

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
19th DAY OF SEPTEMBER 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 19th day of September 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 1:03 p.m. Roll call was taken.

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

Commissioner Pimentel arrived late. All other Commission members were present.

2. Announcements

A. The next scheduled Commission meeting will be a regular meeting held on Tuesday, October 3, 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: July 18, 2017 and August 1, 2017

- b) Authorizing a Legal Services Contract with Shute, Mihaly & Weinberger, LLP, a Limited Liability Partnership, for an amount not to exceed \$1,500,000 and a three-year term beginning September 30, 2017, to provide specialized legal services related to implementation of Land Transfer Agreements guiding the reconfiguration of real property ownership within the Hunters Point Shipyard Phase 1 and Candlestick Point and Hunters Point Shipyard Phase 2 Development Projects; Hunters Point Shipyard and Bayview Hunters Point Redevelopment Project Areas (Action) (Resolution No. 30-2017)
- c) Authorizing a Legal Services Contract with Jones Hall, a Professional Law Corporation, for Bond Counsel Services, in an amount not to exceed \$219,000, related to Community Facilities District Formation and Administration, and Bond Issuance for development of Hunters Point Shipyard Phase 2 and Candlestick Point Project; Bayview Hunters Point and Hunters Point Shipyard Redevelopment Project Areas (Action) (Resolution No. 31-2017)
- d) Authorizing a Personal Services Contract with Public Financial Management, Inc., for Municipal Financial Advisory Services, in an amount not to exceed \$163,500, related to Community Facilities District Formation and Administration, and Bond Issuance for development of the Hunters Point Shipyard Phase 2 and Candlestick Point Project; Bayview Hunters Point and Hunters Point Shipyard Redevelopment Project Areas (Action) (Resolution No. 32-2017)
- e) Authorizing a Personal Services Contract with Goodwin Consulting Group, Inc., for Special Tax Services, in an amount not to exceed \$353,500, related to Community Facilities District Formation and Administration, and Bond Issuance for development of the Hunters Point Shipyard Phase 2 and Candlestick Point Project; Bayview Hunters Point and Hunters Point Shipyard Redevelopment Project Areas (Action) (Resolution No.33-2017)

PUBLIC COMMENT – None

Regarding Commissioner Rosales’ question concerning Item 5(b), Jim Morales, General Counsel and Deputy Director, pointed out that the item would have to be pulled out of the consent agenda and then followed by a presentation by staff to respond to Commissioner Rosales’ question.

Commissioner Singh requested that the individuals involved in all the contracts in the Consent Agenda be identified; inquired about whether OCII had worked with these individuals before.

Interim Executive Director Sesay identified bond counsel Steve Melikian, Chris Lynch and Juan Galvan for Jones Hall. She reported that most recently Jones Hall was bond counsel on the transaction approving the issuance of refunding bonds and new money. Ms. Sesay identified Mr. Bob Gamble as representative for Public Financial Management and Ms. Susan Goodwin was present to represent Goodwin Consulting Group, Inc.

Commissioner Singh motioned to move Items 5(a), (c), (d) and (e) and Vice-Chair Bustos seconded that motion.

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

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

ADOPTION: IT WAS VOTED BY FOUR COMMISSIONERS WITH ONE ABSENCE THAT APPROVAL OF MINUTES FOR REGULAR MEETINGS ON JULY 18 AND AUGUST 1, 2017, BE ADOPTED.

ADOPTION: IT WAS VOTED BY FOUR COMMISSIONERS WITH ONE ABSENCE THAT RESOLUTION 31-2017, AUTHORIZING A LEGAL SERVICES CONTRACT WITH JONES HALL, A PROFESSIONAL LAW CORPORATION, FOR BOND COUNSEL SERVICES, IN AN AMOUNT NOT TO EXCEED \$219,000, RELATED TO COMMUNITY FACILITIES DISTRICT FORMATION AND ADMINISTRATION, AND BOND ISSUANCE FOR DEVELOPMENT OF HUNTERS POINT SHIPYARD PHASE 2 AND CANDLESTICK POINT PROJECT; BAYVIEW HUNTERS POINT AND HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREAS, BE ADOPTED.

ADOPTION: IT WAS VOTED BY FOUR COMMISSIONERS WITH ONE ABSENCE THAT RESOLUTION 32-2017, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH PUBLIC FINANCIAL MANAGEMENT, INC., FOR MUNICIPAL FINANCIAL ADVISORY SERVICES, IN AN AMOUNT NOT TO EXCEED \$163,500, RELATED TO COMMUNITY FACILITIES DISTRICT FORMATION AND ADMINISTRATION, AND BOND ISSUANCE FOR DEVELOPMENT OF THE HUNTERS POINT SHIPYARD PHASE 2 AND CANDLESTICK POINT PROJECT; BAYVIEW HUNTERS POINT AND HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREAS, BE ADOPTED.

ADOPTION: IT WAS VOTED BY FOUR COMMISSIONERS WITH ONE ABSENCE THAT RESOLUTION 33-2017, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH GOODWIN CONSULTING GROUP, INC., FOR SPECIAL TAX SERVICES, IN AN AMOUNT NOT TO EXCEED \$353,500, RELATED TO COMMUNITY FACILITIES DISTRICT FORMATION AND ADMINISTRATION, AND BOND ISSUANCE FOR DEVELOPMENT OF THE HUNTERS POINT SHIPYARD PHASE 2 AND CANDLESTICK POINT PROJECT; BAYVIEW HUNTERS POINT AND HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREAS, BE ADOPTED.

Commissioner Rosales referred to 5b) and pointed out that in the proposed contract there was a compliance provision with the Small Business Enterprise (SBE) program and another provision stated that outside counsel would work in a joint venture situation potentially if one arose and inquired about how that would work with a sole source type contract.

Aaron Foxworthy, Deputy General Counsel, OCII reported that Shute, Mihaly & Weinberger (SMW) was a San Francisco-based law firm which had represented the San Francisco Redevelopment Agency (SFRA) and OCII for many years and in this particular subject matter, which was Doctrine of Public Trust in California, for almost 10 years. He explained that this contract would focus their work on their expertise in administering exchange agreements between OCII and the state and the City and County of San Francisco (CCSF) in exchange for certain lands subject to and not subject to the trust. This subject matter extended throughout the entirety of the Shipyard and Candlestick Point project area and there would be multiple phases of land exchanges which would continue over the next 10-15 years. Mr. Foxworthy clarified that this contract was for a term of 3 years in an amount not to exceed \$1,500,000, which was reached by looking at the agency's expenditures with SMW over the last 16 months and averaged that out, and then extended it out over three years. They had added a contingency of 20% to cover some unique circumstances coming up, including Phase 2 of the land exchanges, under the state parks exchange agreement, which would take a considerable amount of time to complete; as well as the developer's proposal to re-entitle the Shipyard Phase II portion of the project area, which would likely incur an adjustment of the trust exchange agreement negotiated with the state to accommodate the new land use arrangement under the re-entitlement. Mr. Foxworthy added that their previous contract had been extended seven times over the course of nine years and staff decided that instead of spending time to re-extend the contract, they would choose a term of three years and couple that with a not-to-exceed dollar amount. To answer Commissioner Rosales' specific question regarding interplay between the SBE program and sole source, Mr. Foxworthy explained that this was a sole source contract based on OCII's sole source policy on the law firm's particular expertise and experience in negotiating agreements. He acknowledged the tension between promoting SBE's by OCII and finding the proper professional services entity that had background experience in that area. This contract responded by encouraging the contractor to acknowledge OCII's SBE policy in their hiring of subcontractors. In addition, this very focused scope could take advantage of the law firm's

expertise in the subject matter and their background with OCII and would also allow usage of SBE's for other ancillary activities not related to the particular subject matter.

PUBLIC COMMENT - None

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

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

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

ADOPTION: IT WAS VOTED BY FOUR COMMISSIONERS WITH ONE ABSENCE THAT RESOLUTION NO. 30-2017, AUTHORIZING A LEGAL SERVICES CONTRACT WITH SHUTE, MIHALY & WEINBERGER, LLP, A LIMITED LIABILITY PARTNERSHIP, FOR AN AMOUNT NOT TO EXCEED \$1,500,000 AND A THREE-YEAR TERM BEGINNING SEPTEMBER 30, 2017, TO PROVIDE SPECIALIZED LEGAL SERVICES RELATED TO IMPLEMENTATION OF LAND TRANSFER AGREEMENTS GUIDING THE RECONFIGURATION OF REAL PROPERTY OWNERSHIP WITHIN THE HUNTERS POINT SHIPYARD PHASE 1 AND CANDLESTICK POINT AND HUNTERS POINT SHIPYARD PHASE 2 DEVELOPMENT PROJECTS; HUNTERS POINT SHIPYARD AND BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREAS, BE ADOPTED.

REGULAR AGENDA

- f) Review of Certificate of Preference Holder Survey – Initial Results and Proposed Next Steps (Discussion)

Presenters: Nadia Sesay, Interim Executive Director; Pamela Sims, Senior Development Specialist, Housing Division; David Mermin, Lake Research Partners; Maria Benjamin, Director, Home Ownership & Below Market Rate Programs, MOHCD

PUBLIC COMMENT

Speaker: Oscar James, native resident Bayview Hunters Point (BVHP)

Mr. James stated that he was one of the people that served on the joint housing and involved in creating the Certificate of Preference (COP) program in 1968/69 under Julia Colma, which started with Hunters Point and was then extended to include the Western Addition and other areas of the city. Mr. James stated that although he was a COP holder, he was not able to participate in the survey in question via his cell phone and believed that many other COP holders may have had a similar problem and were not included in the survey. Mr. James pointed out that one of the problems at the time was that many people who had been relocated had moved out of the area before the COP program even came into existence, which might add to the difficulty in finding all those displaced. He reported that he had three family members with certificates who had tried to apply for housing but were not able to come up with a sufficient down payment for a home. He suggested that OCII come up with a down payment assistance program to help young people with limited income who cannot afford a down payment in the city. He also asked the Commission to help homeless COP holders, especially families with children.

Commissioner Singh inquired about how many COP holders there were in total; inquired as to why they were only able to reach 114 for the survey. He lamented that this was not even 20% of the all the COP holders.

Ms. Sims responded there were 891 active COP holders. She responded that they mailed out postcards out to everyone and set up a phone number for people to call in. Later they did another mailing and they called the numbers that they had for all active holders. Originally, they only reached 70 but due to the additional outreach, they were able to reach another 44 people.

Commissioner Rosales inquired about whether this number reflected 891 individuals or households.

Ms. Sims responded that it was individuals.

Commissioner Rosales clarified that if there was one household with 7 COP holders and they all disbursed, this would count as 7, not one. She stated that 891 seemed a larger number than last reported.

Ms. Sims responded that every year there were individuals who moved around before they received their certificate and through the program, they issued many COP's every year.

Commissioner Rosales thanked staff for this survey because it helped to understand the complexity of the issue. She inquired about whether any postcards were returned to the agency.

Ms. Sims responded that they had 38 return-to-sender responses.

Ms. Benjamin stated that when they received a return and if there was a forwarding address, they updated their list with the forwarding address. She clarified that most returns were due to people moving.

Commissioner Rosales inquired about the recommendations and the conclusions, which seemed like they had two issues. She referred to the fact that most COP holders stated that their location preference was to return to the Western Addition (WA) and inquired about what housing opportunities there would be for COP holders to return to that area.

Ms. Benjamin responded that recently a building had opened up to COP holders in the WA, but other than that one, she was unaware of any other development with a private developer in the WA for affordable housing in the near future. She reported that there may be upcoming developments planned for the WA.

Commissioner Rosales inquired about whether these upcoming developments would fit the population in development: senior, two-bedroom, rent burden, COP holders.

Ms. Benjamin responded that if it was 100% affordable, then it would provide housing for people at 30%-60% AMI.

Vice-Chair Bustos stated that this had been an important issue for him since he was with the SFRA. He stressed that they had spent lots of money employing people to find all the COP holders and help them find housing and he expressed frustration that we're still not able to reach most of these people and there were no recommendations on how to reach them as well as the fact that so many of the COP holders did not even know they qualified for housing. Mr. Bustos stressed that they needed to get people ready for this by offering workshops on preparation for home ownership.

Ms. Benjamin responded that they were already doing this and doing it aggressively. She explained that for every new development coming online, they began the outreach process 18 months before applications were due, so they were already helping people qualify. They were also

making connections with interested parties. She stressed that whether interested parties actually came to the workshops offered was another matter and perhaps they needed to discuss how to more effectively get those individuals to the readiness workshops.

Vice-Chair Bustos responded strongly that this issue had been going on for 40 years and they were still at the same place 40 years later. He stated that people wanted to return to the Fillmore because that was where they remembered family and community. Now he was hearing that there were no opportunities for folks to return to their roots and the areas they came from. He suggested that Ms. Benjamin go onto KPOO and do an interview regarding the COP program, talk about the buildings being built in the areas in question and let people know about what was coming up.

Ms. Benjamin responded that she would welcome that opportunity. She described a current campaign, the brainchild of Supervisor Cohen's office, targeting the underserved populations who would be interested in purchasing home ownership units. The campaign advertised on billboards, bus stops and other public places with catchy phrases ("You gotta be in it to win it"), inviting people to come forward and take advantage of the affordable housing that was being offered to them. Ms. Benjamin commented that most telling was that many of the COP holders knew they had a certificate but at the same time felt that they would not meet the requirements for owning a home.

Vice-Chair Bustos responded that they needed to dive deeper into that particular group to inform them that they might qualify and could receive the assistance they needed.

Commissioner Rosales added that the response in the survey, "I believe I don't qualify" could also signify a self-exclusion so that they were electing themselves out, not because they really didn't qualify, but perhaps because they had been waiting almost 50 years to use the certificate. She agreed with Vice-Chair Bustos that a deeper dive into that group with a one-on-one approach to pull them out was necessary. She inquired about whether they knew who these people were.

Mr. Mermin interjected that part of the survey methodology was anonymity and they promised that they would not disclose personal information. For that reason, they did not match the answers to particular names, which was done in order to get honest and confidential answers from everyone. Therefore, to answer Commissioner Rosales' question, they did not know which answers came from which people. However, they did know from this group that they were overwhelmingly interested in the housing, were looking for housing and they knew what kind of housing they were looking for as well as a wide range of reasons as to why they had not moved forward which were things for OCII to try to address in the future. Mr. Mermin indicated that 71% of respondents were on cellphones for the survey but some people did have trouble getting through, and they were working on that issue. Their goal was to reach 200 people and they got through to 114. He explained that they first sent out postcards to the mailing addresses they had. The postcard included a number with a promise of a \$10 CVS gift card if people called the number for the survey.

Chair Mondejar suggested they increase the gift card amount.

Mr. Mermin agreed that this would be one option. They would probably get more people calling in with a higher gift card but then would have to decide whether it was worth the extra cost.

Commissioner Rosales inquired about whether they could take the respondent data pool and conduct additional research to more closely match preferences, responses and opportunities so they were connecting the target population who are being responsive and their needs.

Mr. Mermin added that they could collectively provide that information but they could not match that information individually.

Commissioner Pimentel suggested a campaign targeted to the self-excluding population that perhaps stated "You don't know until you know", to inform them that specific workshops were

available to find out if they were actually qualified and to work on those particular issues that they were excluding themselves from. She inquired about whether they were specifically targeting the campaign to those cities, counties and elected officials where those displaced were currently living to let them know about the campaign and get their help as well.

Ms. Benjamin responded in the negative. She stated that they send out communications wherever the COP holder was located every other month and sometimes several times a month.

Commissioner Pimentel inquired about whether they do targeted paid advertisements on social media where the return on investment was very cost-effective. The result would be that if anyone googled "affordable housing", they would start to receive information regarding housing whenever that information came up; she inquired about whether they were partnering with non-profits that had community organizers, such as people on the street who handed out flyers to people with particular issues and talking points. Ms. Pimentel found it interesting that one-third of those surveyed would not accept housing in particular areas. She inquired about whether they were aware of the changes going on in those areas, such as the Bayview, Transbay and Mission Bay (MB), because perhaps this would change their minds.

Ms. Benjamin replied that they had not done that yet and commented that this was probably not a big enough group (891 people) to conduct a very large campaign like that described. She thought a better idea might be to continue to target the group who responded with more information about the assistance they could provide and a general outreach to that group of people. To the partnering question, Ms. Benjamin responded in the affirmative and added that they had a lot of success with the Bayview Senior Services, SFHDC, the YMCA and other agencies that connected to a developer and the developer then supported the community outreach effort. Ms. Benjamin responded that they had not updated the information on the new changes to the targeted areas.

Chair Mondejar inquired about whether they knew how many COP's were originally issued.

Ms. Benjamin responded that originally there were over 6,000 households that were displaced. She explained that, originally, the certificate was sent to the head of household and then later in the program it was opened up to each household member. Ms. Benjamin indicated that people had big families back then, so sometimes one family member would find out about the program and then all the siblings would apply for a certificate as well. She explained that they knew how many certificates were issued, but they did not know how many total individuals were included in the original households. They only knew when those individuals signed up for the program and so far they had contact information on 891 of them. She added that of the original numbers of certificate holders, some had died, some never responded with contact information, some moved away, so they had no way to contact them anymore unless the COP holders contacted them.

Chair Mondejar responded that this might require a vigorous outreach program asking for the public's help to reach lost COP holders through paid advertising, minority publications, radio, TV, social media, print, churches. There may be people out there who remember friends or relatives who were displaced. She suggested that OCII Commissioners could help with the outreach through their own networks in their own communities. Ms. Mondejar also suggested a promotion through those who have already been housed to report on the process and the locations and how they were successful with the program. She inquired about the process of returned postcards and updating contact information; inquired about whether they provided assistance with pre-qualifying when interested parties applied on DAHLIA.

Ms. Benjamin responded that every time they made contact with COP holders, they asked for updated address, phone and email contact information. Some people did not have email addresses and some did not have cell phones. However, all of them were on DAHLIA and about ¼ of them had applied through DAHLIA. The remaining were still applying via paper. Ms. Benjamin stated that they would add all the Commissioners to their email housing and outreach list. She responded that they required each developer, whether private or non-profit, to conduct outreach in

the newspapers, community groups and neighborhoods where the development was taking place with a social media component as well. There was no specific outreach program just for the COP holders outside of their constant communication with the 891 people. Ms. Benjamin reported that they had recently hired a search company to conduct a people search of the original 6,000 households that were displaced. They found 1,100 names and had reached out to all 1,100, from which they obtained 400 new names. Ms. Benjamin explained that the results of any open-ended COP outreach to the public had been disappointing because many people applied only to find out that they were really not certificate holders because they had not been displaced. She added that this process required a lot of work and the results were not worth it.

Chair Mondejar thanked staff and MOHCD for the presentation update.

6. Public Comment on Non-Agenda Items

Speakers: Oscar James, native resident BVHP; Jason Fried, Shipyard resident

Mr. James stated that he had been travelling to the places hit by hurricanes and that this was the best country in the world. He thanked OCII for their work to help people in the communities. He had seen many COP holders in wheelchairs and asked the Commission to help the disabled. Mr. James urged anyone building in BVHP and/or the WA to make sure that a percentage of the housing was for homeless or for very low income. He remembered that early in the COP program those who received certificates as well as anyone over 18 in the household received \$4500 as well.

Mr. Fried stated that he had been a homeowner in the Shipyard since 2015. He was there to relate that homeowners were getting misinformation from Lennar. The issue concerned an area in the Shipyard which Lennar had told homeowners would be a park, but in reality was going to be developed for housing. He reported that Lennar has had to sell units more than once, partly because of delays and also because people were leaving because the area was not turning out the way they had been told it would be. Homeowners were having issues with Lennar and Mr. Fried requested that OCII come out to the community with Lennar for an update on what was being told to the homeowners.

7. Report of the Chair

Chair Mondejar stated that she had no report.

8. Report of the Interim Executive Director

- a) Report of Oversight Board Action on ROPS 17-18 Amendment (Discussion)

Presenters: Nadia Sesay, Interim Executive Director; Bree Mawhorter, Deputy Director, Finance & Administration

PUBLIC COMMENT – None

Commissioner Singh inquired about the current interest rate for tax exempt bonds; inquired about the current interest rate for taxable bonds; inquired about what was the outstanding bond portfolio amount.

Ms. Mawhorter responded that the projected interest rate for the next bond issuance is about 4.5%, which is elevated above the current market rate by about .6 basis points to account for market fluctuations that might happen between now and the time of issuance. Ms. Mawhorter stated that the projected interest rate is also slightly above the market rate because it reflects a blend of tax-exempt and taxable refunding bonds and that the interest rate for taxable bonds is slightly above

that of the tax exempt rate. Ms. Mawhorter stated that the outstanding bond portfolio is a little under one billion dollars.

Chair Mondejar inquired if all of the \$689,000 expenditure reduction from the proposed ROPS to the DOF approved ROPS had been shifted to the City; inquired about what would happen to the remaining amount.

Ms. Mawhorter responded that only a small portion of the costs had been shifted to the City. She explained that a large amount of the cost reductions are due to the fact that OCII will transfer existing assets sooner than anticipated, thereby reducing carrying costs anticipated for maintaining those assets. Ms. Mawhorter further responded that only the remainder of the cost reductions were achieved by deferring projects to future fiscal years that would not fit in the current fiscal year work plan. Finally, she stated that the original budget request was a projection based on estimates for professional services that likely overstated the actual cost.

- b) Notice of intent to issue a Request for Proposals for parks, streetscapes and property management services at Hunters Point Shipyard Phase 1; Hunters Point Shipyard Project Area (Discussion)

Presenters: Nadia Sesay, Interim Executive Director; Jonathan Plowman, Development Specialist, Hunters Point Shipyard/Candlestick Point project; George Bridges, Contract Compliance Specialist

PUBLIC COMMENT

Speakers: Ellouise Patton, BVHP resident; Jason Fried, Shipyard resident; Oscar James, BVHP resident; Kurt Grimes, Shipyard resident

Ms. Patton did not want the RFP to be broken up because it would do a disservice to small businesses that were able to perform the park maintenance but not the administrative piece. They needed to make sure that the opportunity for 94124 District 10 businesses was present. By not breaking up the RFP they would include businesses that did not have administrative capacity and businesses that did not have the park piece. So this was not creating opportunity but diminishing opportunity for community members. They were not against the RFP but she was against the way it was written. Ms. Patton stated that it seemed like this RFP was written for the people in Mission Bay but not for the people in the community. She speculated that there was an overall feeling that some of the Shipyard contractors had a bad reputation due to previous issues and there was a problem with doing business in the Shipyard. Ms. Patton felt that this contract was not fair to the small businesses in the community.

Mr. Fried agreed with Ms. Patton's view. He explained that there might be three or four different businesses that could perform each piece but to figure out who to partner with and which one would be the best at each piece could be difficult. However, Mr. Fried stressed that they needed to ensure that the services were put in place as soon as possible. He wanted to make a technical correction on the map included in the RFP showing the completed areas. The map indicated that all of Donahue Street was completely finished but he advised that only half of Donahue Street was finished. He suggested that they make sure that things were corrected in the RFP. Mr. Fried also pointed out that CAC members had been included in the RFP process and he suggested that they expand this to include Shipyard residents to serve on the RFP panel because they would be able to report best on progress on the process.

As a homeowner in the BVHP for 71 years, Mr. James welcomed the new homeowners to his community. He also echoed Ms. Patton's comments.

Mr. Grimes stated that he was also in agreement with Ms. Patton. He reported that he lived right across the street from the Candlestick national recreation area and former stadium and was program manager of the A. Philip Randolph Institute located in the BV. It had come to his attention

that OCII was looking to contract out one large RFP with the hope that local businesses would get attached to it. He indicated that it would be a great assumption to think that businesses in the Southeast (SE) sector could just jump onto this very large RFP. However, his concern was that it was well established that good faith effort really did not work in San Francisco and there was a history to prove this, which was why they had the local hire law. Mr. Grimes inquired about whether equity was really there for the community. He asked OCII to reconsider this RFP. He stated that the OCII staff was extraordinary, very smart and useful in the construction and business activities in the BV. He suggested staff go out into the community and talk to the businesses there. The presentation might make sense to Commissioners but did not make sense from the point of view of the local businesses.

Commissioner Pimentel thanked staff for the presentation and the public for their comments. She stated that she lived in the BV and had attended many meetings where people spoke about the pain of not being able to get contracts. She stated that by having the RFP be one lump sum, it would prohibit local businesses from getting access to the contracts because many local businesses had a specific skill set. Ms. Pimentel pointed out that often the same subcontractors get access to all the contracts. She wanted to see a broader range of outreach and engagement to media and also work with community based organizations with community organizers who knew where people were and how to bring people together. Ms. Pimentel inquired about the mandatory working sessions and what happened if people were not available during the day; would there be evening meetings or webinar access or other alternatives to ensure as much outreach as possible to be able to give more people a chance. She listed out a variety of organizations which could help find individuals in the BV community because word of mouth was vital in that community.

Mr. Plowman thanked Ms. Pimentel for her suggestions and promised to get in touch with those organizations. As far as alternate sessions, he explained that he was not sure how effective those would be because the other possible businesses they could partner with would not be present. Mr. Plowman clarified that they would be scoring proposals in part based on their attainment of the SBE participation and hiring goals. The teams and joint ventures that performed better on those metrics would score higher.

Commissioner Pimentel inquired about how often new small businesses were in the pipeline for contracts.

Mr. Bridges responded that the Contract Monitoring Division (CMD) regularly does outreach to small local businesses and, actually, on October 4, they would be conducting a workshop for small local businesses at their local office at 30 Van Ness Avenue. CMD would also be attending the pre-bid and networking session to help small businesses with questions regarding certification and the application itself. Mr. Bridges reported that they typically did not have mandatory pre-bids and that usually they were optional. Sometimes a mandatory pre-bid meeting was helpful so that the larger contractor could meet some of the local smaller contractors and they could team up at the time of the RFP, but this was not the norm. He added that OCII was committed to small businesses as could be seen in Yerba Buena Garden and in Mission Bay. He explained that MJM was a woman-owned small business and that the owner had teamed up with other small businesses for landscaping, security and janitorial and that it was working in the other project areas and they hoped it would work in the SE as well.

Vice-Chair Bustos inquired about how they could get their small businesses to become the big businesses. He pointed out that it was always effective to have one small business that brought all the others along. He inquired about when the other small local businesses would get a chance to bid on their own.

Mr. Bridges responded that they had seen MJM break out, which used to be KTV Realty which was an African-American owned small business. He reported that Mary McCue had bought that company and had branched out into Mission Bay, which they hoped would happen with other small businesses in the SE.

Commissioner Rosales referred to page 7 of the presentation and pointed out that there were 31 SBE's identified in the relevant zip codes. She inquired about whether any of those 31 could prime this opportunity and whether any analysis had been done to support this. She commented that it didn't have to be one very large prime with a number of small subcontractors but that they could combine as a joint venture. The entire team could be composed of SBE's. Ms. Rosales indicated that this was a weighty category which was scored as 15 points. She commended staff for highlighting this because it sent a message to the market. Ms. Rosales stated that she assumed the reason they were bundling all this was because it would be easier administratively.

Mr. Bridges responded that he had not done any analysis and Raymond Lee (Contract Compliance Supervisor) was on vacation but, knowing Ray, he probably has already done an analysis. He reported that they had been working closely with Local 261 who supplied the names of three contractors, two of which were currently working in the Shipyard on multiple projects. He replied that they would look into this to see if any of the 31 SBE's could take this on.

Chair Mondejar inquired about whether there was a company similar to MJM in the SE.

Mr. Bridges responded in the negative but they were hopeful that one would be identified. He added that one of the local contractors could serve as the lead or joint venture with other small businesses because there were three different scopes of work.

Chair Mondejar stated that it seemed like this would be a good model for OCII to develop and encourage so they could bring in smaller businesses to bid. She indicated that OCII needed to be able to foster that. She suggested modifying or amending the RFP to reflect this change.

Mr. Bridges stated that the pre-submittal conference was not until the October 16, so they would have time for that.

Chair Mondejar suggested that the 8 pocket parts in the presentation be named and also requested that the slides be numbered in the future.

Mr. Plowman responded that they were numbered but that the numbers might be difficult to see.

- c) Intention to issue a Request for Proposals to develop and operate up to approximately 100 units of affordable family housing on Blocks 52 and 54 in the Hunters Point Shipyard Redevelopment Project Area (Discussion)

Presenters: Nadia Sesay, Interim Executive Director; Elizabeth Colomello, Senior Development Specialist, Housing Division; Tamsen Drew, Senior Project Manager, Hunters Point Shipyard/Candlestick Point Redevelopment Project

PUBLIC COMMENT

Speakers: Alexander Deschamps, Shipyard homeowner; Rick de Francesco, Shipyard homeowner; Shannon Hetrick, Shipyard homeowner; Jason Fried, Shipyard resident; David Springer, Shipyard homeowner; Oscar James, BVHP resident

Mr. Deschamps thanked OCII for listening to his concerns regarding lots 52 and 54 in the Shipyard. He explained that he had bought his first condo in April 2015 and at that time was very excited to buy in the upcoming Shipyard neighborhood. Throughout the buying process, he was assured by Lennar that lots 52 and 54 would become parks for the community to enjoy, a claim told to him and, as of Sept 18, to 45 of his neighbors. Lennar had portrayed lots 52 and 54 as park area on their website, in their web marketing and within their sales office as of the previous day. In June 2017 Mr. Deschamps learned that OCII was planning to develop these lots into housing and that the plans had been on file since 2003. He reached out to Lennar who was unresponsive and

uncooperative. Mr. Deschamps distributed some of the Lennar marketing material to Commissioners. He indicated that there was a clear disconnect between OCII and Lennar and it was causing strain within the community. He felt there needed to be some accountability between what new homebuyers were being told and the truth as well as the lack of Lennar's response. He asked OCII to help them find an amicable solution.

Mr. de Francesco stated that he has been a resident of the City since 1972 and has lived in the BV since 1995. He explained that he was a retired schoolteacher with a very limited income but was able to find a home in the Shipyard. He reported that he decided to buy there because he had been promised open space, office and commercial space as well as neighbors of all walks of life and income. He and his partner wanted low-income residents to be able to share the area with them. However, his concern with the development plans of Blocks 52 and 54 was that they were too large and too tall. His residence would be blocked out of the sun if they developed these blocks because the high-rises would dominate the low-rises. He reported that currently there was no parking, no public transit, no shopping opportunities, schools, shops, libraries or other services available to residents. Mr. de Francesco felt that the scope and the size of the project needed to be looked at again because the original plans had been made in 2003 but currently there were no services, so everyone had to have a car. He requested that OCII reconsider these plans given the current circumstances in the area.

Ms. Hetrick bought her first home in the Shipyard. She reported that according to Lennar, they were planning to build a very vibrant community with 1,000 homes and 350 acres of park space. Ms. Hetrick indicated that over 25% of the current residents within Hilltop were anticipating that blocks 52 and 54 would be parks and she referred to the packet distributed by the previous speaker. Her concern was that the proposed structure on lot 54 would have 100 units of 1-5 bedrooms with a .6/1 parking ratio. The area was already constrained with regard to parking given the lack of infrastructure there. Ms. Hetrick reported that there had been significant delays regarding retail development and there was very limited public transportation. What OCII was planning with the RFP would compound what they were currently experiencing. The infrastructure was simply not there, the delays were real and the area could not possibly support what OCII was hoping to envision. Ms. Hetrick indicated that many new homeowners had invested their life savings to buy in the Shipyard and hoped that OCII would partner with them in this situation.

Mr. Fried echoed the fact that the infrastructure was not there yet and that the planned .6/1 parking ratio would not work for what was there right now. He suggested that perhaps the proposed housing could be located somewhere else rather than on lots 52 and 54. He pointed out that other parcels could be developed, such as Lot 1 along Galvez Street, in order to spread out the housing being developed and not have people living on top of each other until the infrastructure was in place. Mr. Fried reiterated that Lennar had lied to Shipyard residents about the development of the area and now OCII was paying for that with resident complaints. He asked OCII to help them with this situation.

Mr. Springer stated that he had been a Shipyard homeowner since June 2015. His concerns were about infrastructure and especially the lack of public transit options. Mr. Springer felt that with this RFP, there would be a significant increase in density in an area that would not be able to support it. He pointed out they were faced with this 14-year old housing plan which, if everything had gone according to plan, the RFP proposal would be fine, but there was still no public transit, no markets and the current planned parking ratio would not be sustainable. He asked OCII to please work with SFMTA to provide adequate transit to the area sooner than 2050 and to work with Lennar to build medical centers, markets, etc. to get the essential infrastructure and suggested delaying this RFP until solutions were found. He repeated the promises made by Lennar that had not come true.

Mr. James welcomed the new homeowners to the area. He reminded OCII about the loss of the Hilltop shopping center in 1963. He requested that OCII make Lennar keep their promise to keep lots 52 and 54 as parks. Mr. James felt it was wrong to promise one thing and wait until people

moved into the community thinking one thing was going to happen and then have something else take place. He asked OCII to not change the promises made to the residents.

Chair Mondejar thanked all the speakers for their comments.

Commissioner Singh expressed concern about the parking ratio in this area.

Ms. Collomello responded that they were doing an increased level of parking in recognition of the concerns expressed here at the meeting and the lack of public transit. They would have to dig underground for subterranean parking to provide 1:1 parking, which was probably not possible. But they would provide more parking in this area than at other newer neighborhoods in the City.

Commissioner Singh responded that he did not agree with that statement.

Commissioner Rosales inquired about whether there was any representation from Lennar at the meeting.

Ms. Collomello responded in the negative.

Commissioner Rosales made the suggestion that staff not issue the RFP until they received a response from Lennar. She stressed that when a significant number of people were expressing the same concern, then that indicated a problem.

Chair Mondejar pointed out that typically when they were discussing new development areas, they usually had an amenities and a transportation map but those were lacking here.

Ms. Collomello indicated that the second slide displayed the amenities.

Interim Executive Director Sesay clarified that there was no amenities map for the Shipyard because it was not fully built out.

Ms. Drew clarified that there were no amenities in the immediate neighborhood within walking distance for groceries or other goods and no public transportation except for #19 Polk bus. All the amenities being referred to in the presentation were for the future and it was very speculative as to when those amenities would be forthcoming. In addition to parking spaces within the buildings, Ms. Drew indicated that there would also be on street parking available.

Commissioner Singh referred to the .25/1 parking ratio in the presentation and inquired as to whether there was a parking garage in the area; inquired about bus service.

Ms. Drew responded that the .25/1 parking ratio was higher than other City neighborhoods. She responded that there was no parking garage.

Interim Executive Director Sesay responded that they could continue to explore more options before issuing the RFP. She clarified that they were offering .25/1 parking ratio and were considering a higher ratio due to the lack of infrastructure currently.

Ms. Drew responded that currently the area was only served by the #19 Polk bus for the area. There were other lines but they served mainly the BVHP neighborhood.

Interim Executive Director Sesay stated that it would have been helpful if Lennar had been there to respond. She stressed that OCII had been very clear that lots 52 and 54 would be developed as affordable housing and she sympathized with homeowners who had bought their homes based on certain inaccurate disclosures. Ms. Sesay reminded everyone that this was a lengthy process and more specifically, that they only had 5 sites for building and with Phase II being delayed because of

the transfer, they needed to be responsive to this because all the MR units would be coming online within a certain timeframe and they needed to include parcels that included affordable housing.

Vice-Chair Bustos respectfully disagreed with the suggestion to delay development and thought they needed to move forward. He reminded the new residents that once upon a time, their homes were on open space. He stated that swapping lots really meant that current residents did not want affordable housing in their neighborhood. As time went by, Mr. Bustos was sure that the City would provide more public transit and more amenities with more people coming into the area. He reminded everyone that they had been working on this plan for decades and this was a way to bring people back to the City. Mr. Bustos stated that they had plenty of time to discuss providing amenities and public transportation but their mission was very clear that they needed to build housing.

Chair Mondejar stated that this involved communication between current residents, OCII and Lennar. She reiterated that providing amenities and needed services could take time but they needed to keep moving forward with their duty to provide housing. Ms. Mondejar stressed that OCII had always been clear about what they were going to do with lots 52 and 54 and that they needed to move forward while at the same time addressing the marketing promises made to the current residents. She thanked community members for their comments and promised that they would continue the discussion.

Commissioner Rosales stressed that her comments were not meant to prevent the construction or the planning process of the housing development but simply to delay the issuance of an RFP which would trigger the process where certain messages would be delivered to the market. She inquired about whether a delay in the issuance of the RFP for two weeks would help this situation.

Interim Executive Director Sesay was not sure what could be resolved in two weeks because what she was hearing was that the public would like a resolution that included swapping sites.

Commissioner Rosales stated that she was not considering a re-planning process of the site or swapping sites. But she did want to hear the Lennar side of the story.

Chair Mondejar referred back to the communication part of the resolution and suggested they continue having the discussion.

Mr. Morales reminded Commissioners that if there was no action taken on this item, then the RFP would be released. He advised that Commissioners could make a motion to put this item on the agenda in order to vote on it.

Commissioner Rosales stated that she would advise voting that this item be put on the agenda for a future meeting.

Interim Executive Director Sesay stated that this would delay the issuance of the RFP for more time to address the concerns expressed at this meeting.

Mr. Morales advised that they could make a motion to put this item on the agenda for a future meeting as an action item or for additional discussion. He pointed out that due to the significant concerns relayed by the public, they might want to consider that option.

Commissioner Singh inquired about what the issue would be by delaying this this item.

Interim Executive Director Sesay responded that the key mission for OCII and the Mayor was to provide 30,000 units of housing and that this was a lengthy process. They were trying to demonstrate to the public that they were working to accelerate the process to provide affordable housing in the City.

Vice-Chair Bustos inquired about what would happen if they took no action at this meeting; inquired about what would happen if they put this on the agenda for the next meeting.

Interim Executive Director Sesay responded that if they took no action, the RFP would move forward.

Commissioner Rosales clarified that with a delay, the RFP would not issue so that contractor teams would not be putting things together because instructions to the contracting teams could change.

Chair Mondejar added that then they would have the opportunity to bring in Lennar into the discussion.

Vice-Chair Bustos indicated that if Lennar had issues with the public, then it was on them to resolve those issues, but reminded everyone that OCII had an obligation to move forward with their own housing plans. He asserted that OCII does not speak for Lennar and Lennar does not speak for OCII.

Commissioner Rosales stated that she disagreed with that statement. She stressed that Lennar's representation and marketing of BVHP and the Shipyard was very much intertwined with OCII. If Lennar was representing or misrepresenting OCII land uses to members of the public, she wanted to hear their explanation for it, because it impacted OCII's credibility and OCII and Lennar needed to be on the same page.

Vice-Chair Bustos agreed with that statement but insisted that they could still have a discussion with Lennar after the RFP was issued. He inquired about why they had to wait on this.

Commissioner Rosales responded that she had worked on many RFP's. She explained that upon issuance of the RFP, interested parties began to assemble teams and think about how to respond to the RFP. She added that a two week delay would not impact the milestones put in place.

Chair Mondejar inquired about whether there would be a way to amend the RFP to address concerns by the residents after the RFP was issued. She inquired about whether those applying to the RFP would be able to respond to the issues raised, if they were made aware of those issues, when they submitted the RFP.

Interim Executive Director Sesay responded that there could be an addendum and depending on what the change would be, they would be able to amend as well as extend the RFP.

Commissioner Rosales motioned to put Item 8(c) on the agenda for the next meeting as an action item and that Lennar be present to answer certain questions. Commissioner Singh seconded that motion.

Secretary Cruz called for a voice vote on Item 8(c).

Commissioner Pimentel - absent
Commissioner Rosales - yes
Commissioner Singh - abstain
Vice-Chair Bustos - no
Chair Mondejar - no

NOT ADOPTED: IT WAS VOTED BY FOUR COMMISSIONERS WITH ONE ABSENCE, ONE YES, ONE ABSTENTION, AND TWO NO'S THAT ITEM 8(C) BE PLACED ON THE AGENDA AS AN ACTION ITEM FOR THE NEXT OCII MEETING. THE MOTION DID NOT CARRY.

9. Commissioners' Questions and Matters

Commissioner Rosales requested that the Interim Executive Director communicate with Lennar on this item and express the testimony of members of the public with the full range of concerns by Commissioners and have a report back to Commissioners before this item comes back on the calendar.

Ms. Collomello responded that the item would again appear before Commissioners in March 2018.

Chair Mondejar stated that they could agendize certain issues regarding this item before March 2018.

Mr. Morales pointed out that they had just agreed to allow the RFP to go forward so he was not sure what they would agendize regarding this matter.

Chair Mondejar stated that if this item raised major concerns and issues, then they could put it on the agenda before March 2018.

Commissioner Rosales requested a response in writing from Lennar in Commissioners' packets by the next OCII meeting.

Commissioner Rosales motioned to have the Interim Executive Director request Lennar to respond in writing to concerns expressed by Commissioners and the public regarding Item 8(c). This was seconded by Vice-Chair Bustos.

Secretary Cruz called for a voice vote on Item 9.

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

ADOPTION: IT WAS VOTED BY FOUR COMMISSIONERS WITH ONE ABSENCE THAT THE MOTION TO HAVE THE INTERIM EXECUTIVE DIRECTOR REQUEST LENNAR TO RESPOND IN WRITING TO CONCERNS EXPRESSED BY COMMISSIONERS AND THE PUBLIC REGARDING ITEM 8(C), BE ADOPTED.

10. Closed Session

Pursuant to Government Code § 54957 (b)(1) regarding the appointment of an Executive Director.


Chair Mondejar asked that the public clear the room for this item. When the meeting was reconvened, Chair Mondejar announced that there was nothing to report from the closed session.

11. Adjournment

Motion to adjourn was made by Commissioner Singh and seconded by Commissioner Rosales.

The meeting was adjourned by Chair Mondejar at 5:08 p.m.

Respectfully submitted,


Jaimie Cruz
Commission Secretary