



**MINUTES OF A REGULAR MEETING OF THE
COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE
OF THE CITY AND COUNTY OF SAN FRANCISCO HELD ON THE
16th DAY OF JANUARY 2018**

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 16th day of January 2018, 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 1:01 p.m. Roll call was taken.

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, February 6, 2018 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 of regular meeting on December 5, 2017

PUBLIC COMMENT - None

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

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

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

ADOPTION: IT WAS VOTED UNANIMOUSLY BY FOUR COMMISSIONERS THAT APPROVAL OF MINUTES FOR THE REGULAR MEETING OF DECEMBER 5, 2017, BE ADOPTED.

REGULAR AGENDA

b) Election of Chair and Vice Chair (Discussion and Action)

Vice-Chair Bustos nominated Marily Mondejar for office of Chair of OCII.

PUBLIC COMMENT - None

Vice-Chair Bustos motioned to move Item 5(b) to nominate Marily Mondejar for office of Chair of OCII and Commissioner Singh seconded that motion.

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

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

ADOPTION: IT WAS VOTED UNANIMOUSLY BY FOUR COMMISSIONERS THAT THE NOMINATION OF MARILY MONDEJAR TO OFFICE OF CHAIR OF OCII, BE ADOPTED.

Commissioner Singh nominated Miguel Bustos for office of Vice-Chair of OCII.

PUBLIC COMMENT - None

Commissioner Singh motioned to move Item 5(b) to nominate Miguel Bustos for office of Vice-Chair of OCII and Commissioner Rosales seconded that motion.

Secretary Cruz called for a voice vote on Item 5(b) for nomination of Vice-Chair.

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

ADOPTION: IT WAS VOTED UNANIMOUSLY BY FOUR COMMISSIONERS THAT THE NOMINATION OF MIGUEL BUSTOS TO OFFICE OF VICE-CHAIR OF OCII, BE ADOPTED.

Commissioner Singh offered congratulations to Chair Mondejar and Vice-Chair Bustos on their elections.

- c) Workshop on the Recognized Obligation Payment Schedule for July 1, 2018 through June 30, 2019 (ROPS 18-19) (Discussion)

Presenters: Sally Oerth, Deputy Director, Projects and Programs; Bree Mawhorter, Deputy Director, Finance & Administration; Tamsen Drew, Senior Project Manager, Hunters Point Shipyard/Candlestick Point Redevelopment Project; Marc Slutzkin, Project Manager, Mission Bay; Shane Hart, Project Manager, Transbay; Elizabeth Collomello, Senior Development Specialist, Housing Division; Hilde Myall, Real Estate and Development Services Manager; Raymond Lee, Contract Compliance Supervisor

PUBLIC COMMENT – None

Commissioner Singh inquired about how much OCII owed in bonds; inquired about how they were going to pay that off; inquired about whether this debt would ever be paid off.

Ms. Mawhorter responded that the total current debt service was almost \$1 billion, somewhere between \$900 million and \$1 billion. She responded that OCII pays its debt service off on a bi-annual basis. Prior to issuing bonds OCII goes through a detailed underwriting process that ensures that there is sufficient property tax increment for OCII to pay its debt service. She further explained that OCII's debt policy requires that OCII issue debt with 1.2x coverage, which means OCII has 120% of the dollars needed to pay the debt service each year. Ms. Mawhorter added that OCII's debt would be paid off eventually; however, she explained that due to the fact that new debt usually has a thirty year term, each time OCII issues new debt, the last debt service payment is extended an additional 30 years. She added that OCII will not know that date of the last debt service payment until the Agency had issued its last bond, made the last affordable housing loan, and paid the last developer reimbursement. She concluded by stating that paying debt service is a long-term process where OCII issues debt, pays it off, and issues it again.

Commissioner Rosales inquired about the City MOU's of \$2.6 million and requested a list of City agencies so they could know who their City partners were. Ms. Rosales explained that her interest was in wanting to make sure that they had sufficient funds allocated for service by them because it was better to anticipate a greater need to make sure they had enough.

Ms. Mawhorter responded that the ROPS provides a high-level look at the outer limit of spending authority and that staff do not generally provide level of detail with the ROPS. She explained that this information would be provided to the Commission during the April review process. Ms. Mawhorter reported that OCII works closely with its City partners and to identify what the number should be for the appropriate level of service. Ms. Mawhorter stated that, for the three years she has been at OCII, OCII had neither exceeded its budget authority nor been short of funds. She further explained the her goal is to never have insufficient expenditure authority because that would create constraints in the work program but neither does she want to over-budget because that would create problems for City partners. For example, OCII decided to increase the City Attorney budget by \$500,000, just in case, the City Attorney's Office would recognize that revenue as budgeted revenue and they would calibrate expenses up to that amount. However, if the City Attorney did not recover the \$500,000 in its billings, there would be a revenue shortage.

Commissioner Rosales inquired about the reference to the Western Addition; inquired about why it was on the list.

Ms. Mawhorter responded that the Western Addition is not an approved enforceable obligation, and therefore, OCII is not allowed to enter into any new financial obligations in that project area. Ms. Mawhorter reported that OCII continues to have a couple of properties within the Western Addition,

which are in the DOF-approved long-term property management plan (PMP), and which were designated to be transferred to the City. She deferred to Ms. Myall for more detail on that process.

Ms. Myall responded that in the Western Addition as well as in other project areas, OCII still had remnant parcels, which were properties that they owned and were in the process of disposing of pursuant to the property management plan. They also had developer obligations in those areas, such as OPA's and Development Agreements, where there were no funds involved. However, she explained that if the developer, for example, asked for a certificate of compliance or other provisions within those agreements, they would need to use staff time to project manage those obligations, so they were in the process of closing those out but not creating new obligations in those projects.

Commissioner Rosales inquired about what the remaining asset(s) were that they owed in the Western Addition.

Ms. Myall responded that the assets included the Fillmore Heritage Center, which they had effectively handed off to the City for property management, but were still in the process of handing over the asset. The other asset was a remnant parcel called the Ellis Street Driveway, which was directly next to the Heritage Center and served as the driveway to the shopping center. Ms. Myall explained that in the PMP, that property was slated for disposition as a fair-market sale and on the work list for 2018-19.

Commissioner Rosales referred to slide 22 and to the SBE bullet where it stated that 74% for professional services was \$10 million. She asked for clarification from Mr. Lee that the \$10 million was for fees.

Mr. Lee responded in the affirmative.

Chair Mondejar asked for clarification from Ms. Mawhorter regarding the 47 OCII staff and 3 contracted.

Ms. Mawhorter responded that during Dissolution, the future of OCII was in limbo and at one point it was thought that OCII would become a City department but that did not happen. At that time, three OCII employees joined the Department of Administrative Services (ADM) but continued to perform their same duties they had performed at OCII. As a result, 3 staff are City employees but perform 100% of their scope of work at OCII.

Chair Mondejar thanked staff for their very detailed presentation.

Public Comment on Non-Agenda Items - None

6. Report of the Chair

Chair Mondejar stated that she had no report.

8. Report of the Executive Director

- a) 50 Jerrold and 555 Innes Avenue (Hunters Point Shipyard Blocks 53 and 54) Marketing Outcomes Project Report; sixteen inclusionary below market rate units affordable at 80% Area Median Income; Hunters Point Shipyard Project Area (Discussion)
- b) 848 Fairfax Avenue (Hunters View Phase IIA) Marketing Outcomes Project Report, 107- unit multifamily HOPE SF development, of which 26 are new affordable rental housing units and the remaining 80 are public housing replacement units, and all units affordable at 45% Area Median Income; Bayview Hunters Point (Discussion)

Presenter: Sally Oerth, Deputy Director

Vice-Chair Bustos thanked staff for working so hard on this project.

Commissioner Rosales was very pleased that the reports were easy to follow and commented that the testimonials added humanity to the numbers.

Chair Mondejar was pleased that several Certificate of Preference holders were housed and that several of them had returned to San Francisco.

9. Commissioners' Questions and Matters

Vice-Chair Bustos requested that this meeting be closed in the memory of former Mayor Ed Lee, who was instrumental in the affordable housing initiative and suggested that they name their affordable housing initiative in his name and be able to formalize that in the future.

Commissioner Rosales agreed with Vice-Chair Bustos' suggestion. She recalled that the last time she had lunch with former Mayor Lee, 90% of the conversation was about housing, so this suggestion was very appropriate.

Chair Mondejar stated that her last conversation with the former mayor was his lament that he could not attend the formal opening of the Bill Sorrow Community Center, because he had made a promise to attend every groundbreaking and opening of new housing. He had been a major supporter of affordable housing and would be greatly missed.

Commissioner Singh congratulated staff for their hard work over the past year (applause).

10. Closed Session – None

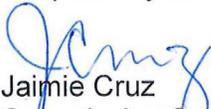
11. Adjournment

The meeting was adjourned in honor of former Mayor Edwin Lee, a friend of OCII, the Commissioners, and a great supporter of the affordable housing initiative.

Motion to adjourn was made by Vice-Chair Bustos and seconded by Commissioner Singh.

The meeting was adjourned by Chair Mondejar at 1:58 p.m.

Respectfully submitted,


Jaimie Cruz
Commission Secretary