

Edwin M. Lee
MAYOR



Mara Rosales
CHAIR

Miguel Bustos
Marily Mondejar
Leah Pimentel
Darshan Singh
COMMISSIONERS

101-0182016-002

Agenda Item **5(a)**
Meeting of April 19, 2016

**MINUTES OF A REGULAR MEETING OF THE
COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE
OF THE CITY AND COUNTY OF SAN FRANCISCO HELD ON THE
1ST DAY OF MARCH 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 1st day of March 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 1:07 p.m. Roll call was taken.

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

Commissioners Pimentel and Bustos were absent; all other Commission members were present.

2. Announcements

A. The next scheduled Commission meeting will be a regular meeting held on Tuesday, March 15, 2016 at 1:00 p.m. (City Hall, Room 416).

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

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

C. Announcement of Time Allotment for Public Comments

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

4. Matters of Unfinished Business - None

5. Matters of New Business:

CONSENT AGENDA

a) Approval of Minutes: Regular Meeting of December 1, 2015

PUBLIC COMMENT - None

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

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

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

ADOPTION: IT WAS VOTED BY THREE COMMISSIONERS WITH TWO ABSENCES THAT THE MINUTES FOR THE REGULAR MEETING OF DECEMBER 1, 2015, BE ADOPTED.

Chair Rosales announced that before the balance of the calendar would be considered, OCII Commissioners would recess to consider items on the Redevelopment Financing Authority agenda.

Meeting officially recessed at 1:12 p.m. and reconvened at 1:39 p.m.

REGULAR AGENDA

Agenda items 5(b), 5(c) and 5(d) related to the Mission Bay Bonds were heard together, but acted on separately

b) Confirming the Authorization of the Issuance and Sale of Successor Agency to the Redevelopment Agency of the City and County of San Francisco 2016 Series A Tax Allocation Refunding Bonds (Mission Bay North Redevelopment Project) in an Aggregate Principal Amount Not to Exceed \$125,000,000, Approving Preliminary and Final Official Statements and a Continuing Disclosure Certificate, and approving Other Related Documents and Actions; Mission Bay North Redevelopment Project Area (Discussion and Action) (Resolution No. 10-2016)

c) Confirming the Authorization of the Issuance and Sale of Successor Agency to the Redevelopment Agency of the City and County of San Francisco 2016 Series B Tax Allocation Refunding Bonds (Mission Bay South Redevelopment Project) in an Aggregate Principal Amount Not to Exceed \$45,000,000, and Successor Agency to the Redevelopment Agency of the City and County of San Francisco 2016 Series C Tax Allocation Refunding Bonds (Mission Bay South Redevelopment Project) in an Aggregate Principal Amount Not to Exceed \$115,000,000; Approving Preliminary and Final Official Statements and a Continuing Disclosure Certificate, and approving Other Related Documents and Actions; Mission Bay South Redevelopment Project Area (Discussion and Action) (Resolution No. 11-2016)

d) Confirming the Authorization of the Issuance of Sale of Successor Agency to the Redevelopment Agency of the City and County of San Francisco 2016 Series D Subordinate Tax Allocation Bonds (Mission Bay South Redevelopment Project) in an Aggregate Principal Amount Not to Exceed \$90,000,000; approving Preliminary and Final Placement Memoranda and a Continuing Disclosure Certificate; and approving Other Related Documents and Actions; Mission Bay South Redevelopment Project Area (Discussion and Action) (Resolution No. 12-2016)

Presenters: Tiffany Bohee, Executive Director, OCII; Bree Mawhorter, Deputy Director, Finance & Administration, OCII

PUBLIC COMMENT

Speakers: Ace Washington, Community Activist; Tom Gilberti, South Beach Resident

Mr. Washington expressed concern about new money going to Mission Bay without any opposition or from other members of the public besides himself. He asked Commissioners to consider what would happen if there was litigation regarding the Fillmore? The Governor could demand everything stop and impose injunctions to stop any further development before any action was taken to right the wrong that had been done to the Fillmore District. Mr. Washington stressed Community reform needed to happen.

Mr. Gilberti had been present at the previous meeting and commented on Item 5(e). He recalled Commissioner Bustos' comment about the "wow" factor. He was interested in contour and suggested the architectural design firm team take a walk along the Embarcadero to observe Delancey Street, Bayside Village, South Beach Marina Apartments, Steamboat Point Apartments and other residences which were nicely done and which the area needed more of. Mr. Gilberti thought the new apartment development looked like a long row of barracks and inquired about whether there was more than one entrance and suggested something more contoured and perhaps that the grounds behind the apartments be developed for level gardens and a gazebo center for the people living there. Mr. Gilberti commented that if you did not have a dog or a baby carriage; it was very difficult to meet people in new developments. He also suggested when bonds were passed, they displayed two figures--what they wanted the bonds to be and what the total figure was that they were giving the banks. He stated that this should be included on all documents.

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

Secretary Guerra called for a voice vote on Items 5(b), 5(c) and 5(d).

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

ADOPTION: IT WAS VOTED BY THREE COMMISSIONERS WITH TWO ABSENCES THAT RESOLUTION NO. 10-2016, CONFIRMING THE AUTHORIZATION OF THE ISSUANCE AND SALE OF SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO 2016 SERIES A TAX ALLOCATION REFUNDING BONDS (MISSION BAY NORTH REDEVELOPMENT PROJECT) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$125,000,000, APPROVING PRELIMINARY AND FINAL OFFICIAL STATEMENTS AND A CONTINUING DISCLOSURE CERTIFICATE, AND APPROVING OTHER RELATED DOCUMENTS AND ACTIONS; MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS VOTED BY THREE COMMISSIONERS WITH TWO ABSENCES THAT RESOLUTION NO. 11-2016, CONFIRMING THE AUTHORIZATION OF THE ISSUANCE AND SALE OF SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO 2016 SERIES B TAX ALLOCATION REFUNDING BONDS (MISSION BAY SOUTH REDEVELOPMENT PROJECT) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$45,000,000, AND SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO 2016 SERIES C TAX ALLOCATION REFUNDING BONDS (MISSION BAY SOUTH REDEVELOPMENT PROJECT) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$115,000,000; APPROVING PRELIMINARY AND FINAL OFFICIAL STATEMENTS AND A CONTINUING DISCLOSURE CERTIFICATE, AND APPROVING OTHER RELATED DOCUMENTS AND ACTIONS; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS VOTED BY THREE COMMISSIONERS WITH TWO ABSENCES THAT RESOLUTION NO. 12-2016, CONFIRMING THE AUTHORIZATION OF THE ISSUANCE OF SALE OF SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO 2016 SERIES D SUBORDINATE TAX ALLOCATION BONDS (MISSION BAY SOUTH REDEVELOPMENT PROJECT) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$90,000,000; APPROVING PRELIMINARY AND FINAL PLACEMENT MEMORANDA AND A CONTINUING DISCLOSURE CERTIFICATE; AND APPROVING OTHER RELATED DOCUMENTS AND ACTIONS; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

6. Public Comment on Non-agenda Items - None

7. Report of the Chair

Chair Rosales stated that she did not have a report.

8. Report of the Executive Director

a) Marketing Outcomes Report for 70 affordable housing units at Transbay Block 6 (280 Beale Street); Transbay Redevelopment Project Area (Discussion)

Executive Director Bohee announced OCII had entered into a Memorandum of Understanding (MOU) with the Mayor's Office of Housing and Community Development (MOHCD) to provide a variety of services, including marketing, lease-up services for both inclusionary enforceable obligations and 100% affordable projects. She explained that 280 Beale, otherwise known as Transbay Block 6, would supply the first marketing outcomes report and MOHCD provided information as part of that report. She deferred to Maria Benjamin (Director, Home Ownership & below Market Rate Programs, MOHCD) to discuss the report.

Ms. Benjamin reported MOHCD had started the marketing of 280 Beale in March 2015 and was 100% leased up by September. She explained the developer was Mercy Housing and the building was a 100% affordable with 69 one and two-bedroom units with one manager's unit on location. They applied all their preferences to the lottery, for which 5,354 people applied for. As a result, they housed six Certificate of Preference (COP) holders out of 12 applicants, which was a significant increase in COP applications for a rental development from previous years. Ms. Benjamin added that over the last year, there were four other rental developments and reported that at 1100 Ocean there were 11 COP applicants and four were housed; 1180 Fourth Street had 12 applicants and three were housed.

She contributed these positive results to providing more resources to applicants and also getting some of the denials overturned for not only COP holders but others on the preference list. Ensuring if the Developer was going to deny someone, they had to let MOHCD know and explain the reason for the denial. They were able to connect two COP holders to a rent subsidy program that allowed them to qualify for the units; otherwise they would have been turned down because they did not make enough income for the minimum income requirement. Of the six COP holders that were not housed, three did not follow through with the process and the other three did not meet the required income. One had a prior rental history that prohibited them from getting the unit. She displayed a map of the City showing where the people housed came from; most were from Districts 3 & 6 but Districts 9 & 10 also had good representation. All the COP holders at 280 Beale were African-American. Regarding income information, the units were made affordable at 50% AMI, which was approximately \$43,000/year. However, over half of the people living there made less than that due to subsidy programs, Section 8 vouchers or private program subsidies or they paid over 33% of their income in rent. In order to qualify for these units, they had to have a minimum income of twice the rent. No one paid more than 50% of their income for rent, but some were paying 40% of their income in rent. Ms. Benjamin reported that they now had a total of 870 active COP holders and that number was increased from the previous reporting due to the successful outreach to people they hadn't been able to reach before and who were reissued their certificates, which resulted in more active holders. They also sent out 1100 letters and received 300 responses back, many of whom qualified. Ms. Benjamin commended Kathy Davis and her hard work at getting seniors to apply for COP certificates in preparation for housing opportunities at the Dr. George Davis Sr. residence. They had one Ellis Act Housing preference holder and they were able to house that household as well. She indicated that the demographics were not as balanced as they would prefer; however, they were trying to improve that with more opportunities for people from the neighborhood to be able to qualify. Ms. Benjamin reported that in December 2015, the Board of Supervisors and Mayor Lee signed the Neighborhood Housing Preference Program, which would set aside 40% of the units in a building in a new development for people from that district and within a ½ mile radius from the project. However, she added, that lottery preference would not be applied to developments until after April 2016. They were working on finalizing the rules of that new program which would come before OCII soon. As a result of OCII input, Ms. Benjamin reported that they were about to release the survey which would collect COP holder data.

That survey would be sent out to all 870 holders on the list regarding household sizes, location of housing desired, ownership vs. rental, etc. and that report would be coming before Commissioners in the spring. Overall, they were happy with Mercy Housing and how they conducted the lease-up. She added that twenty-two households had appealed to Mercy and were turned down. Because of OCII and MOHCD activity with Mercy, nine of those decisions were overturned.

PUBLIC COMMENT

Speaker: Ace Washington, Community Activist

Mr. Washington commended Ms. Benjamin for her presentation and her hard work on this subject. He reported that years ago, Mary Rodgers and others had requested a COP of the original master list of COP holders, but never received it. Mr. Washington stressed there was a master list which had not been uncovered, but he did believe it still existed somewhere. Mr. Washington offered his assistance in finding that list.

Commissioner Mondejar was very pleased with all the good news and new information and stated she would like to meet Kathy Davis regarding the Dr. Davis Senior Residence. She inquired about the types of units the COP holders had received. She expressed amazement that over 5,000 people had applied for 69 units and inquired about what had happened to those remaining; she inquired about the status of DAHLIA and about how DAHLIA would make the process easier; she inquired about whether a person would have to reapply if they were on the waiting list; she inquired about the overturned appeals; inquired about age information and whether they were housing seniors, singles, or young families to get a cross section of the community now housed in that building; she inquired about whether they had gender information.

Ms. Benjamin responded that four were in one-bedroom and two in a two-bedroom unit. She explained that this was determined by household size and by choice. A two person household could go into a one-bedroom unit. However, the only households that could get a two bedroom unit were households of between 2-5 individuals. She responded that Mercy created a waiting list for an available unit, taking the lottery rank order. The waiting list had only 500 slots, was kept for three years and every year they contacted those on the waiting list to see if they still wanted to be on the waiting list. After three years, they replenished the list to hold another lottery. She responded in the affirmative, that the remaining applicants had to keep reapplying. Ms. Benjamin responded that DAHLIA would make the process much easier for developers like Mercy, because Mercy had to input over 5,000 applicants to implement this tracking process. The turnover of these units was very low because once people were in the units, they tended to not move. Ms. Benjamin responded the highest ranking household would get a call and they would have to update their information for the application. Mercy would then process it and if they qualified, they got the unit. If they did not qualify, Mercy would go to the next household on the list. Ms. Benjamin responded applicants would always have to update their income information but DAHLIA would allow them to just push a button and update their information online, without having to take their application anywhere to get a physical lottery ticket. She added that DAHLIA would give them information such as what lottery applicant number was being interviewed, etc.

Ms. Benjamin responded that when applicants were turned down, they were now informed that they could appeal if they believed the decision was based on incorrect information or if they had new information that might make a difference. She explained that in the past there was no recourse to appeal. In this case, 22 households had appealed and they had been able to overturn nine denials. As a result, these people had received housing. They were not able to overturn the remaining 13 denials. Ms. Benjamin responded the age range for all 69 units was from 19 to 80 years of age. Of the COP holders, the age range was 32 and 64 but it was expected that they would be older. At this time, they had no gender information on gender but would be collecting that data with DAHLIA.

Commissioner Singh inquired about how many were on the waiting list currently; inquired about the income requirement for the units; inquired about the Asian and African-American COP holders.

Ms. Benjamin did not have the exact number but assumed it was around 500. She responded that 50% was the minimum income to qualify for these units. If the rent was priced for someone who made \$43,000, the minimum income requirement would be for a household with \$21,000/year income. If those households were paying the entire rent, they would be paying almost 50% of their income in rent.

That was why they had the subsidy programs and the Section 8 voucher program, which can't be used anywhere else except in an affordable housing development. She explained that the City also funded several non-profit agencies that disbursed rent subsidy programs and those people were referred those programs. Ms. Benjamin responded that there were a total of 11 African American heads of households and half were COP holders. She acknowledged that there was a large number of Asian Americans applying for the units, but it was about who applied. The more people applied, the more balanced the demographics would be.

Chair Rosales commented on the San Francisco preferences. She inquired about how many non-COP holder/non-San Francisco residents, outside of the COP holders that came from outside of San Francisco, became San Francisco residents as a result of this lottery. Ms. Benjamin responded the number was 10.

Chair Rosales noted that this meant that only one COP holder came back to San Francisco. She inquired about how it was possible that there were five San Francisco preference levels and they still had 10 non-San Franciscans.

Ms. Benjamin responded the San Francisco live/work preference required by MOHCD had not been applied at 280 Beale.

Chair Rosales asked what exactly live/work preference meant.

Ms. Benjamin responded it meant that people both lived and worked in San Francisco. She explained that very often they got people that did not live in San Francisco, but did work in San Francisco and then came back. She did not have the exact numbers on how many of the 10 people housed actually worked in San Francisco.

Chair Rosales stated it was very counter-intuitive there were five levels of preferences, 69 units and over 5,000 applicants, there must have been plenty of San Franciscans among the applicants that did not get in, which didn't make any sense, unless 59 of the 69 were the only San Franciscans. She inquired about how, if the number of units was small and they were trying to house low income San Franciscans with all these preferences, they were getting beat out by non-San Franciscans.

Executive Director Bohee requested Jeff White, Housing Program Manager, OCII come up to clarify this matter.

Mr. White responded it had recently come to OCII's attention there was an oversight in the San Francisco resident and/or worker preference which was not included in the marketing plan and should have been. They were double checking to see if, of the 10 housed that came from out of the City, worked in the City. He explained this was their first Transbay Family project and the Transbay Redevelopment plan did not include the San Francisco resident or worker preference. However, OCII would be applying that preference for Transbay Blocks 9, 8, 7 and 1. Mr. White acknowledged this had been a marketing plan oversight.

Executive Director Bohee added it was in the loan documents and in the ground lease. Upon application, there was an oversight by the Developer.

Chair Rosales inquired about whether they knew if any of these families had once lived in San Francisco. She stated it was too late because everyone had already moved in. She requested an explanation because, as everyone was aware, their priority was for COP holders and then everyone else on the preference lists.

Mr. White responded they were trying to find that out.

Ms. Benjamin stated when they updated the waiting list; they would reapply the live/work preference in the future.

Chair Rosales inquired about how Mercy Housing, who was a sophisticated affordable housing developer, could have missed this important information in the loan documents.

Mr. White stated he could not speak for Mercy Housing. He repeated this was their first Transbay Family Project, that the plan did not have the preference and that it had been missed in the loan agreement. He was not sure how Mercy had missed it, but just knew that they had.

Chair Rosales inquired about whether the waiting lists were building-specific or developer-specific.

Ms. Benjamin responded that it was building specific. She added in the past waiting lists had been managed by the developer and not standardized across the MOHCD portfolio, so it was at the developer's discretion how long they kept it. She explained that MOHCD was moving to standardize all the waiting lists and monitor any activity taken on them

Chair Rosales inquired about why, if they had 870 COP holders, only 12 applied.

Ms. Benjamin stated notices were sent out to all 870 holders but she did not know the answer specifically. She guessed that not all of them qualified and they recognized this upfront; some were in housing situations they didn't want to leave; some were waiting until their rent increased; some were not interested in living in Transbay. This was where the survey would be very beneficial.

Chair Rosales inquired about the success formula for Asian-Americans, where they became aware of the housing, showed up and got the housing, because these were not COP holders. She commented that it was noteworthy that there were that many Asian-Americans coming in, assuming they faced the same challenges. If they could get the model that the Asian American community was using, then they could use it at Hunters Point and other areas.

Ms. Benjamin stated the survey inquired about how people found out about the housing opportunity and then they would be able to track that information. She explained they required developers to advertise in ethnic newspapers and the Chinese population had a high distribution rate and perhaps other groups did not have as great a distribution.

Chair Rosales inquired about how many Ellis Act Housing Preference holders there were; inquired about whether one Ellis Act holder came from either the Mission or SOMA. She explained that if that was the case, displacement would have been mitigated. They had a demographic picture of Transbay as being a wealthy, predominantly white district and they were trying to make it more diverse. Ms. Rosales requested information from the Executive Director regarding stores, childcare, shopping opportunities, etc. for the economically disadvantaged populations going into Transbay. She stated she looked forward to the DAHLIA release.

Ms. Benjamin responded that the number of Ellis Act holders was less than 200.

Executive Director Bohee responded in the affirmative, that there was childcare center in the Mercy Building, located in TB Block 7 across from 280 Beale.

Commissioner Mondejar inquired about how many people actually lived in the building; inquired about whether people could be on multiple waiting lists and whether the people on waiting lists already qualified. She commented there was no excuse for the preference oversight by the developer, because this could have been 11 San Francisco residents that were housed. Ms. Mondejar inquired about whether they could hire a COP Program Manager who could keep track of just the COP holders or bring in a non-profit like Kathy Davis who could also help these people qualify.

Ms. Benjamin did not know the answer to the first question. To the second question, she responded in the affirmative people could be on multiple waiting lists and often were and that this was allowed. To the qualified question, she responded yes and no, because they still had to update their income information, so they might qualify for one building but not another. Ms. Benjamin responded that they were not case managers and that MOHCD really only kept track of housing opportunities. She explained that MOHCD funded about a dozen agencies that helped with the application process, credit issues and barriers to housing, among others. They wanted to make sure the Fair Chance ordinance was being adhered to, in coordination with the Human Rights Commission, which required that developers accept people with criminal backgrounds with convictions older than seven years. If they were denied and could prove that they were in a program or working with a case manager, they could still be housed under special circumstances. However, they could no longer ask the question about criminal backgrounds on the application.

Commissioner Mondejar stated she was aware of organizations that worked very hard in Chinatown to help people get into affordable housing.

PUBLIC COMMENT

Speakers: Ace Washington, Community Activist; Pete Varma, Chair, National Association of Minority Contractors, California Chapter.

Mr. Washington inquired about whether OCII would be going to the Western Addition. He requested OCII partner with the Fillmore project developers, retailers and him to sponsor a meeting to show what had happened over the past 10 years to the Fillmore District. He stated he was aware many different City Agencies were dealing with the Western Addition but stated no one was talking to the community or to him to provide updates or information.

Mr. Varma announced that history had been made the previous week with the formation of a minority General Contractor (GC), which took 1 ½ years to develop. This minority GC would be able to bid on affordable housing and provide contracting work to minorities including women-owned and minority-owned businesses and disabled veteran organizations. Mr. Varma reported they had submitted a proposal for Mission Bay Block 3, which would include 80% local preference contractors and suppliers. He added that he collaborated with Asian, Hispanic and other minority organizations.

9. Commissioners' Questions and Matters – None

PUBLIC COMMENT - None

Chair Rosales asked that members of the public not involved in the Closed Session leave the room.

- a) CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Pursuant to California Government Code Section 54956.8, a closed session has been calendared to give direction to staff regarding the potential sale of the property described below.)

Property: 200 Main Street (Portion of Block 3739, Lot 008) also known as Transbay Block 4

OCII Negotiators: Tiffany Bohee, Sally Oerth, James Morales, Shane Hart, Jeffrey White

Negotiating Parties: For Urban Pacific Development, LLC: Christopher Collins

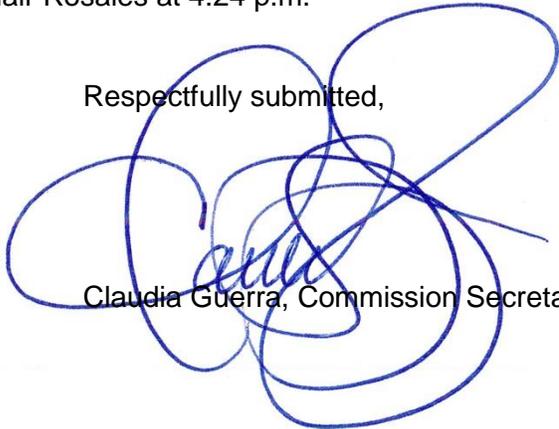
Under Negotiation: ___ Price, ___ Terms of Payment, ___x___ Both (Discussion)

Chair Rosales announced that there were no reportable actions taken in Closed Session.

11. Adjournment

The meeting was adjourned by Chair Rosales at 4:24 p.m.

Respectfully submitted,


Claudia Guerra, Commission Secretary