

London N. Breed
MAYOR



Miguel Bustos
CHAIR

Mara Rosales
VICE-CHAIR

Bivett Brackett
Alex Ludlum
Dr. Carolyn Ransom-Scott
COMMISSIONERS

James B. Morales
INTERIM EXECUTIVE DIRECTOR

**MINUTES OF A REGULAR MEETING OF THE
COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE
OF THE CITY AND COUNTY OF SAN FRANCISCO HELD ON THE
19TH DAY OF APRIL 2022**

The members of the Commission on Community Investment and Infrastructure of the City and County of San Francisco met in a regular meeting via teleconference at 1:00 p.m. on the 19th day of April 2022. The public was invited to watch the meeting live on SFGOVTV: <https://sfgovtv.org/ccii>

PUBLIC COMMENT CALL-IN: 1-415-655-0001 **ACCESS CODE:** 2485 570 2962

In accordance with the numerous preceding local and state proclamations, orders and supplemental directions - aggressive directives were issued to slow down and reduce the spread of the COVID-19 virus. Individuals were encouraged to participate in the meetings remotely by calling in during the public comment section of the meeting.

REGULAR MEETING AGENDA

1. Recognition of a Quorum

Meeting was called to order at 1:01 p.m. by Vice-Chair Rosales. Roll call was taken.

Commissioner Brackett – absent
Commissioner Ludlum - present
Commissioner Scott - present
Vice-Chair Rosales - present
Chair Bustos - absent

Commissioner Brackett arrived late and Chair Bustos was absent; all other Commissioners were present.

2. Announcements

- a) The next regularly scheduled Commission meeting will be held remotely on Tuesday, May 3, 2022 at 1:00 pm.
- b) Announcement of Time Allotment for Public Comments from participants dialing in:

Please be advised a member of the public has up to three minutes to make pertinent public comments on each agenda item unless the Commission 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 toll-free number and use their touch-tone phones to register any desire to provide 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.

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Secretary Cruz read instructions for the public to call in.

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

4. Matters of Unfinished Business - None

5. Matters of New Business:

Vice-Chair Rosales requested that Item 5)b from the Regular Agenda be taken out of order and called first.

REGULAR AGENDA

- b) Authorizing the continuation of teleconferenced meetings and making findings in support thereof under California Government Code Section 54953(e) (Discussion and Action) (Resolution No. 10-2022)

Presenter: James Morales, Interim Executive Director

PUBLIC COMMENT - None

Commissioner Scott motioned to move Item 5(b) and Commissioner Ludlum seconded that motion.

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

Commissioner Brackett – yes

Commissioner Ludlum - yes

Commissioner Scott - yes

Vice-Chair Rosales - yes

Chair Bustos - absent

ADOPTION: IT WAS VOTED BY FOUR COMMISSIONERS WITH ONE ABSENCE THAT RESOLUTION NO. 10-2022, AUTHORIZING THE CONTINUATION OF TELECONFERENCED MEETINGS AND MAKING FINDINGS IN SUPPORT THEREOF UNDER CALIFORNIA GOVERNMENT CODE SECTION 54953(E), BE ADOPTED.

CONSENT AGENDA

- a) Approval of Minutes: Regular Meeting of March 15, 2022

PUBLIC COMMENT - None

Commissioner Scott motioned to move Item 5(a) and Commissioner Ludlum seconded that motion.

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

Commissioner Brackett – yes
Commissioner Ludlum - yes
Commissioner Scott - yes
Vice-Chair Rosales - yes
Chair Bustos - absent

ADOPTION: IT WAS VOTED BY FOUR COMMISSIONERS WITH ONE ABSENCE THAT APPROVAL OF MINUTES FOR THE REGULAR MEETING OF MARCH 15, 2022, BE ADOPTED.

REGULAR AGENDA

- c) Approving a Budget for the period July 1, 2022 through June 30, 2023, and authorizing the Transmittal of the Budget and Interim Budget to the Mayor’s Office and the Board of Supervisors (Discussion and Action) (Resolution No. 11-2022)

Presenters: James Morales, Interim Executive Director; Mina Yu, Budget and Project Finance Manager; Marc Slutzkin, Project Manager, Mission Bay (MB); Elizabeth Colomello, Housing Program Manager; Benjamin Brandin, Project Manager, Transbay (TB); Lila Hussain, Senior Project Manager, Hunters Point Shipyard/Candlestick Point

PUBLIC COMMENT – None

Commissioner Brackett referred to the initial budget submitted in January/February and inquired about whether there were any changes or recommendations made by the State Budget Office;

Ms. Yu responded that there were two changes. One was an administrative change to move the line items from the property tax increment line to the staffing line; the other was that OCII had intended to issue two bonds--one for the TB bond and the other for refunding of the 2016 D Bond in TB. Ms. Yu explained that this ended up becoming a procedural issue whereby OCII had put it on the ROPS before taking the actual bond approval to the Oversight Board (OB) and the Department of Finance (DOF) stated that the bond should have been brought before OB for approval and then put on the ROPS. Ms. Yu reported that it would take about six months to put together a team to issue the bond so they would be putting it on the 2023-24 ROPS instead. She added that this was in the January presentation but had to be removed as per DOF instructions and would have to be submitted to OB for approval of the 2023-24 budget.

Commissioner Brackett inquired about whether this action would affect or delay any projects that were currently in the pipeline.

Ms. Yu responded in the negative, because this was a refunding bond, which was much like refinancing one’s home, looking for better terms, etc., so there would be no material impact on any projects.

Commissioner Brackett commented that she was very pleased with the progress on MB park and congratulated the team for moving forward with the 1450 Owen Street project. She thanked the team for moving forward with the TB and the Hunters Point parks as well and added that there was a great need for additional green space in these areas.

Commissioner Scott thanked the team for such a thorough report. She stated that she was very pleased with the Under Ramp Parks and the efforts to make use of all areas to offer shelter to San Francisco residents. She requested confirmation that there was 100% affordable housing at one of the projects.

Mr. Brandin responded in the affirmative that TB Block 2, East and West, would be 100% affordable.

Commissioner Ludlum thanked the team for their hard work and thanked Interim Executive Director Morales for his help in answering his recent questions.

Vice-Chair Rosales referred to the 55 FTE staffing level and her understanding that there were some vacancies and recent retirements, such as Raymond Lee, who had retired and inquired about the status of these vacancies; inquired about whether 55 was still a good target number for FTE. She referred to the Hunters Point (HP) Shipyard report on affordable housing for Blocks 10A and 10-11 and inquired as to whether these were still OCII blocks for affordable housing.

Interim Executive Director Morales responded that there were 18 vacancies at this time and added that most of these vacancies had occurred during the slowdown of the pandemic. He stated that he looked forward to working with the new Executive Director to fill some of these positions. Mr. Morales responded in the affirmative to the 55 FTE question. He explained that things were picking up now and he felt that all the staff positions would be needed and should be filled for work still to be done at TB and MB and for restarting the Candlestick Point (CP) and Shipyard projects at some point in the future.

To the HP Shipyard question, Ms. Colomello responded that these were two affordable parcels that were moving forward in CP, one being developed by Mercy Housing and the San Francisco Housing Development Corporation (SFHDC), which were on pause while the CP project was on pause. She added that they had funded predevelopment loans for both of them and they would restart that funding once the master developer started working again.

Commissioner Scott motioned to move Item 5(c) and Commissioner Ludlum seconded that motion.

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

Commissioner Brackett – yes
Commissioner Ludlum - yes
Commissioner Scott - yes
Vice-Chair Rosales - yes
Chair Bustos - absent

ADOPTION: IT WAS VOTED BY FOUR COMMISSIONERS WITH ONE ABSENCE THAT RESOLUTION NO. 11-2022, APPROVING A BUDGET FOR THE PERIOD JULY 1, 2022 THROUGH JUNE 30, 2023, AND AUTHORIZING THE TRANSMITTAL OF THE BUDGET AND INTERIM BUDGET TO THE MAYOR'S OFFICE AND THE BOARD OF SUPERVISORS, BE ADOPTED.

- d) Approving a budget and levy of special taxes for July 1, 2022 through June 30, 2023 for Community Facility Districts administered by the Successor Agency to the Redevelopment Agency of the City and County of San Francisco (Discussion and Action) (Resolution No. 12-2022)

Presenters: James Morales, Interim Executive Director; Bree Mawhorter, Deputy Director of Finance and Administration

PUBLIC COMMENT – None

Commissioner Scott thanked Ms. Mawhorter for the presentation and for all the information provided. She referred to \$70,000 in property tax that would be taken for maintenance and inquired about whether this would create a hardship if this was needed somewhere else.

Ms. Mawhorter responded in the negative. She explained that OCII generated hundreds of millions of dollars in property tax over and above what they expended and, according to Dissolution Law, those unused funds went to the other taxing entities, the largest of which was the General Fund of the City and County of San Francisco (CCSF), so they had more than enough property tax to meet the needs of the project area.

Commissioner Ludlum thanked staff for the presentation.

Interim Executive Director Morales wanted to confirm that Commissioners had separately received a report on compliance efforts, as required by law under the Mello Roos Act for CFD's, which was a publicly available report, and something that they were required to present to Commissioners and to the public. He explained that there were a series of reports on each of the CFD's.

Commissioner Scott motioned to move Item 5(d) and Commissioner Ludlum seconded that motion.

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

Commissioner Brackett – absent
Commissioner Ludlum - yes
Commissioner Scott - yes
Vice-Chair Rosales - yes
Chair Bustos - absent

ADOPTION: IT WAS VOTED BY THREE COMMISSIONERS WITH TWO ABSENCES THAT RESOLUTION NO. 12-2022, APPROVING A BUDGET AND LEVY OF SPECIAL TAXES FOR JULY 1, 2022 THROUGH JUNE 30, 2023 FOR COMMUNITY FACILITY DISTRICTS ADMINISTERED BY THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED.

- e) Authorizing a Personal Services Contract with Parklab Open Space Management, a California Limited Liability Company, for property management and maintenance of the Hunters Point Shipyard Phase 1 Community Facilities for an initial term of three years and three months with a one year option to extend; authorizing, for the initial term and subject to appropriation, a maximum contract amount not to exceed \$3,194,760, including a maximum contract management fee not to exceed \$108,841; Hunters Point Shipyard Redevelopment Project Area (Discussion and Action) (Resolution No. 13-2022)

Presenters: James Morales, Interim Executive Director; Lila Hussain, Senior Project Manager, Hunters Point Shipyard/Candlestick Point; Cathy Hickey, Principal, Parklab Open Space Management (POSM)

PUBLIC COMMENT – None

Commissioner Ludlum referred to the projections for 2024-25 and inquired about what the term was that they were currently approving.

Ms. Hussain responded that they were approving the total contract budget for all years listed there.

Commissioner Ludlum commented that they were getting a great deal for the contract management fee and congratulated everyone on this accomplishment.

Commissioner Scott inquired about how Parklab would ensure timely responsible upkeep of the property and the quality of their work without residents having to call in to complain. She reported that they had found that the quality of the work at some of their housing sites was not consistent or up to par.

Ms. Hussain responded that the HOA members had her email and contact info and she received communications from residents all the time, which she sent to the master developer. She added that once this transition was concluded, these communications would go to Parklab and residents would know who to contact for any property management issues. She deferred to Ms. Hickey for more information.

Ms. Hickey thanked OCII and stated that they were very excited about these parks. She explained that they were a small company and a very nimble team and very active in making sure they were addressing the issues at the parks. They reported that they had a work order system, work conditions, inspection reports, and that they inspected the parks daily, weekly and monthly. Ms. Hickey explained that they did preventive maintenance to make sure children's parks were safe and that they were very responsive to the community's needs. She added that the community always had the ability to reach out to them because this was a 24/7 job for Parklab and they tried to address issues right away.

Commissioner Brackett congratulated the team on this contract.

Vice-Chair Rosales commended the team presenting and for winning this contract. She was pleased with the 100% small business representation, and she noted that one of the small businesses was located in the Bayview

Commissioner Brackett motioned to move Item 5(e) and Commissioner Scott seconded that motion.

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

Commissioner Brackett – yes
Commissioner Ludlum - yes
Commissioner Scott - yes
Vice-Chair Rosales - yes
Chair Bustos - absent

ADOPTION: IT WAS VOTED BY FOUR COMMISSIONERS WITH ONE ABSENCE THAT RESOLUTION NO. 13-2022, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH PARKLAB OPEN SPACE MANAGEMENT, A CALIFORNIA LIMITED LIABILITY COMPANY, FOR PROPERTY MANAGEMENT AND MAINTENANCE OF THE HUNTERS POINT SHIPYARD PHASE 1 COMMUNITY FACILITIES FOR AN INITIAL TERM OF THREE YEARS AND THREE MONTHS WITH A ONE YEAR OPTION TO EXTEND; AUTHORIZING, FOR THE INITIAL TERM AND SUBJECT TO APPROPRIATION, A MAXIMUM CONTRACT AMOUNT NOT TO EXCEED \$3,194,760, INCLUDING A MAXIMUM CONTRACT MANAGEMENT FEE NOT TO EXCEED \$108,841; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- f) Authorizing a Disposition and Development Agreement and a Loan Agreement for \$75,184,522 with 350 China Basin Partners, LLC, a Limited Liability Company, for the Construction of a 148-Unit Affordable For-Sale Residential Project at 400 China Basin Street (Mission Bay South Block 9a); providing notice that these approvals are within the scope of

the Mission Bay Project approved under the Mission Bay Final Subsequent Environmental Impact Report ("FSEIR"), a Program EIR, and are adequately described in the FSEIR for the purposes of the California Environmental Quality Act ("CEQA"); and, adopting Environmental Review Findings under CEQA; Mission Bay South Redevelopment Project Area (Discussion and Action) (Resolution No. 14-2022)

Presenters: James Morales, Interim Executive Director; Pam Sims, Senior Development Specialist, Housing Division; Maria Benjamin, Deputy Director, Home Ownership & Below Market Rate Programs, Mayor's Office of Housing and Community Development (MOHCD); Marc Slutzkin, Project Manager, MB; Michael Simmons, Michael Simmons Property Development Inc.;

PUBLIC COMMENT – None

Commissioner Ludlum referred to the upcoming construction bank loan and inquired about what amount that loan would be in and about what the status was of those discussions.

Ms. Sims responded that they anticipated the loan to be in an amount of \$51 million. She reported that the construction lender was currently doing their due diligence and reviewing the construction to be done and that they expected to secure the loan within the next week.

Commissioner Scott thanked Ms. Sims for the report and was very pleased to see the participants who would be involved in this project.

Commissioner Brackett referred to the amendments to start outreach and marketing earlier than planned. She was pleased there was an outreach plan to start 30 days after construction time would start, which would give potential buyers and especially Certificate of Preference (COP) holders time to get their affairs in order to be able to qualify to be a purchaser in this development. Ms. Brackett requested more information about how the existing funds would support this and about how that information would be going out to potential purchasers; she inquired about what the plan was for this.

Ms. Sims responded that the down payment assistance loan funds were available to COP holders. She explained that as a part of the counseling process that each homebuyer went through, they would be made aware of those funds and encouraged to apply and take advantage of the availability of those MOHCD funds.

Ms. Benjamin responded that any funds that were available at the time that the project came online would be layered to get people qualified to get into this housing.

Commissioner Brackett inquired about what trends they were seeing through the MOHCD programs and whether that had been a feasible process for COP holders to be able to get the funds for homeownership and especially since rates were on the rise. She referred to concerns that many residents did not know about the OCII or MOHCD housing projects going on and inquired about the possibility of cross-marketing events to bring more awareness to upcoming projects, because sometimes these were one-shot deals.

Ms. Benjamin responded that this was a tough market whether potential buyers had a certificate or not. She explained that the median sales home price was over \$1.5 million and even with the City's down payment assistance funds, it was very tough to compete against all cash buyers and other buyers who could close escrow in 10 days as compared to 60 days for OCII buyers. Ms. Benjamin reported this was 100% affordable and that potential buyers would not have the same barriers as others on the regular market. She explained that starting early would be very important and the only other barrier would be understanding how the programs worked and the concept of a below market

rate (BMR) home as a way to enter homeownership and limited equity and whether that was beneficial to a homeowner. She added that very often low-income, first-time homeowners stayed in their BMR home for a long time and that the average turnover was seven years. So, overall, this would be a very beneficial move for low-income folks starting their home ownership process. Ms. Benjamin responded that they had made great strides in marketing over the past few years and that making adjustments to their marketing efforts had been successful in increasing the number of residents involved in their programs, especially with the black community. She reported that in 2019 there were three black homeowners who purchased their homes through the down payment assistance program; in 2021, there were 23. She felt that more community engagement and more local level communication had been working for them, especially now that they might be coming out of the pandemic and would be able to get out more effectively into the community.

Vice-Chair Rosales inquired about whether there was an opportunity to look at the COP lists they had available and based on either the interest of the holder or because they had not qualified previously, whether they could match the COP holders to this project. She referred to the fact that the neighborhood preference program did apply here to 25% of the units available and inquired about what the distance was for inclusion in this program, which included 148 units, all affordable for sale in MB and would be a prime opportunity.

Ms. Benjamin responded in the affirmative. She explained that the number of COP holders who would qualify or who had expressed interest in the homeownership opportunity at the current level of pricing was very limited. However, since the expansion of COP holders to descendants, they were starting to see a number of new COP holders express interest and they anticipated that this new group might qualify for an opportunity like this one. Ms. Benjamin stated that they were very excited about getting the information back from the researchers regarding finding the descendants and they hoped for good results there. She responded that the distance for inclusion in the neighborhood preference program was a half-mile within the supervisorial district and a half-mile radius from the project.

Vice-Chair Rosales referred to the parking allocation and to an issue involving a tenant in MB at one of the OCII affordable units who did not have access to parking and had to park on the street. Then the meter prices were adjusted during Chase Center events and the costs of parking had become very high now. She inquired about whether these kinds of issues had been considered within this project.

Ms. Sims responded that they were very concerned about the parking issues. They were researching various opportunities in MB and deferred to Mr. Slutzkin for more information.

Mr. Slutzkin responded that they felt confident about the 25% ratio at the for-sale level. He reported that they were having discussions with SFMTA and with UCSF regarding shared parking during evenings and were looking for some relief for the tenants in rental units of affordable housing.

Vice-Chair Rosales requested to be kept informed about this issue and wanted to receive a copy of the outreach plan at the time it was ready to be sent out.

Ms. Sims responded that they would do this with a cover memo.

Commissioner Scott stated how pleased she was with this report. She stated that this would be a one-shot deal for some potential homeowners, especially the grandchildren of the COP holders. Ms. Scott commented about how helpful the San Francisco Housing Development Corporation (SFHDC) and other organizations had been to these people. Ms. Scott requested assurance that the language in the documents would be simple and understandable and that they would be prepared to help COP holders with these issues.

Ms. Benjamin responded that they had done a re-evaluation of their existing homebuyer education services and had come to the conclusion that they weren't really meeting the needs of the people they wanted to help. So this year they started so-called support circles, so that when a potential homebuyer came to the homebuyer services, they would get individual help with their particular questions and needs. Ms. Benjamin added that they had hired a new person to manage these support circles for continuing help for potential homebuyers.

Ms. Sims added that the developers had noticed the disconnect between the volume of documents and the understanding of the potential homebuyer. As a result, they hired a consultant who was well versed in all of the documents, had worked at MOHCD for a long time, and this consultant and MOHCD would work together to assure that homebuyers were comfortable with asking all the questions they needed to ask.

Mr. Simmons stated that the last project he had worked on involving agency homeownership was the 1345 Turk Street project and they were comparing the two projects. He explained that that project was before social media was being used and they had held a monthly workshop at the African American Cultural center during which they reviewed the project, the documents, and the process for about 20-30 people and directed them to the homeownership counseling sites. Then, as they got closer, they started doing application workshops to demonstrate how to fill out an application. Mr. Simmons reported that now they were trying to figure out how to balance those workshops with today's more online processes. They are thinking of continuing those in-person workshops in the community but also posting a version of those workshops online on their website, perhaps in multiple languages. He added that they had also reached out to the African American Cultural Center to ask for their help with the community and with this process. They had targeted different groups, including the Black Nurses Association, teachers, SFMTA and were reaching out to them for help. Mr. Simmons mentioned Matt Haney as his representative in SOMA and spoke at length about Lisa Fitts, (formerly with MOHCD and sales consultant for the Block 9A team), who he had worked with since 1990. He reported that she had a very good understanding of the project. He reported that they had offered her an early concierge service to walk the COP holders through the process as their personal assistant and this had worked in Fillmore Park with the COP holders and that was how they had been able to get COP holders into that project.

Commissioner Scott motioned to move Item 5(f) and Commissioner Ludlum seconded that motion.

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

Commissioner Brackett – yes
Commissioner Ludlum - yes
Commissioner Scott - yes
Vice-Chair Rosales - yes
Chair Bustos - absent

ADOPTION: IT WAS VOTED BY FOUR COMMISSIONERS WITH ONE ABSENCE THAT RESOLUTION NO. 14-2022, AUTHORIZING A DISPOSITION AND DEVELOPMENT AGREEMENT AND A LOAN AGREEMENT FOR \$75,184,522 WITH 350 CHINA BASIN PARTNERS, LLC, A LIMITED LIABILITY COMPANY, FOR THE CONSTRUCTION OF A 148-UNIT AFFORDABLE FOR-SALE RESIDENTIAL PROJECT AT 400 CHINA BASIN STREET (MISSION BAY SOUTH BLOCK 9A); PROVIDING NOTICE THAT THESE APPROVALS ARE WITHIN THE SCOPE OF THE MISSION BAY PROJECT APPROVED UNDER THE MISSION BAY FINAL SUBSEQUENT ENVIRONMENTAL IMPACT REPORT ("FSEIR"), A PROGRAM EIR, AND ARE ADEQUATELY DESCRIBED IN THE FSEIR FOR THE PURPOSES OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT ("CEQA"); AND, ADOPTING ENVIRONMENTAL REVIEW FINDINGS UNDER CEQA; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

6. Public Comment on Non-Agenda Items - None

7. Report of the Chair

Vice-Chair Rosales stated that she had no report.

8. Report of the Executive Director

Interim Executive Director Morales referred to an event last year whereby OCII had authorized the use of a small park in TB on Essex Street between Folsom and Harrison for use as a community garden through a permit to enter to the East Cut Community Benefit District. He announced that on Saturday, April 23, at 11:45, there would be a grand opening of the community gardens, to which all Commissioners were invited.

9. Commissioners Questions and Matters - None

Commissioner Brackett announced that the previous Saturday she had toured the old Alice Griffith property with Interim Executive Director Morales and they had been pleased to see that there was a lot of work being done by the property management team to keep common areas clean. However, the development was still not getting any sanitation services from San Francisco Department of Public Works (DPW) because some of the streets had not been adopted yet. She inquired about whether the Commission should take that up at a future date as well as the issue of cleanliness and the lack of regular sanitary pickup services at that property.

Interim Executive Director Morales responded that since the streets were still not being accepted by the City and DPW, they did not have maintenance responsibility there. They would follow up on this issue and on any progress made on getting the City to accept those streets.

Commissioner Scott inquired about whether they did not have maintenance contract services on duty who could help keep the area clean.

Interim Executive Director Morales responded that the property management team for Alice Griffith was doing adequate maintenance of the property itself; however, Commissioner Brackett was referring to the streets and not the property.

10. Closed Session - None

11. Adjournment

Commissioner Scott motioned to adjourn.

Vice-Chair Rosales adjourned the meeting at 3:31 p.m.

Respectfully submitted,


Jaimie Cruz
Commission Secretary