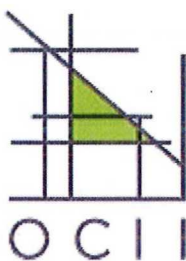


Edwin M. Lee
MAYOR



Marilyn Mondejar
CHAIR

Miguel Bustos
VICE-CHAIR

Leah Pimentel
Mara Rosales
Darshan Singh
COMMISSIONERS

Nadia Sesay
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
18th DAY OF JULY 2017**

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 18th day of July 2017, 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 1:00 p.m. Roll call was taken.

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

All Commission members were present.

2. Announcements

A. The next scheduled Commission meeting will be a regular meeting held on Tuesday, August 1, 2017 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 June 20, 2017

PUBLIC COMMENT - None

Vice-Chair Bustos motioned to move Item 5(a) and Commissioner Rosales seconded that motion.

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

Commissioner Pimentel - yes

Commissioner Rosales - yes

Commissioner Singh - yes

Vice-Chair Bustos - yes

Chair Mondejar - yes

ADOPTION: IT WAS VOTED UNANIMOUSLY BY FIVE COMMISSIONERS THAT APPROVAL OF MINUTES FOR THE REGULAR MEETING HELD ON JUNE 20, 2017, BE ADOPTED.

REGULAR AGENDA

- b) Authorizing an Exclusive Negotiations Agreement and a Predevelopment Loan Agreement in an amount not to exceed \$3,495,000, with Mercy Housing California 78, L.P., a California limited partnership, for the development of approximately 140 affordable family rental housing units (including one manager's unit) for extremely low and low- income families and a childcare facility at Mission Bay 6W, providing notice that this approval is within the scope of the Mission Bay Redevelopment Project approved under the Mission Bay Final Subsequent Environmental Impact Report ("FSEIR"), a program EIR, and adopting environmental review findings pursuant to the California Environmental Quality Act; Mission Bay South Redevelopment Project Area (Discussion and Action) (Resolution No. 28-2017)

Presenters: Nadia Sesay, Interim Executive Director; Gretchen Heckman, Development Specialist, Housing Division; Pamela Sims, Senior Development Specialist, Housing Division; Barbara Gualco, Director, San Francisco Housing Development, Mercy Housing

PUBLIC COMMENT

Speaker: Francisco Da Costa, Director, EJA

Mr. Da Costa stated that this item was about affordable housing and certificates (of preference). He reminded Commissioners that there was a time when 25% of the population of San Francisco was black, now it is down to 2%. He stressed that none of the outreach for this project is being directed to poor people or to people who contributed to those very San Francisco neighborhoods now under development. Mr. Da Costa stated that he represented the Muwekma Ohlone tribe, the first people in the Bay Area. He expressed concern that these new projects were being built on landfill, land prone to liquefaction and asked why anyone wanted to build housing on this land.

Commissioner Pimentel referred to Slide 11 which exhibited that there would be 70 two-bedroom and 35 three-bedroom units in this project. She inquired about whether the parking preference would be allocated according to family size or whether it was just a general lottery.

Ms. Heckman responded that normally parking was distributed through a random draw lottery process, run on a first-come first-serve basis. She stated that they would look into the possibility of giving preference to larger families and when that is resolved, she would let the Commission know.

Commissioner Pimentel stated that parents needed to have preference for parking because of the difficulty of shopping with small children and groceries. She referred to slide 12 and inquired about what the outreach process to San Francisco residents and the general public would consist of:

Whether it would be working with community based organizations in the specific areas as well as social media, advertisements, mailings, blogs, among other things. Ms. Pimentel inquired about how they intended to reach the targeted populations.

Ms. Heckman responded that all of the items Pimentel listed would be used by Mercy in their marketing process. She deferred to Pam Sims for more detail.

Ms. Sims responded that they had been learning a lot as they continue their marketing efforts for every new affordable housing project and subsequently, have added all those things mentioned by Commissioner Pimentel: social media, outreach to the Supervisors' office, newspapers, Craig's List, all local community organizations, organizations that target the disabled, among other things. She explained that they expanded their outreach for every new project because they were learning that they needed to use various types of media to reach everyone concerned.

Commissioner Pimentel inquired about whether they had considered sharing a table in different areas, such as in a school yard, for people who might not have access to media and other outreach mechanisms.

Ms. Sims responded in the affirmative. She reported that they had been in discussion with the Mayor's Office of Housing and Community Development (MOHCD) staff about sharing a table with them on their homebuyer programs as well as sharing outreach information with the Certificate of Preference (COP) program.

Vice-Chair Bustos returned to the parking issue and reiterated how critical it was for seniors and families to have access to parking. He commended Ms. Sims on her marketing work and for understanding the desire to get people into these homes. His concern was with COP holders and providing them the ability to return home. Mr. Bustos explained that many of the displaced people from Western Addition went to the East Bay. He suggested perhaps advertising in the Oakland Post, the East Bay Express or KPOO radio station so they could read or hear about the opportunity to return to San Francisco. Mr. Bustos also reminded Commissioners about past discussions regarding Saturday workshops to those who were interested to help them prepare for these units by providing consumer credit counseling and other credit or financial advice. Mr. Bustos was very pleased that this was taking place in Mission Bay (MB) and commended Mercy, and in particular Mother Baptiste Russell, Mother McCauley and Sister Amy Bailey for helping people get into these units and for all their accomplishments.

Commissioner Singh inquired about who would receive the parking spaces; inquired about whether it would be possible to increase the parking for this project; inquired about whether the \$3.49 million was a loan or a grant; inquired about how much in loans OCII was carrying for the last 20 years and how much had been paid off; inquired about how the loans were being paid off; inquired about who decided what individuals would get into the units of this project; inquired about who screened the list of applicant households; inquired about whether they had a list of all the applicants for the housing.

Ms. Heckman responded that parking selection would be conducted through a random draw process through lottery. She added that they were considering whether to give preference to larger household sizes. She responded that this was a loan. Ms. Heckman reported that over the last 10 years with Mercy, there was about \$90 million outstanding to fund five projects. She explained that the loans ran on a residual receipts process so if there was excess cash flow during the operations of any year, the funds came back to OCII and they could redeploy them into other projects. Ms. Heckman responded that through the marketing process, they worked with Mercy to make sure COP holders knew about the availability of the units, and then opened it up to anyone in San Francisco who qualified. She explained that the application period was 28 days during which time households could submit applications and then the applications were entered into a lottery system.

Then preferences were sorted out resulting in a list of households that then went through screening for compliance and income qualifications. Ms. Heckman responded that this was a partnership between Mercy and OCII and that Mercy would run the process and the screening. She responded that they would have a list once the marketing process began.

Commissioner Rosales inquired about the COP holders' survey.

Ms. Sims responded that their consultants had started the COP survey process the previous week and expected it to be completed within a few days and that they anticipated bringing the initial results and their findings to the Commission in September.

Commissioner Rosales inquired about the timing of the results of the survey and the lottery. She inquired about whether the survey results and the people who had participated in the survey would be able to inform the lottery for this development. Ms. Rosales referred to page 6 of the memo which stated that there would be a competitive solicitation for the general contractor selection with a message to contracting community which encouraged a "joint venture" approach. She inquired about whether Mercy had ever employed this Joint Venture (JV) approach before. Ms. Rosales referred to the statement in the memo that the borrower would enter into a letter of intent to lease with Blue Bear School of Music or "similar community serving tenant" and inquired about whether that meant that Blue Bear might not be the candidate. She added that the Commission had been very excited about their participation.

To the first question, Ms. Sims responded in the affirmative because, she explained, the item before them was just the Exclusive Negotiation Agreement (ENA) and construction would not start until mid or late 2018.

To the JV question, Ms. Gualco responded that they had done contractor joint ventures before and had just recently selected a contractor JV team to do Candlestick block 11A. She reported that 20 years ago, they had also created a contractor JV team, specifically with Cahill and TSM in the Bayview. Ms. Gualco stated that they would be encouraging the formation of JV's in the future.

To the letter of intent question, Ms. Heckman responded that Mercy did not have a lease signed with Blue Bear yet, but Blue Bear was still involved and was very excited about the space and were moving forward with the exact amount of space they would need and how it would be designed.

Chair Mondejar was excited about the 140 units, 35 of which were three-bedrooms and that fact that there was a possibility of adding four and five bedroom units. She inquired about whether they had applicants for the four- and five-bedroom units; inquired about whether they would be able to fill those units.

Ms. Heckman responded that they were adding the four- and five-bedroom units to meet the community redevelopment law replacement obligations enforced through the Alice Griffith (AG) project whereby they had to replicate the same number of units and unit mix that was previously housed on the AG public housing site. She reported that they were considering incorporating four and five-bedroom units into a couple of the OCII affordable housing properties. She responded in the affirmative to the last two questions.

Ms. Sims interjected that she was responsible for overseeing the lease up of AG phases I and II and the relocation of the demo phase one residents of AG into the newly constructed units. She reported that they were finding that households were much larger than previously anticipated and there was a distinct need for larger units with more bedrooms.

Chair Mondejar inquired about whether this involved multi-generational families, like grandparents living with the family.

Ms. Sims responded in the affirmative.

Chair Mondejar inquired about whether they were going to increase the number of parking spaces.

Ms. Heckman responded that the number of parking spaces was set at 28 and the design team had considered increasing that number to 42; however, OCII had recommended leaving it at 28 because of the increased \$1 million cost, the resulting reduction of the child care center and the loss of housing units.

Chair Mondejar commented that at least there were 140 bicycle spaces within a protected room. She inquired about including Ellis Act housing preference into their projects.

Ms. Sims responded that they had anticipated bringing this to OCII in September and would rather wait until that time for discussion because they needed to hold more internal discussions on this issue.

Chair Mondejar commented that she was very pleased that there was a women-owned designer working with Mercy Housing. She inquired about whether the SBE partner had been hired.

Ms. Heckman responded that this was for associate architect and that the partner had not yet been hired. She explained that there were three firms that had applied for the RFQ and that Mercy would make that selection soon.

Commissioner Singh commented his concern about having one parking spot for every five units and that he had never heard of this before.

Commissioner Rosales inquired about what went into the analysis about whether families got preference for parking; inquired about whether OCII would receive a report on that analysis.

Ms. Sims responded that currently the parking policy mirrored the City's practices and policies. However, given that, they had heard OCII's request that families and larger families receive preference. Therefore, their practices and policies were under review to shift those policies to grant OCII's request. Sims responded in the affirmative.

Chair Mondejar inquired about whether tenants would pay for the parking.

Ms. Sims responded that there was no additional cost for the parking space and that it was part of their rent. She added that only the inclusionary units paid extra for parking.

Vice-Chair Bustos motioned to move Item 5(b) and Commissioner Pimentel seconded that motion.

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

Commissioner Pimentel - yes

Commissioner Rosales - yes

Commissioner Singh - yes

Vice-Chair Bustos - yes

Chair Mondejar - yes

ADOPTION: IT WAS VOTED UNANIMOUSLY BY FIVE COMMISSIONERS THAT RESOLUTION NO. 28-2017, AUTHORIZING AN EXCLUSIVE NEGOTIATIONS AGREEMENT AND A PREDEVELOPMENT LOAN AGREEMENT IN AN AMOUNT NOT TO EXCEED \$3,495,000, WITH MERCY HOUSING CALIFORNIA 78, L.P., A CALIFORNIA LIMITED PARTNERSHIP, FOR

THE DEVELOPMENT OF APPROXIMATELY 140 AFFORDABLE FAMILY RENTAL HOUSING UNITS (INCLUDING ONE MANAGER'S UNIT) FOR EXTREMELY LOW AND LOW- INCOME FAMILIES AND A CHILDCARE FACILITY AT MISSION BAY 6W, PROVIDING NOTICE THAT THIS APPROVAL IS WITHIN THE SCOPE OF THE MISSION BAY REDEVELOPMENT PROJECT APPROVED UNDER THE MISSION BAY FINAL SUBSEQUENT ENVIRONMENTAL IMPACT REPORT ("FSEIR"), A PROGRAM EIR, AND ADOPTING ENVIRONMENTAL REVIEW FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

6. Public Comment on Non-Agenda Items

Speaker: Francisco Da Costa, Director, EJA

Mr. Da Costa stated that after the demise of the San Francisco Development Agency (SFRA), the City and County of San Francisco had an option to either carry on what the SFRA was doing in San Francisco or to hand it over to the State. Because of the need to grandfather in some of the huge projects, such as Hunters Point and Treasure Island, OCII was created. Mr. Da Costa stressed the need to pay attention to those who most needed a roof over their heads. He pointed out that there were many COP holders who were living in tents and who were homeless, including seniors, and nobody really cared about them. Mr. Da Costa inquired about the flow plan for the old public housing and stated that they needed to learn to ask for empirical data.

7. Report of the Chair

Chair Mondejar stated that she had no report.

8. Report of the Interim Executive Director

- a) Informational Memorandum transmitting the Candlestick Point and Hunters Point Shipyard Master Developer's Report on compliance with the Community Benefits Programs for January through March of 2017 and OCII staff analysis; Hunters Point Shipyard and Bayview Hunters Point Redevelopment Project Areas (Discussion)

Interim Executive Director Sesay reported that in Commissioners' packets there was a staff report and developer's submission with regard to compliance with the community benefits agreement. She explained that this was the third and most improved report and that most of the items were compliant except for two, which were outlined in the staff report. Ms. Sesay indicated that representatives from the Shipyard project area as well as from Five Point were available to answer questions, if any. Ms. Sesay explained that the two items not in compliance were the community builder program and the job training and employee assistance program. However, she reported that OCII and the developer were continuing to work on these items and that staff had made certain requests to see if they could improve and respond to these suggestions. Ms. Sesay added that this was a collaborative effort between OCII and the developer.

PUBLIC COMMENT

Speaker: Francisco Da Costa, Director, EJA

Mr. Da Costa stated that when Parcel A was conveyed to the SFRA, SFRA had conveyed it to Lennar and then Lennar went through some changes and was now Five Point. He reported that very few community members attended all the disposition and development issue meetings. Mr. Da Costa recalled that originally rental units were planned for Parcel A; later they amended the plan and removed the rental units. Today there was talk of community benefits and Mr. Da Costa

reported that Lennar had not been paying the community benefits it was supposed to be paying since 2013. He stated that Lennar had not been upfront regarding many things that were going on, like all the changes made in Parcel A. Mr. Da Costa recalled that Lennar had also promised 10,000 homes at Mare Island and did not deliver and forced Vallejo to go into bankruptcy. However, OCII still continued to work with Lennar and continued to believe that Lennar would deliver on the community benefits. Mr. Da Costa stressed that Lennar did not care at all about the BVHP residents and that Lennar was a rogue developer and no good would come from a rogue developer.

9. Commissioners' Questions and Matters

Commissioner Pimentel announced that during the past weekend she had visited AG and witnessed families moving into the AG project. She reported how happy they were to have a place to live. She asked for an update on the project. Ms. Pimentel inquired about rumors that the school district was planning on putting a school at AG.

Ms. Sesay responded that the conversation was still ongoing and no decision had been made.

Commissioner Singh commented that there was only one item on this agenda and requested that they have a more packed agenda next time.

Commissioner Pimentel inquired about the process of making Interim Director Sesay the permanent Executive Director.

Chair Mondejar responded that they were still in discussion with Ms. Sesay regarding this issue and asked Ms. Sesay directly if she had a response.

Ms. Sesay responded that she had not made a decision at that time.

Commissioner Rosales inquired about Mercy's formula for success for marketing retailers to the MB area. She referred to an article in the Chronicle recently about new retail in MB and how excited the MB residents were to have this happen.

Ms. Gualco responded that Mercy had secured a commercial leasing specialist, Nance Conover, who had a background in economic development and who was working with smaller businesses to create business plans for them to help them determine whether they had the financial capacity to open businesses. Ms. Gualco stressed that Mercy was committed to putting local San Francisco businesses in MB and she was working with local businesses and family-owned businesses to get them placed in the new MB retail. She explained that they could do this because OCII staff allowed Mercy to underwrite the developments to enable this, so they were not collectively looking for chain retailers with 20-year leases. Ms. Gualco added that without the commitment to get the smaller local retailers, it would be much more difficult.

General Counsel and Deputy Director Jim Morales reminded everyone that this item had not been put on the agenda and should be put on the agenda before any discussion took place so reports could be prepared. He added that simple questions and answers could be addressed.

Commissioner Pimentel inquired about whether there had been any focus on unique type of family-friendly retail, such as a coffeehouse with a treehouse for kids or having a coloring book included in the menu for kids. She stated that she would like to see more of this kind of thing.

Ms. Gualco responded that this was a great point. She reported that Mercy had asked Café Reve in San Francisco to have a basic cup of coffee at a certain price point. She added that perhaps they could ask restaurants to include a kids menu.

Vice-Chair Bustos referred to the street naming issue again. He reported that he had gotten great response to this item, including members of the Board of Supervisors who were very excited about this. Mr. Bustos also mentioned that he had spoken to some of the artists at the Shipyard who were concerned about the timeline and the process. He requested that they set up a meeting or a sub-committee to go and talk with the artists.

Chair Mondejar explained that OCII had met with the Shipyard artists in the past. She inquired about whether there were any comments regarding Lennar's report on community benefits.

Commissioner Rosales asked for a clarification regarding review by staff on each item and inquired about whether a blank comment meant that it had not been reviewed.

Kasheica McKinney, Assistant Project Manager, Hunters Point Shipyard/Candlestick Point, replied that if there was no comment, it did not mean that it had not been reviewed, but rather it meant that there was simply no comment.

Chair Mondejar announced that she had recently visited Hilltop Park in BV and commented on the beautiful artwork and stated that she had truly enjoyed the park. She commended staff on their work on Hilltop Park.

10. Closed Session - None

11. Adjournment

Vice-Chair Bustos motioned to move Item 11 and Commissioner Singh seconded that motion.

The meeting was adjourned by Chair Mondejar at 2:04 p.m.

Respectfully submitted,



Interim Commission Secretary