while Block 4 was part of OCII's proprietary and land use oversight. The Planning Director understood these two developments were tied together. In addition to the working group, Ms. Bohee reported \ OCII's Transbay project manager would be present at Planning Department meetings for Parcel F. She mentioned there was a meeting in July with OCII and Planning staff to kick off their plans and projects, and there would be ongoing presence by both agencies because those two developments were tied together. She concluded that the faster Parcel F went, the faster Block 4 could go as well.

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

ADOPTION: IT WAS VOTED BY THREE COMMISSIONERS WITH TWO ABSENCES THAT RESOLUTION No. 35-2016, Authorizing a Second Amendment to the Memorandum of Understanding for environmental and design review services with the City and County of San Francisco, acting through the San Francisco Planning Department, to extend the term from Fiscal Year 2016 to Fiscal Year 2018 and to increase the budget by an amount not to exceed $450,000, for a total aggregate amount not to exceed $1,125,000, BE ADOPTED.

Agenda items 5(b), 5(c) and 5(d) related to the Legal Service Contracts relating to Bonds were heard together, but acted on separately

b) Authorizing a Legal Services Contract with the Law Offices of Alexis Chui, for disclosure counsel services in an amount not to exceed $50,000 related to the issuance of Successor Agency to the Redevelopment Agency of the City and County of San Francisco tax-exempt tax allocation revenue bonds; Transbay Project Area (Discussion and Action) (Resolution No. 36-2016)

c) Authorizing a Legal Services Contract with Curls Bartling, P.C., a Professional Law Corporation, for disclosure counsel services in an amount not to exceed $101,800 related to the issuance of Successor Agency to the Redevelopment Agency of the City and County of San Francisco taxable tax allocation revenue and refunding revenue bonds; multiple project areas (Discussion and Action) (Resolution No. 37-2016)

d) Authorizing a Legal Services Contract with Jones Hall, a Professional Law Corporation, for Bond Counsel Services in an amount not to exceed $207,000 related to the issuance of Successor Agency to the Redevelopment Agency of the City and County of San Francisco taxable and tax-exempt tax allocation revenue bonds and refunding revenue bonds, in multiple series; multiple project areas (Discussion and Action) (Resolution No. 38-2016)

Presenters: Tiffany Bohee, Executive Director, OCII; John Daigle, Senior Financial Analyst, OCII

PUBLIC COMMENT

Speakers: Tom Gilberti, South Beach Marina resident

Mr. Gilberti referred to the disclosure counsel, Alex Chiu, regarding scope disclosure counsel services for Transbay tax exempt infrastructure bonds. He inquired about whether the dash under the $50,000 was for $37 million taxable Transbay infrastructure bonds and inquired about the discrepancy between tax exempt and taxable bonds.

Mr. Daigle responded this was a typographical error and that it should state tax-exempt bonds.

Commissioner Singh inquired about the interest rate for taxable and tax-exempt bonds and the terms; he inquired about whether they had worked with these firms before or whether these were new associations.

Mr. Daigle responded these bonds would probably not be issued for another six months. However, if they were to be issued that day, he explained that the interest rate would be in the high 3 or low 4 percent. He explained that typically their bonds were for 30 years but a refunding bond could be shorter because it followed the life of the bonds that it was refunding. Mr. Daigle responded that they had worked with all the firms before. They had worked with Alex Chiu prior to dissolution; with Curls Bartling on four recent bond issues and was ongoing and with Jones Hall on most of their bond issues over the past years.

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

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

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

ADOPTION: IT WAS VOTED BY THREE COMMISSIONERS WITH TWO ABSENCES THAT RESOLUTION No. 36-2016, Authorizing a Legal Services Contract with the Law Offices of Alex Chui, for disclosure counsel services in an amount not to exceed $50,000 related to the issuance of Successor Agency to the Redevelopment Agency of the City and County of San Francisco tax-exempt tax allocation revenue bonds; Transbay Project Area, BE ADOPTED.

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

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

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

ADOPTION: IT WAS VOTED BY THREE COMMISSIONERS WITH TWO ABSENCES THAT RESOLUTION No. 37-2016, Authorizing a Legal Services Contract with Curls Bartling, P.C., a Professional Law Corporation, for disclosure counsel services in an amount not to exceed $101,800 related to the issuance of Successor Agency to the Redevelopment Agency of the City and County of San Francisco taxable tax allocation revenue and refunding revenue bonds; multiple project areas, BE ADOPTED.

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

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

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

ADOPTION: IT WAS VOTED BY THREE COMMISSIONERS WITH TWO ABSENCES THAT RESOLUTION No. 38-2016, Authorizing a Legal Services Contract with Jones Hall, a Professional Law Corporation, for Bond Counsel Services in an amount not to exceed $207,000 related to the issuance of Successor Agency to the Redevelopment Agency of the City and County of San Francisco taxable and tax-exempt tax allocation revenue bonds and refunding revenue bonds, in multiple series; multiple project areas, BE ADOPTED.

e) Workshop by the City of San Francisco's Office of Economic and Workforce Development ("OEWD") on the Southern Bayfront (Mission Bay, Central Waterfront, Bayview Hunters Point, Candlestick) interagency coordination to guide community and citywide investment; Bayview Hunters Point, Hunters Point Shipyard and Mission Bay North and South Project Areas (Discussion)

Presenters: Tiffany Bohee, Executive Director, OCII; Tamson Drew, Senior Project Manager, Hunters Point Shipyard/Candlestick Point Redevelopment Project; Ken Rich, Director, Office Economic Workforce Development (OEWD); Leigh Lutenski, OEWD

PUBLIC COMMENT

Speakers: Oscar James, Bayview Hunters Point (BVHP) resident; Tom Gilberti, South Beach Marina resident

Mr. James commended CityBuild, Young Community Developers and Mission Hiring Hall for their great work. He stated that a long time ago he was on a project site, being trained to work with a pile driver and told to hold a rope. Suddenly a piece of concrete broke off and he quit that day. He stated that there had to be very high safety standards working in construction. He commended the power plant clean-up in HP Shipyard. However, he stressed that if they were considering building houses in E2 and Yosemite Slough, those former dump sites needed to be cleaned up. Mr. James also recommended that OCII build housing for the homeless, especially homeless families and seniors. He reminded Commissioners that the Shipyard was free property given by the government and he requested that OCII build some homeless housing.

Mr. Gilberti stated that 40% preference was nice but believed that mandatory would be better. He stressed that this housing was for local people that had lived and worked in the area for a certain amount of years. He felt that this should mean that if you didn't find someone from the area to move in, you could not sell or rent the units and the price had to drop to what was affordable in that area. Mr. Gilberti also suggested offering housing for seniors, homeless and veterans who were all running out of places to live in the City. He contended that negotiations must state that developers include housing for Section 8, graduated foster children, the homeless, etc. to include the entire San Francisco community and get away from the practice of having developers just contribute to a fund. Mr. Gilberti also referred to climate change and inquired about whether that meant they did not have to insure the property when climate change arrived. He referred to the Millenium building downtown that has settled down ten inches in TB. Mr. Gilberti inquired about whether they knew how many seniors, homeless and children there were in TB. He asserted that affordable housing needed to be rent control also.

Commissioner Singh inquired how long this project would take to complete. He referred to page 12 and inquired about the headways for the trains running every five minutes.

Mr. Rich responded that he thought a better question would be how long it would take to get all of these projects approved and he believed that they should all be entitled by 2019. He explained that it would be speculation to predict how long to completion, but he thought probably in the 2020's and more likely the latter part of that decade. Mr. Rich responded that when the Central Subway opened in 2019, the headways on the T from Visitation Valley to HP were expected to go down to six to seven minutes and that there would be more frequent trains.

Commissioner Pimentel referred to the CityBuild on page 16. She recalled that at a recent OCII meeting there was a discussion regarding the barriers with the CityBuild projects for people on long-term versus short-term jobs and also getting them into management positions so that they could start a career. Ms. Pimentel also referred to other barriers that dealt with suspended licenses and other license issues and a program that cost $1,000 for youth and workforce development. She inquired about how they planned to address the barriers as well as reach a wide variety of community members that could work on the project; inquired about working with homeless programs.

Ms. Lutenski responded that they had been in contact with Ken Nim at CityBuild and that they were aware of the barriers. She explained that the CityBuild people were heading up the effort to remove the barriers and remarked that the earlier they started to make sure people understood what the barriers were, the earlier they could start to address them. She indicated that these jobs would not start for a number of years, so they needed to start the process now to address the barriers. Ms. Lutenski stated that they would use the resources from these projects upfront or during implementation to help CityBuild's management side.

To the homeless question, Mr. Rich responded that the Mayor was very focused on the homelessness issue and that Jeff Kositsky was the new homeless czar in the City. He stated that as they sharpened up the housing programs, they would reach out to Mr. Kositsky to make sure they covered this issue.

Commissioner Pimentel suggested they reach out to the homeless prenatal program because they had many presentations that OEWD could attend in order to understand the barriers facing this group. She suggested they go grassroots level and learn where the local community members were, like the community market or laundromat. Ms. Pimentel explained that many times the mailings were not received by those individuals and they didn't always have time to go to evening meetings because they were middle class working people. Ms. Pimentel also reported that sometimes people who work for City agencies were not aware they were qualified. She had spoken with a Muni driver who was a Certificate of Preference (CoP) holder who was not aware that she qualified for a unit. Ms. Pimentel suggested that they look within the City family to engage with the community and faith-based.

Mr. Rich thanked Commissioner Pimentel for that information and stated that this was also a big issue with Supervisor Cohen, who had reminded him that even if you set aside units, it doesn't do any good if nobody knew they were available. He ensured Commissioners that with so many units coming online, they would have to figure out how to make the outreach as effective as possible.

Chair Rosales referred to City departments and inquired about what the coordination would be between them; she inquired about how OCII would fit into that coordination; inquired about how the Recreation & Park Department (Rec & Park) would be involved in this project and how that would overlap with OCII's park jurisdiction.

Mr. Rich responded that within the last year his office had been having monthly meetings with Department heads or deputy department head level and staff working with each other on technical aspects for all the City departments and agreed that it was never too early to start this kind of coordination. He responded that Tamson Drew and Sally Oerth and Executive Director Bohee had been at some of the meetings. Mr. Rich indicated that it was different with OCII because this was an approved project and they were not negotiating anything with the developer. However, he agreed that they would need strong coordination with OCII staff on the transportation improvements and on the open space projects. Mr. Rich remarked that the average San Francisco citizen did not need to know who owned or managed this property. He added that this should be transparent to them and needed to be designed to welcome the existing neighborhood and not be designed just for the new development residents.

Ms. Lutenski responded that Rec & Park had been involved in this process since the beginning. They had already had discussions about when it would be appropriate for them to own or manage the open space and applied to some of the private and newer projects planned. Ms. Lutenski pointed out that Rec & Park had purchased 900 Innis in Indian Basin last year, which was a new park that they were designing and that they would be managing that park. She reported that the other side was how to make the open space feel like it was public and draw on the Rec & Park resources to offer community programming, summer camps and other programs to reflect those back on other parks, especially the two Port parks. Ms. Lutenski reported that nothing had been decided yet but they were trying to develop a framework to have various options for Rec & Park to step in to help best activate those spaces.

Chair Rosales referred to statements regarding developer negotiations and inquired about which developers had been selected; regarding to affordable housing and the comment that they made sure that the neighborhood benefitted by this; she inquired about what they were doing to get to the target populations for these units.

Mr. Rich responded that they already knew who their developers would be. He reported that the Giants were the developer for the Mission Rock project; Forest City was the developer for the Pier 70 project; the former Potrero power plant was owned by NRG and they were currently looking for a capital partner or outright buyer for those 20+ acres but they did not know the developer for that project yet. Mr. Rich reported that the Indian Basin project was a private project purchased by Build Inc., a local developer in Hayes Valley, and they were negotiating with them. PGE owned the HP power plant and they intended to develop that in some way and they were currently working with PGE but no developer was known at this time.

To the affordable housing question, Mr. Rich responded that they did not have all the answers on this issue yet. He reported that it was 32% for Shipyard/Candlestick, Mission Rock would hit 40% affordable and Pier 70 would hit 30%. He explained that they had made it clear to the remaining developers that the average had to be 33% and based on the numbers reported, it would have to be around 30%+, which would be low and moderate income, not just low income and that they wanted to get the workforce housing in there as well. They would be working with their private developers and were going to push them as far as what they could provide on their own pro-forma before asking for public resources. Mr. Rich indicated that the neighborhood preference legislation recently passed by the Board did not directly affect OCII but affected everything they were doing, required 40% of the affordable housing, or 40% of the 33%, to be available to the surrounding supervisor district and a one-mile radius. They knew this was going to happen. Mr. Rich admitted that they did not know how they would perform the outreach yet but would be working closely with OCII to accomplish this. There were several years before any units would be available.

Chair Rosales stated that hopefully they would have some answers about that issue before then. Ms. Rosales inquired about the status of the CoP surveys/census and requested an update.

Executive Director Bohee responded that the TB Block 4 developer had just recently provided some funds for these surveys and they also had OCII funds which had been appropriated in the budget. She reported that a draft survey and a form were being reviewed in-house by legal and technical to make sure efforts were not duplicative. Ms. Bohee explained that after refinements had been made to the program by the Redevelopment Agency for holders to actually be able to use their certificate, there was an address study and they hired the Keene firm, an outside agency, to find new holder and subsequently OCII had hired MOHCD to help them with outreach. She reported that through direct and very aggressive outreach, they had been able to increase the numbers of certificate holders. She concluded that the survey was in progress and they hoped to share a draft with Commissioners very soon.

Commissioner Singh commended staff for a good job.

6. Public Comment on Non-Agenda Items

Speaker: Oscar James, BVHP resident; Tom Gilberti, South Beach Marina resident; Ms. Johnson (unidentified)

Mr. James recalled that after the last meeting he returned home and turned on the City channel on TV to discover they were showing the dedication for the Mexican Museum. He stated that if it weren't for Commissioners Singh, King and Romero, the Mexican Museum project would never have happened. He believed that when Commissioners fight for things and they come to fruition, they should be recognized and their names should be mentioned. Mr. James recalled how they fought in HP to get the Hill Center built and the Model Cities Commissioners bought the property and had the Center relocated to HP. The only person currently mentioned on the Center was former mayor, Diane Feinstein, but none of the Commissioners who actually accomplished it. Mr. James stressed that this needed to be done so that future generations would know who was actually responsible for the completion of these projects, which was only fair. The museums were very helpful in educating people on history and cultures and they needed them for children to learn about the history of the Bay Area.

Mr. Gilberti stated that the last time he was at the podium; Chair Rosales had indicated that he should finish his thoughts. He commended her on that statement because it surprised him. He stressed that 20% of new housing should be for the poor and low income and that it should be mandatory. He displayed an overhead showing an elderly lady who had to give up her South Beach Marina apartment because she had received a $600 monthly increase. Another screen showed a woman with two children who had received a $400/month rent increase the first year and another $400/month the second year of living there. His point was that there needed to be rent control in this development. Mr. Gilberti stressed that the City was building apartments, but not communities. He inquired about whether Commissioners knew who was moving into these apartments in the new developments and in what way were they helping the locals.

Ms. Johnson spoke about agency apartments, landlords, leases, the police department. She stated that organizations had been confused in many areas. They needed to maintain progresses and ordinances so they have more procedures in businesses. Most of what she stated was inaudible.

7. Report of the Chair

Chair Rosales stated that she did not have a report.

8. Report of the Executive Director

Executive Director Bohee announced that the Mission Bay Kid's Park had been accepted as a public improvement by the City through the Department of Public Works. The Mission Bay Families organization was actually organizing the opening ceremony, which was meant to be a neighborhood event on August 13, 10:00-1:00 p.m. and was open to the public.

PUBLIC COMMENT - None

9. **Commissioners' Questions and Matters**

Commissioner Singh thanked Mr. James for his comments and agreed with his comments that Commissioners should be recognized in some way for their accomplishments. He referred to articles in the newspapers about the Millenium Building sinking 18 inches and which was tilted a few inches as well and asked for comment on that. He stated that there may be some lawsuits as a result. Mr. Singh stated that this was important because they in the future they might need to consider just how tall buildings could stand to be in the City and whether they should be building with steel rather than concrete.

Executive Director Bohee responded this issue was not under OCII jurisdiction, but rather under the jurisdiction of the Planning Department, which had provided the land use and zoning approvals and the Building Department, which had provided the permits. She added that it was adjacent to the Transbay. Transit center under construction by the Transbay Joint Powers Authority.

Chair Rosales agreed with Commissioner Singh that they should look into this matter so they knew what to consider in the future. Ms. Rosales inquired about how OCII matters were communicated to the public and suggested they obtain a public relations person. She referred to the Warriors litigation in Superior Court and comment that OCII was a major defendant. However, there was no subsequent statement from OCII.

Executive Director Bohee responded they had within the approved budget a position for a program associate to help with communications. She agreed that communication of the successes of the Commission is very important.

Chair Rosales commented OCII was doing excellent work; for example, the accomplishments of the COP program. The public needed to know who was responsible for these results.

10. **Closed Session** – None

11. **Adjournment**

The meeting was adjourned by Chair Rosales at 2:56 p.m.

Respectfully submitted,

Natasha Jones for Claudia Guerra

Commission Secretary