

**MINUTES OF A REGULAR MEETING OF THE  
COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE  
OF THE CITY AND COUNTY OF SAN FRANCISCO HELD ON THE  
21<sup>st</sup> DAY OF APRIL 2015**

The members of the Commission on Community Investment and Infrastructure of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 1:00 p.m. on the 21<sup>st</sup> day of April 2015, at the place and date duly established for holding of such a meeting.

**REGULAR MEETING AGENDA**

**1. Recognition of a Quorum**

Meeting was called to order at 1:08 p.m. Roll call was taken.

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

All Commission members were present.

**2. Announcements**

A. The next scheduled Commission meeting will be a regular meeting held on Tuesday, May 5, 2015 at 1:00 p.m. (City Hall, Room 416).

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

Please be advised that the ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised the Chair may order the removal from the meeting room of any person(s) responsible for the ringing of or use of a cell phone, pager, or other similar sound-producing electronic device.

C. Announcement of Time Allotment for Public Comments

**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: Regular Meeting of March 17, 2015.

**PUBLIC COMMENT**

Speaker: Ace Washington, Community Activist

Mr. Washington commended the commission secretary for documenting all the information in the minutes for the OCII meetings so that everyone knew that he was doing everything possible to help with City issues.

Commissioner Singh commended Secretary Guerra on her job.

Chair Rosales referred to the reference to “CND” on the second full paragraph on page 9 and requested that it be changed to read “CMD”.

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

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

Commissioner Bustos – abstained because of absence

Commissioner Mondejar – yes

Commissioner Singh – yes

Chair Rosales – yes

**ADOPTION:** IT WAS VOTED BY THREE COMMISSIONERS WITH ONE ABSENTION THAT THE MINUTES FROM THE REGULAR MEETING OF MARCH 17, 2015, BE ADOPTED.

**REGULAR AGENDA**

**Items 5(b) and 5(c) related to Transbay Block 8 will be heard together but acted on separately**

- a) Conditionally approving, pursuant to the Transbay Implementation Agreement, the Schematic Design for a proposed high-density residential project on Transbay Block 8, located on Folsom and Fremont Streets, and making environmental findings pursuant to the California Environmental Quality Act; Transbay Redevelopment Project Area
- b) Authorizing, pursuant to the Transbay Implementation Agreement and Option Agreement, the Executive Director to exercise an option to purchase Transbay Block 8 (Block 3737, Lots 005, 012, 027), located on Folsom and Fremont Streets, from the City and County of San Francisco and to execute a Disposition and Development Agreement with Transbay 8 Urban Housing, LLC, a Delaware Limited Liability Company and Tenderloin Neighborhood Development Corporation, a California non-profit public benefit corporation for a proposed residential project with 404 market-rate and 150 affordable units on Block 8, and adopting environmental findings pursuant to the California Environmental Quality act; Transbay Redevelopment Project Area

Presenters: Tiffany Bohee, Executive Director; Shane Hart, Transbay Project Manager; Bill Witte, Chairman, Related California; Jason Long, Partner, Office of Metropolitan Architecture (OMA); Raymond Lee, Contract Compliance Supervisor; Jeff White, Housing Program Manager; Don Falk, Executive Director of Tenderloin Neighborhood Development Corporation (TNDC)

**PUBLIC COMMENT**

Speakers: Francisco Da Costa, Director, EJA; Ace Washington, Community Activist; Randall Evans, San Francisco; Dr. Espinola Jackson, Bayview Advocate

Mr. Da Costa stated he had stopped going to OCII meetings but he still watched them on TV. He stated he represented the Bay Area Muwekma Ohlone people and the previous Sunday he had given a presentation on the impact of the Ohlone Immigrants in regards to the San Francisco development. Mr. Da Costa spoke about the great divide between the rich and the poor. He stressed all land in the area still belonged to the Muwekma Ohlone and 18 treaties had been signed between California tribes and the U.S. government but not ratified. Mr. Da Costa warned developers and the non-profits who had no conscience that the time had come to do the right thing or suffer the consequences.

Mr. Washington commended Mr. Witte for getting involved with the RAD in the Western Addition and the Memorandum of Understanding under the Tabernacle Groups. He was not in support of the Rosa Parks Development. He spoke of new unacceptable principles in the new era: errors and failed efforts, misguided leadership and undermining the community. He stressed the community was not involved with developers. Mr. Washington shared his new idea, which was to place 5,000 black families into the housing proposed for the next 10 years, follow them, study them and then evaluate the project in 2025.

Mr. Evans stated he had known Mr. Witte for many years and was in support of what they were doing in Rosa Park. He added there were many problems there but he wanted to extend his support.

Dr. Jackson recalled in 1992 the U.S. Vice President, Al Gore, came to Bayview Hunters Point (BVHP) because of interest in a tenant organization called the Resident Management Council (RMC), which offered programs to train people who lived in public housing to become managers and workers and eventually run the housing project. The result of this program was that 20 tenants were trained to be managers and 10 were hired and it was agreed that the tenants would be able to purchase their apartments if they so desired. Dr. Jackson stated she was frightened about this development because the building was being built on landfill and if there was an earthquake, everything would come falling down. She reminded Commissioners that years ago voters had voted that no buildings in San Francisco would be higher than 60 feet and she wondered what had happened to those regulations.

Commissioner Singh inquired from Mr. Lee whether the developer was in compliance with SBE/WBE; inquired about tenant parking; inquired about parking for the non-OCII funded units; inquired about what other areas in the City had this ratio of one parking space for every 4 units.

Mr. Lee responded in the affirmative; the developer had been working closely with OCII staff in their outreach with small businesses and selection of small businesses as well.

Mr. Witte responded there was one parking space for every four units for the OCII funded units. For the rest, the ratio was .4 spaces per one unit, adding the design guidelines had indicated limited parking. He explained the developer had run some market studies and came up with those figures. He added the concept promoted transit, pedestrian and bike potential along with what the rest of the City was doing and their ratios were parallel to what was getting approved in other areas of the City as well.

Executive Director Bohee responded that in Transbay Block 9 there was a similar ratio and indicated the ratio was less in Transbay Blocks 6 & 7. She explained that in Mission Bay and other high density areas, there was excellent access to transit and even more so with the expected enhanced transit in the future with the electrification of Caltrain. Ms. Bohee reported the City's transit surveys for that area showed Transbay had the highest number of trips on public transit and also the worse traffic congestion. Other

City agencies had adopted the citywide policy of less than 1:1 parking. Ms. Bohee added that in other outlining areas, such as Hunters Point and Candlestick, there was 1:1 parking and greater because of the access to future transit was not available to that community.

Commissioner Singh stated he thought there should be more parking because he felt it would be very difficult to live there without parking; inquired about who would be in charge of the affordable housing units there.

Mr. White responded that the BMR's in the inclusionary Tower and the stand-alone affordable units would be in compliance with OCII marketing practices, which included very robust early outreach efforts one month after construction started. Subsequently, there would be additional marketing to ensure Certificate of Preference (COP) holders were contacted and provided with counseling help to become rental ready including assistance with credit counseling. The second preference would go to Ellis Act displaced victims and third preference would go to San Francisco residents. Mr. White indicated that as per the Memorandum of Understanding, the Mayor's Office of Housing and Community Development (MOHCD) would be overseeing the outreach and the lottery. He added TNDC, the affordable development partner with Related, would be implementing the marketing plan.

Commissioner Bustos stated the original concept of obtaining this property and offering larger units with multiple bedrooms had always been with the intent that families would be living in these units and purchasing these properties. He asserted that the idea of families moving around on bicycles represented an elitist attitude. Families in affordable units would need cars to drive to places and cars required parking spaces. Mr. Bustos indicated the Transit First policy was meant for a very small group of people which did not include families relying on their automobile or the elderly. So this idea was not realistic. Regarding the SBE update, he recalled he had recently spoken about the need to create fairness and equalize the playing field. Because of the accelerated growth in San Francisco, many outsiders were moving to the city and reaping the rewards of long-time businesses. Mr. Bustos advised staff to consider companies that had been in San Francisco for a long time and give them the opportunity to offer their services for these new projects. He thought it was a good project and endorsed it.

Commissioner Mondejar inquired about the impact of decreasing the number of affordable housing units from 170 to 150 units; inquired about what OCII would receive in exchange for this reduction. Ms. Mondejar indicated she was aware of the idea of expanding the units to include more bedrooms. She inquired about whether they had reduced the size of the grocery store from 22,000 square feet to 12,500 square feet in order to accommodate the size of the units.

Mr. Hart responded that the RFP required that 27% of the total number of units be affordable and the 150 units met that requirement. He responded that OCII would receive larger units. Mr. Hart explained the original RFP had stipulated a minimum of 500 square feet for the one bedrooms, 750 square feet for two bedroom and 1,000 square feet for 3-bedrooms and they ended up with 520-540 square feet for one bedrooms, 840-880 square feet for two bedrooms and 1100-1200 square feet for 3-bedrooms, resulting in larger units which would be more comfortable for the families living there. He responded the grocery store had been reduced but deferred to Mr. Witte to explain that reduction.

Mr. Witte responded that they initially started with an unusual concept of trying to obtain more space by combining two floors but which had involved two issues. The first was that this was an in-between size because the larger grocers wanted 30,000-40,000 square feet, which was not possible, but the bigger issue was the Paseo, which cut through the site. He explained that larger grocers wanted contiguous space so it was partly the size and partly because would not compromise the space. They had concluded that the larger grocers would have trouble getting the size trucks they needed into the garage. So, it was

combination of those things. Mr. Witte added that another issue was that there were a number of local grocers whose sweet spot would be 7,500-10,000 square feet.

Commissioner Bustos suggested that Executive Director Bohee and Mr. White hold or sponsor a workshop for the public in the next few months regarding the COP program, where they could discuss better outreach efforts, informing COP holders and getting them prepared for these opportunities and to set up a pipeline of applicants.

Chair Rosales pointed out that the forward calendar included a workshop with MOHCD which included a report on housing.

Executive Director Bohee added the workshop would include the 2013-14 housing production report. She stated that through 2020, OCII would be contributing 3,000 affordable housing units for low and middle income, of which 2,100 units were OCII sponsored projects and TNDC's Block 8 would contribute to that.

Chair Rosales stated Commissioner Bustos could bring this matter up during Commissioner's Questions and Matters later.

Chair Rosales inquired about the market study that resulted in the conclusion that there was a greater demand for larger units, which in turn resulted in the reduced number of units overall. She recalled that two years earlier the market demand had been for smaller units and inquired whether there had been a shift in the market; inquired about whether this had happened because more people wanted more space to grow families.

Mr. Witte responded that he would provide the market study to her. He explained his firm had developed the Paramount at 3<sup>rd</sup> and Mission with the former San Francisco Redevelopment Agency and when it opened in 2001, the average square footage was 770 square feet of studios, one and two bedrooms. The response at that time was the square footage was very small. He reported the trend today was for very small units. Second, Mr. Witte explained that in the very expensive tall buildings, it was not just a rent/square foot calculation, but rather that overall, the bigger units were commanding higher rents. There was a deficit of larger units offset by the many small units that had been built in the City over the past few years. As a result, the market study had steered them in a different direction. Mr. Witte agreed with Chair Rosales the reason for this might be because people wanted to grow their families. To the parking issue, he responded that when the Paramount opened, it had .6 spaces/unit and they had valet parked the entire garage. Today, however, only 32% of the tenants were using the parking spaces, so over time because of more transit options, etc., there was less demand for parking, although he agreed with Commissioner Bustos' comments about families' need for a car to be able to drive to other locations. Mr. Witte remarked these trends were evolving over time but now there were more people in downtown San Francisco, which was not originally residential. He indicated that schools were the key to more families moving downtown.

Executive Director Bohee added there was a school site planned for Mission Bay.

Chair Rosales inquired about how developers chose general contractors (GC's) because Commissioners did not see that selection and referred to attachment 4 and the robust list of their professional service providers. She inquired about the process they went through to choose a GC; inquired about whether they considered the ability of the GC to expedite the project. The reason she was asking was because some of the reports received in the last quarter showed that the minority business participation on the construction side in Transbay was not as robust as compared to Hunters Point.

Mr. Witte responded they typically worked with one or more of the GC's on an informal pre-construction basis for advice on cost estimates but that was not the same as the selection of the contractor who would build the project. He listed certain criteria: the GC would have to have experience working on San Francisco high-rise buildings, have previously done business with OCII because of all the criteria that needed to be addressed and familiarity with local hiring and other requirements, and have the bonding capacity to be able to construct a building of that size. He indicated there were perhaps five GC's in the area that met that threshold. Mr. Witte stated that Related had a very strong in-house construction and design team on their staff full-time. Their head of construction was the project manager for the firm that had built the Paramount 14 years earlier so they were very experienced and Related relied heavily on their input. He responded that they did not rely on the GC to expedite the project but rather to perform because Related's role was to manage the team of consultants, which included working with OCII and City staff. He stressed that "Do no harm" was the first rule. To Chair Rosales' comment about Transbay, Mr. Witte responded that, without knowing the details, the reason for the difference between Hunters Point and Transbay might historically be a function of the development of high rises more than the location, because there were so few firms with experience in building these large complicated structures.

Commissioner Mondejar remarked it was a beautiful building and inquired about plans for local art.

Mr. Witte responded by inquiring whether there was a public art requirement for this project.

Executive Director Bohee responded in the negative for public works projects. She added that Fougeron or OMA would be able to answer the question regarding landscaping.

Mr. Witte responded they usually tried to offer public art whether formally required or not, because office buildings had public lobbies but not much interior public space. He indicated they would try to find local art and artists for the lobby, the Paseo and the landscaped areas. Mr. Witte described another project completed by Related in Crescent Cove, a 240 affordable unit project in Mission Bay North on the tracks on the Showplace Square side of 280, where they had brought in a local muralist to paint a mural on the wall. Even if there was no requirement, Mr. Witte stressed there would be some sort of art and they preferred to use local artists because then people felt more of a stake in what was going on.

Mr. Witte responded they had not gotten to that point yet, but added that those details would be filled in when they returned with the finished product. The potential for art would most likely be outside on Clementina, which would be completely changed when the exit ramp was moved. He noted that the abundant space open to the public would provide opportunity for art.

Dr. Jackson interjected that she had just advised Mr. White that she had received a letter from Olson Lee last year that Certificates of Preference would no longer be valid after 2016.

Chair Rosales advised Dr. Jackson that Public Comment was closed.

Commissioner Mondejar inquired of Mr. Falk about how this met the requirements of TNDC as a non-profit partner.

Mr. Falk responded that TNDC was thrilled to be part of the project. He stated they were very passionate about their values and it was important to represent their constituents in their discussions about design and financing and about how the project would be carried forth. He asserted that in their mutual selection of each other, TNDC needed to know that Related would be responsive when and if they raised those issues. He indicated that so far it had been a very good experience.

Chair Rosales commented positively on the design and was pleased with the terra cotta.

Commissioner Singh pointed out that of the 150 affordable units, 70 were inclusionary units which would be located on the first seven stories and inquired where the remainder would be located; inquired about whether any of the affordable units would be on the top of the building.

Mr. Hart responded that the 70 inclusionary would be on the first seven stories of the Tower and the remaining 80 OCII-funded units would be located in one adjacent podium, which was the 65' high podium, and on the second podium across the Paseo.

Executive Director Bohee responded in the negative to Commissioner Singh's second question.

Mr. Hart had the design team stand up.

Chair Rosales commended the team on their work.

Commissioner Mondejar referred to the second page of Attachment 21, to the Declaration of Affordability Restrictions for the BMR units, regarding the size and finishes of units. Ms. Mondejar recalled a previous discussion where it was stipulated that BMR units would have the same size and finishes as the market rate units and pointed out that the last line read "current standard". She inquired about whether they could add "current industry standard" and asked Mr. White to expand on this for the other Commissioners; inquired about making sure the BMR units had the same amenities as the market rate units, such as door entrances, etc. and not having a separate entrance for the BMR tenants; inquired whether there was language stating that those amenities could not be amended later in the case of redesign or remodeling; referred to page 3, #2.2, Internet and other Media and inquired about whether social media could be included in advertising because it still referred to advertising in local neighborhood newspapers, and adding social media would ensure that by that time there would be better outreach to potential BMR applicants.

Mr. White responded in the affirmative, that they could add that line. He explained that in Section 1.4 of the Declaration of Affordability Restrictions for the BMR units in the 80/20, they were going to slightly revise the description of the finishes of the BMR units to read "current industry standards" in order to ensure and better define the unit finishes. Mr. White responded the schematic design had a shared lobby and they did not have language to indicate that but since they had a shared lobby and shared elevators, there would be no distinction between the units. To the question about amenities being amended, he responded that in the conditional language, any proposed change orders or revisions would have to be reviewed and approved by OCII. Mr. White was confident that their partner, TNDC, would be stepping in for the interest of the BMR and affordable units. Mr. White responded that they could include social media in the advertising language as well.

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

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

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

**ADOPTION:** IT WAS VOTED UNANIMOUSLY BY FOUR COMMISSIONERS THAT RESOLUTION NO. 19-2015, CONDITIONALLY APPROVING, PURSUANT TO THE TRANSBAY IMPLEMENTATION AGREEMENT, THE SCHEMATIC DESIGN FOR A PROPOSED HIGH-DENSITY RESIDENTIAL PROJECT ON TRANSBAY BLOCK 8, LOCATED ON FOLSOM AND FREMONT STREETS, AND MAKING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; TRANSBAY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

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

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

Commissioner Bustos - yes  
Commissioner Mondejar – yes  
Commissioner Singh – yes  
Chair Rosales – yes

**ADOPTION:** IT WAS VOTED UNANIMOUSLY BY FOUR COMMISSIONERS THAT RESOLUTION NO. 20-2015, AUTHORIZING, PURSUANT TO THE TRANSBAY IMPLEMENTATION AGREEMENT AND OPTION AGREEMENT, THE EXECUTIVE DIRECTOR TO EXERCISE AN OPTION TO PURCHASE TRANSBAY BLOCK 8 (BLOCK 3737, LOTS 005, 012, 027), LOCATED ON FOLSOM AND FREMONT STREETS, FROM THE CITY AND COUNTY OF SAN FRANCISCO AND TO EXECUTE A DISPOSITION AND DEVELOPMENT AGREEMENT WITH TRANSBAY 8 URBAN HOUSING, LLC, A DELAWARE LIMITED LIABILITY COMPANY AND TENDERLOIN NEIGHBORHOOD DEVELOPMENT CORPORATION, A CALIFORNIA NON-PROFIT PUBLIC BENEFIT CORPORATION FOR A PROPOSED RESIDENTIAL PROJECT WITH 404 MARKET-RATE AND 150 AFFORDABLE UNITS ON BLOCK 8, AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; TRANSBAY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- d) Workshop #2 on OCII's Fiscal Year 2015-16 Budget, Including Administration, Debt Service, and Asset Management Obligations outside Major Approved Development Project Areas: Yerba Buena Center, Rincon Point – South Beach, Western Addition A-2, South of Market, Hunters Point, and Bayview Industrial Triangle (Discussion)

Presenters: Tiffany Bohee, Executive Director; Leo Levenson, Deputy Director, Finance & Administration; Christine Maher, Manager, Real Estate & Development Services

Ms. Bohee announced this would be the last presentation by Mr. Levenson, who, after three years with OCII, had accepted a position as Deputy Director with the Department of Technology and added that they were working to fill his position.

#### **PUBLIC COMMENT**

Speakers: Ace Washington, Community Activist; Francisco Da Costa, Director, EJA; Dr. Espinola Jackson, BVHP Resident

Mr. Washington expressed concern about when OCII was scheduled to hold their meeting in the Western Addition and was hoping it would be on May 5, 2015. He expressed concern OCII was ignoring the Western Addition problems. Mr. Washington referred to developer Michael Johnson, and claimed OCII



should not continue to allow Mr. Johnson to come to the Western Addition Community to do whatever he wanted. He reported that Mayor Lee was setting up his re-election office in their community as well. Mr. Washington inquired about the whereabouts of Ms. Maher who he had spoken to the previous day and had told him she was coming to the meeting. He inquired about all the money in the Western Addition and commented about businesses closing down there. He inquired about why the locks had been changed at the community center and stated he wanted to get his belongings back. He requested OCII set up a meeting with Michael Johnson to find out what he was doing in the community and that OCII unlock the doors so he could get his belongings out.

Mr. Da Costa stated his office received a ROPS statement and he followed the process and would send the State a notice about what they had heard in the meetings, what they had found missing in the ROPS report and informed the State about the numerous times that the Oversight Board meetings had been cancelled. Mr. Da Costa was pleased all the former employees had received their benefits, albeit for doing a lousy job. He asserted the community should have the same information as OCII had so everyone was on the same page. Mr. Da Costa stated he had requested assistance from OCII for minimal repairs on the Grace Tabernacle Church due to water damage and had spoken to Executive Director Bohee about this issue.

Dr. Jackson pointed out the wording in the presentation included "Hunters Point and Bayview Industrial Triangle Discussion" and she requested that this language be removed because there had never been a Bayview Industrial Triangle. She also claimed there was no BVHP because Bayview and Hunters Point were separate. Dr. Jackson explained at first it was Hunters Point, which was on the east side of 3<sup>rd</sup> Street where all the blacks had lived and temporary housing had been built for them. She reported Bayview had come later when the integration laws were passed and blacks were able to buy property. Dr. Jackson recalled Bayview was originally an Italian community. When the Italians left Bayview during the 60's, the blacks moved in and it became 70% black homeowners. Dr. Jackson referred to Olson Lee and MOHCD and funds for the tenants and claimed there needed to be an investigation regarding the agencies in the City. She advised everyone to go to [www.sanfranmag.com](http://www.sanfranmag.com) and look up the article from September 6, 2006 for more historical information about the City.

Chair Rosales announced she would be taking a break to deal with another matter and that Commissioner Mondejar would take over as Chair during her absence.

Commissioner Singh referred to page 23 of the presentation regarding the Western Addition and pointed out an error in the total amount. Mr. Singh referred to the garage operating expenses of \$415,000 and the garage operating deficit of \$600,000 and inquired why they had to lease the garage to anyone; inquired about how many parking spaces were in the garage. Mr. Singh stated they should find someone who could operate this garage at a profit and not at deficit and remarked that the people operating the garage should pay for the expenses.

Mr. Levenson responded the error would be corrected before the final budget. Mr. Levenson responded the \$415,000 was the expense amount that could be covered by the revenues and there was potential for more expenses. He explained this garage had been operating at a loss after the bankruptcy and the closure of the nightclub in the neighborhood. He stipulated that OCII had not yet considered closing the garage given the situation and the efforts to try to revitalize the area in hopes of a better outcome for the future. Mr. Levenson explained this reserve would cover any problems that might arise in the near future to keep

the asset in good condition. He agreed with Commissioner Singh that this garage should not continue operating at a loss.

Ms. Maher responded that there were 112 parking spaces in the garage. She added that in OCII's agreement to operate the garage, it was stated that OCII would cover the deficits and they had the option to either continue with the current practice or to close the garage. Ms. Maher explained that ultimately they were trying to stabilize the project and as part of the PMP, the plan was to sell the garage. She added that, based on what was going on with the Fillmore Heritage, this was a short-term problem.

Commissioner Singh stated he had never seen a loss from operating a garage in San Francisco. He stated that while he served as San Francisco Parking Commissioner, he covered 22 garages in San Francisco and everyone was making a profit.

Ms. Maher added before the closure of the Western Addition and Yoshi's bankruptcy, the garage was breaking even but once the Western Addition closed, revenues had started to fall off.

Chair Rosales inquired that at some point they needed a briefing on this matter in closed session because these matters were in litigation. She contended they needed to find out whether there were breaches of agreement and why there were such significant deficits. Ms. Rosales agreed with Commissioner Singh that something must be wrong if this garage was running in the red to this extent.

Commissioner Singh referred to page 24 and inquired about whether they paid \$308,000 every year for improvements at Shoreview Park; inquired about the \$200,000 in disposition costs and legal appraisal.

Ms. Maher responded in the negative and replied that they paid \$17,000/year for a property management contract. She explained every year they received \$300,000 of CDBG program income from FoodsCo and they stored up that money to be used for capital improvements to Shoreview Park. In the past, they had used that money for other purposes, but now they were just storing it up for capital improvements there. She indicated that they hoped to be able to transfer the asset as well as the funds to the City later this fiscal year. Ms. Maher responded that assuming that the PMP was approved by the State later in the year, there would be work forthcoming regarding disposing of the assets, such as appraisals, legal costs, title work, etc.

Chair Rosales announced Commissioner Singh had to leave at that time and that they would still have a quorum of three, but when her legal staff arrived, they would have to take a break.

Chair Rosales inquired about how they would be going about filling the deputy general counsel position and what the process was for that.

Executive Director Bohee responded there were about 100 classifications for work at any given time and that the position for deputy general counsel was a senior level attorney position and consistent with their labor MOU's with the local unions. Ms. Bohee described the process: first there was an internal posting for OCII employees only, which included a time period during which any internal candidate could apply. Then there was an external posting and pool, which, in this case, would be for a specific recruitment, and indicated that there were particular channels where attorneys could look. She added that they would be working with the HR team to help them fill this position. Subsequently there was a panel review and a vetting of the candidate. The candidate met executive staff in a second round and provided a writing sample, reference checks, etc.

Chair Rosales announced they would be taking a five-minute break so she could meet with her legal staff.

Chair Rosales referred to the existing budget and pointed out there was \$8.25 million in tax exempt housing bonds that could be used for proper purposes but not in any particular project area. She inquired whether they had to take any specific action to have those funds, which were not transferred yet, carried over to this new budget; referred to page 19 and inquired about the property at 72 Townsend, which she was not familiar with; inquired as to whether these were market rate units.

Mr. Levenson responded in the negative and added those funds, when originally budgeted, were placed in a project continuing fund which allowed the appropriation to carry forward into future years.

Ms. Maher responded that the 72 Townsend project predated her as well but it was a project that had been stalled in the market and then changed over time. She described it as 74 condo units over a warehouse space that was almost completed, so OCII's only role was to implement the Owner Participation Agreement.

Executive Director Bohee responded this project was located in the heart of South Beach and was the last residential site there. She explained it was included in their housing pipeline and included inclusionary units as well, which, she recalled, were at 15% at up to 100% AMI. Ms. Bohee added that it had had a number of owners, that KB Homes was the new owner, that it was entitled before the market fell and had pattered along but now was well under construction.

Commissioner Bustos inquired about OCII's relationship with the St. Regis. He referred to the Museum of the African Diaspora Museum (MoAD) and stated he had heard MoAD was paying \$10,000/month fee for a door, and commented this was a sizeable amount for a non-profit. Mr. Bustos inquired about whether OCII staff could set up a meeting with the St. Regis to discuss MoAD and the difficulties many non-profits were facing to be able to provide their services. He wanted to help MoAD because it was an important organization for San Francisco and a jewel of Yerba Buena and hoped they could come to an agreement regarding these charges, which MoAD could certainly put to better use.

Ms. Maher responded OCII had a DDA with the St. Regis and when the project was constructed, OCII had sold them the land. She explained there were some continuing obligations that still existed including a developer fee that was contributed to the Gardens. Ms. Maher responded the fee MoAD is paying probably had to do with the common area maintenance charges for the building. She stated that they had heard MoAD was having a problem with this issue but OCII has no control over this issue. Ms. Maher responded they would try to set up a meeting with the St. Regis.

Commissioner Mondejar inquired about the W Hotel and other properties; inquired about what those obligations were specifically, whether they were on the income or expense side?

Ms. Maher responded there were a number of older development agreements from years ago, such as with the W Hotel and St. Patrick's Church, those were still in effect with existing obligations that they needed to monitor. She explained these obligations did not take up significant staff time but occasionally things did come up. Ms. Maher specified OCII still had obligations under those agreements to do certain things and staff still had to monitor them but OCII did not play an active role and only got involved when issues or problems came up.

Mr. Levenson responded in budget terms, this represented a factor in staffing because some staff time was spent on this issue. He added that it was a very small item but still part of staff work time.

Commissioner Mondejar inquired about Jesse Square garage and port leases and the timeframes involved; inquired about whether the Jesse Square garage would eventually be part of the Mexican Museum.

Regarding the port leases, Mr. Levenson responded OCII was waiting for Department of Finance approval and the other came under the State Lands Commission, which could become effective at any time and then they would sign a document terminating the leases.

Regarding the Jesse Square garage, Ms. Maher responded in the affirmative. They thought escrow would close by July or August 2015, but the exact date was uncertain since it was developer driven. At that time they would transfer the Mexican Museum site and the Jesse Square garage to the developer.

Chair Rosales inquired about whether OCII had their own stand-alone marketing line item in the budget for affordable units so they would be able to enhance the efforts of the MOHCD and marketing for affordable housing. Ms. Rosales reiterated there had been a recurring unease regarding the COP program, the efforts to reach applicants, how to make sure those opportunities were made available, and whether those efforts were as effective as they could be. She inquired about tracking local hire and small business participation on the payment side. She recalled Elations was very effective on the workforce side and the award side for tracking small business commitments, but her concern was whether small businesses were getting paid, how much were they getting paid, whether they were tracking their payments, whether they had the technical tools to do this and whether they had the budget for it.

Mr. Levenson replied in the affirmative, that this would be within their staffing resources.

Executive Director Bohee responded as per the MOU, OCII paid MOHCD \$687,000 to provide a host of marketing services. She specified that within each of the project budgets, OCII allocated a marketing budget for each of the housing projects, so the dollars, whether coming from bond proceeds of previous years, new tax increment requests or new bonds, typically amounted to about \$15,000 or more to make sure it complied with the policy directives of OCII and city wide goals. Ms. Bohee responded they could look at marketing budgets overall and review them in time for the next meeting in response to feedback from this meeting. To the payment question, Ms. Bohee responded OCII could do some due diligence and review and ensure they had included that in the budget and may have to revise our proposal. She explained OCII had a \$140,000 contingency budget for other professional services but they would check the software line item already there to see whether it was Elations or if there was some other state of the art commercially acceptable tool to track award vs paid.

Chair Rosales stated if they had the numbers on payments, their reporting of the SBE participation would be more accurate.

## **6. Public Comment on Non-agenda Items**

Speakers: Ace Washington, Community Activist; John William Templeton

Mr. Washington referred to his phone call with Ms. Wyatt of the Department of Finance located in Sacramento he had earlier in the week. He reviewed his previous requests: that the doors to the Heritage Center are opened so he could get his belongings out, that OCII hold a meeting with Michael Johnson so the community could be updated on his activities in the Fillmore and that OCII hold the Commission meeting in the Western Addition. Mr. Washington spoke about OCII and Sacramento obligations in regards to the Western Addition and references to the law but, asserted that the law was flawed. He spoke about the black population which had been wronged by redevelopment.

Mr. Templeton stated he had recently given a presentation at the American Educational Research Association on the California African American Freedom Trail, which had been endorsed by the Board of Supervisors and the State Historical Resources Commission and which was about to go into legislation at the Assembly. He explained this was relevant to OCII because a number of the locations were in project areas in order to continue the African American past and specifically last year they had requested a fund

sometimes as high as 100%, such as Dr. Davis Sr. Housing. She reiterated OCII policy direction was the lead.

Chair Rosales clarified the potential competitors then could be a joint venture between for-profit and non-profit developers; inquired whether the criteria used in the Transbay RFP, which gave points on the point system for workforce and diversity and small business consultants, would be used in this RFP.

Executive Director Bohee responded in the affirmative, although they had never seen that combination before. Ms. Bohee responded that currently the same criterion was not part of this RFP, but they could look at that. She explained that in Transbay Block 5, they had encouraged respondents to have a specialist on their team, whether internal or external, to make sure they had the particular expertise to put together a plan for SBE compliance and permanent workforce.

Chair Rosales recalled in Transbay Block 5, all the competitors had included an SBE/workforce consultant as part of the proposed prime team. Ms. Rosales wanted to make sure that OCII were being consistent and incentivizing this across the board and not just for large projects. Ms. Rosales recalled that in the last quarter report, it really was the Hunters Point Lennar project that stood out above all the rest as far as compliance with SBE policy. She indicated they needed to work on enforcing this in the other project areas as well. Ms. Rosales inquired as to where the referrals would come from and where the referring pipeline for candidates was.

Executive Director Bohee responded there were a number of city wide access points for the 50 units, such as in the Bayview, and deferred to Mr. White to supply more detail.

Mr. White responded that during the stakeholder meetings with the Veteran's Administration (VA) and the Human Services Agency (HSA), it had been decided that the HSA would provide the referrals for their clients in collaboration with the VA. He added that for the other 50 family units, OCII would implement the outreach process and hold the lottery along with MOHCD.

## **9. Commissioners' Questions and Matters**

Commissioner Bustos stated that he would like to hold a workshop within the next two months for any COP holder interested in learning about the COP program. He suggested OCII partner with San Francisco consumer credit counseling services to work with applicants to help them rebuild their credit and be better prepared and ready to fill these units. Mr. Bustos explained that COP holders might not be ready for the first units coming up, because this would take some time, but they had to let people know that these units were coming up on the market. He stressed that this had been forty years in the making and he countered that the applicants might be able to teach OCII how to do effective outreach or more effective outreach.

Secondly, Commissioner Bustos wanted a workshop for local artists to meet with the development partners to present their art to them, so they could start collaborating on the sculptures, murals or paintings that would be considered for the site.

Thirdly, Commissioner Bustos requested they schedule a meeting in the Western Addition. He suggested staff start collaborating with the Mayor's Office of Economic Development to see what could be done with the prime spaces in the Western Addition. Mr. Bustos recalled the Western Addition had a history of being known as the Harlem of the West and historically there had been great life there. He wanted to explore what OCII could do to revive that area. Mr. Bustos stressed that San Francisco was a very popular city that everyone wanted to visit and they needed to figure out a way to find businesses to fill those spaces so they were not running at a deficit and also look at the business plans to see what options they had.

Chair Rosales agreed they needed to hold the Western Addition meeting soon after attorney advice. She understood it was very distressing to see such a very vibrant area going downhill and echoed the sentiments of Commissioner Bustos. Ms. Rosales stated she was in favor of the idea of an audit of the CBA programs. She requested a list of all the CBA programs that the Agency had been involved with in order to see whether the outcomes were ever achieved, if they were still being achieved from a social justice standpoint, and whether they were making a difference.

Commissioner Mondejar inquired about the presentation that MOHCD was supposed to make on the COP program. She recalled that there were 6500 certificates issued but only 750 were currently active and requested a workshop to spread the word and supported Commissioner Bustos' idea. Ms. Mondejar also requested an update on the funding for the MOHCD web portal for the COP program as well as more information about their outreach program. Regarding Community Benefits, Ms. Mondejar stated she had previously requested information about the community benefit open spaces and wanted to know where those spaces were and who was utilizing them. She was aware of a couple of non-profit organizations that had received community benefits given by the Intercontinental Hotel developer which they had been able to take advantage of. Ms. Mondejar thanked the speaker who had raised this item because it needed to be exposed and because it was also necessary to be able to show the good work done by staff and the developers.

**10. Closed Session – None.**

**11. Adjournment**

Chair Rosales thanked Mr. Levenson for his years of service and wished him good luck in the future.

Commissioner Mondejar announced the State of New York had just created a Chief Technology Officer position by Mayor de Blasio and that a friend of hers had been appointed to that position. She stated she found it interesting that they had not had that position in place earlier in order to get the City connected.

Chair Rosales commented New York was old school and San Francisco was the 21<sup>st</sup> century.

The meeting was adjourned by Chair Rosales at 4:32 p.m.

Respectfully submitted,



Claudia Guerra, Commission Secretary