

London N. Breed
MAYOR



Miguel Bustos
CHAIR

Mara Rosales
VICE-CHAIR

Nadia Sesay
EXECUTIVE DIRECTOR

Bivett Brackett
Dr. Carolyn Ransom-Scott
COMMISSIONERS

**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 JUNE 2020**

The members of the Commission on Community Investment and Infrastructure of the City and County of San Francisco met in a regular meeting via teleconference at 1:00 p.m. on the 16th day of June 2020. The public was invited to watch the meeting live on SFGOVTV: <https://sfgovtv.org/ccii> (The video stream was live approximately 15 minutes before the scheduled meeting start time.)

PUBLIC COMMENT CALL-IN: 1(888)557-8511 Access Code: 7500645

In accordance with Governor Gavin Newsom's statewide order for all residents to "Stay at Home" - and the numerous preceding local and state proclamations, orders and supplemental directions - aggressive directives were issued to slow down and reduce the spread of the COVID-19 virus. Individuals were encouraged to participate in the meetings remotely by calling during the public comment section of the meeting.

REGULAR MEETING AGENDA

1. Recognition of a Quorum

Meeting was called to order at 1:00 p.m. by Chair Bustos. Roll call was taken.

Commissioner Brackett - present
Commissioner Scott – present
Vice-Chair Rosales – absent
Chair Bustos - present

Vice-Chair Rosales arrived late. All other Commissioners were present.

2. Announcements

- a) The next regularly scheduled Commission meeting will be held on Tuesday, July 7, 2020 at 1:00 pm.
- b) Announcement of Time Allotment for Public Comments from participants dialing in: Please be advised a member of the public has up to three minutes to make pertinent public comments on each agenda item unless the Commission adopts a shorter period on any item. Please note that during the public comment period, all dial-in participants from the public will be instructed to call a toll-free number and use their touch-tone phones to register any desire for public comment. Comments will be taken in the order that it was received. Audio prompts will signal to dial-in participants when their audio input has been enabled for commenting.

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Secretary Cruz read instructions for the public to be able to call in.

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 meetings of May 19, 2020 and June 2, 2020
- b) Authorizing the Executive Director to enter into a Memorandum of Understanding with the City and County of San Francisco Controller's Office for financial systems, accounting, and audit support on an on-going basis, in an amount not to exceed \$245,000 for Fiscal Year 2020-21, and in amounts for future years subject to appropriation (Discussion) (Resolution No. 11-2020)
- c) Authorizing the Executive Director to execute a Memorandum of Understanding with the San Francisco Planning Department for design review and environmental review services, subject to annual appropriation of funds (Discussion) (Resolution No. 12-2020)

PUBLIC COMMENT - None

Commissioner Scott motioned to move Items (a) (b) and (c) and Commissioner Brackett seconded that motion.

Secretary Cruz called for a voice vote on Items 5(a) (b) and (c).

Commissioner Brackett – yes
Commissioner Scott - yes
Vice-Chair Rosales - absent
Chair Bustos – yes

ADOPTION: IT WAS VOTED BY THREE COMMISSIONERS WITH ONE ABSENCE THAT APPROVAL OF MINUTES FOR REGULAR MEETINGS OF MAY 19, 2020 AND JUNE 2, 2020, BE ADOPTED.

ADOPTION: IT WAS VOTED BY THREE COMMISSIONERS WITH ONE ABSENCE THAT RESOLUTION No. 11-2020, AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH THE CITY AND COUNTY OF SAN FRANCISCO CONTROLLER'S OFFICE FOR FINANCIAL SYSTEMS, ACCOUNTING, AND AUDIT SUPPORT ON AN ON-GOING BASIS, IN AN AMOUNT NOT TO EXCEED \$245,000 FOR FISCAL YEAR 2020-21, AND IN AMOUNTS FOR FUTURE YEARS SUBJECT TO APPROPRIATION, BE ADOPTED.

ADOPTION: IT WAS VOTED BY THREE COMMISSIONERS WITH ONE ABSENCE THAT RESOLUTION No. 12-2020, AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A MEMORANDUM OF UNDERSTANDING WITH THE SAN FRANCISCO PLANNING DEPARTMENT FOR DESIGN REVIEW AND ENVIRONMENTAL REVIEW SERVICES, SUBJECT TO ANNUAL APPROPRIATION OF FUNDS, BE ADOPTED.

REGULAR AGENDA

- d) Authorizing the Executive Director to enter into a Memorandum of Understanding with the City and County of San Francisco Treasurer Tax Collector's Office to perform investment services for OCII funds held by Trustee, in an amount not to exceed \$35,000 for Fiscal Year 2020-21, and in amounts for future years subject to appropriation (Discussion and Action) (Resolution No. 13-2020)

Presenters: Nadia Sesay, Executive Director; Bree Mawhorter, Deputy Director, Finance and Administration; Robert Shaw, Chief Investment Officer, Office of the Treasurer and Tax Collector, City and County of San Francisco (CCSF)

PUBLIC COMMENT – None

Commissioner Brackett inquired about what the aggregate amount of benefits was that OCII had received from the 1.9% return on investments; that is, what the actual amount was in real dollars; she inquired about whether there was a previous cost for managing these expenditure funds and if so, what was that cost; she inquired about what the proposed earnings were for this fund and what the projected return on investment would be by managing this fund through TTX; she inquired about what the aggregate total of the amount of funds in question would be.

To the first question, Ms. Mawhorter responded that it was approximately \$6 million over the year. To the second question, Ms. Mawhorter responded that this was the first time they were entering into a relationship to actively manage these funds, which had been held by the trustee up to this point. To the third question, Ms. Mawhorter responded that the treasurer planned to use a similar strategy used by the City for the City pool. She deferred to Mr. Shaw for more detail.

Mr. Shaw responded that there were really two questions here: one was the potential interest rate they could get and the other was regarding cash earnings. He explained that the environment had drastically changed over the past year and the 1.9% they had been enjoying would most likely not be obtainable in the future. Mr. Shaw reported that they still had to review the cash flow calendar as well as the duration of the maturity to be invested. He explained that if it was 1-2 years, then they were probably considering a half percentage point for the yield as a result of what the Federal Reserve had done with interest rates recently, so he projected the yield on the pool funds would be between 50 and 75 basis points. Mr. Shaw added that once they received the cash flow calendars, they would know more.

To the last question, Ms. Mawhorter responded that it would be about \$350 million.

Commissioner Scott thanked staff for their work on this presentation and thanked Commissioner Brackett and Mr. Shaw for their questions and answers.

Chair Bustos thanked staff for the presentation, which he commented was a good step in the right direction and was grateful for the support from the City family to manage these funds.

Commissioner Brackett motioned to move Item (d) and Commissioner Scott seconded that motion.

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

Commissioner Brackett – yes
Commissioner Scott - yes
Vice-Chair Rosales - absent
Chair Bustos – yes

ADOPTION: IT WAS VOTED BY THREE COMMISSIONERS WITH ONE ABSENCE THAT RESOLUTION NO. 13-2020, AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH THE CITY AND COUNTY OF SAN FRANCISCO TREASURER TAX COLLECTOR'S OFFICE TO PERFORM INVESTMENT SERVICES FOR OCII FUNDS HELD BY TRUSTEE, IN AN AMOUNT NOT TO EXCEED \$35,000 FOR FISCAL YEAR 2020-21, AND IN AMOUNTS FOR FUTURE YEARS SUBJECT TO APPROPRIATION, BE ADOPTED.

Vice-Chair Rosales arrived at this time.

Agenda items 5(e) and 5(f) related to the Budget Approval were presented together but acted on separately

- e) Approving a Budget for the period July 1, 2020 through June 30, 2021, and authorizing the Executive Director to submit the Budget and ratifying and confirming the Executive Director's submittal of the Interim Budget to the Mayor's Office and the Board of Supervisors (Discussion and Action) (Resolution No. 14-2020)
- f) Approving a Budget for Community Facilities Districts administered by the Successor Agency for the period July 1, 2020 through June 30, 2021 (Discussion and Action) (Resolution No. 15-2020)

Presenters: Nadia Sesay, Executive Director; Mina Yu, Financial Reporting & Management Analyst

PUBLIC COMMENT - None

Commissioner Scott motioned to move Item (e) and Commissioner Brackett seconded that motion.

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

Commissioner Brackett – yes
Commissioner Scott - yes
Vice-Chair Rosales - yes
Chair Bustos – yes

ADOPTION: IT WAS VOTED UNANIMOUSLY BY FOUR COMMISSIONERS THAT RESOLUTION NO. 14-2020, APPROVING A BUDGET FOR THE PERIOD JULY 1, 2020 THROUGH JUNE 30, 2021, AND AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT THE BUDGET AND RATIFYING AND CONFIRMING THE EXECUTIVE DIRECTOR'S SUBMITTAL OF THE INTERIM BUDGET TO THE MAYOR'S OFFICE AND THE BOARD OF SUPERVISORS, BE ADOPTED.

Commissioner Scott motioned to move Item (f) and Commissioner Brackett seconded that motion.

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

Commissioner Brackett – yes
Commissioner Scott - yes
Vice-Chair Rosales - yes
Chair Bustos – yes

ADOPTION: IT WAS VOTED UNANIMOUSLY BY FOUR COMMISSIONERS THAT RESOLUTION NO. 15-2020, APPROVING A BUDGET FOR COMMUNITY FACILITIES DISTRICTS ADMINISTERED BY THE SUCCESSOR AGENCY FOR THE PERIOD JULY 1, 2020 THROUGH JUNE 30, 2021, BE ADOPTED.

6. Public Comment on Non-Agenda Items - None

7. Report of the Chair

Chair Bustos stated that he had no report.

8. Report of the Executive Director

- a) Info memo on the issuance of a Request for Proposals to develop, own, and operate an affordable housing mixed-use project, which will include approximately 250 units of affordable housing for low-income families and seniors, and formerly homeless families and seniors, a child care facility, neighborhood retail, and streetscape improvements on Transbay Blocks 2 East and 2 West; Transbay Redevelopment Project Area (Discussion)

Speakers: Nadia Sesay, Executive Director; Kimberly Obstfeld, Development Specialist, Housing Division; Raymond Lee, Contract Compliance Supervisor; Jeff White, Housing Program Manager

Executive Director Sesay stated that this was a proposal RFP for affordable housing which would provide 1-, 2, and 3-bedroom units for low-income family and studios and 1-bedroom units for senior members as well as formerly homeless families. The RFP was consistent with the redevelopment plan and the design for development document and would further OCII's goals to increase affordable housing and decrease homelessness. Ms. Sesay explained that it also included consideration for the site to be rezoned to increase height as well as an increase in number of units. With OCII's approval, the RFP would be released in June, proposals would be received in September; the delay due to COVID-19. Staff would come before OCII by the end of year for developer selection and in February 2021 to approve the negotiations agreement and the pre-development loan agreement. Ms. Sesay reported that they had received comments and feedback from two Commissioners and had staff available for questions.

PUBLIC COMMENT – None

Commissioner Brackett referred to the statement regarding increasing the height limitations to allow for additional housing. She inquired about what the current height limitation was and what the new height proposal would be as well as the number of units which could be added; she inquired about whether the RFP would go out to typical local providers or involve a national search.

Ms. Obstfeld responded that the existing height limits for Transbay (TB) were staggered, so that along Clementina Street there was a maximum of 55' to 85' and then along Folsom Street, the height limit was 165'. Ms. Obstfeld felt there was potential to increase height to be able to add much-needed units with help from the financial feasibility study. She explained that in the RFP a height guideline was indicated of no more than 240' and due to building codes, it would not be feasible to build above that height anyway. The RFP also included consideration for shadow impact on the park projected to be built nearby.

To the RFP distribution question, Ms. Obstfeld responded that it would be advertised locally primarily but that it could be opened up nationally. She reported that they had a list from the Mayor's Office of Housing and Community Development (MOHCD) as well as their own lists of Small Business Enterprises (SBE's) and organizations that had registered with the compliance team. Ms. Obstfeld added that they would also post the RFP on the OCII website.

Commissioner Scott referred to the impact of COVID-19 on the City and retail rent payment and inquired about whether there would be any consideration of lowering rents because of the virus.

Ms. Obstfeld responded in the negative because they had no rent breakdown yet. She explained that they had instructed applicants to consider a wide range of income levels based on the marketplace of current properties and indicated that they might want to skew rents lower to allow for any changes in medium income as well as what people would be able to afford. Ms. Obstfeld reported that they would see what the proposals were when they came in and would not have to lock in income levels for another year. She added that the work on retail would be started after market and feasibility studies and that rent would be adjusted accordingly to be able to attract tenants.

Vice-Chair Rosales referred to the workforce and contracting action plan criteria and inquired about how applicants would satisfy these requirements as well as how the team might be able to obtain the maximum 10 points using own internal staff rather than contract out with consultants; inquired about what kinds of internal structures or services had they seen from other applicants to comply with this requirement using internal staff. Ms. Rosales referred to page 24 and noticed that it did state either inhouse or outside consultant but was pleased to see that there was collaboration between the inside team and the outside consultant.

Mr. Lee responded that there was a workforce and contracting action plan required by the developer team in which it was requested that they identify an individual who would be responsible for the plan, either an inhouse staff member or outside contracted person. He reported that some developers hired an outside individual to help implement the contract workforce plan. He explained that OCII looked at what was prescribed as far as how the developer would reach SBE and workforce goals. In his experience, Mr. Lee reported that when a developer used an inhouse individual, consultants were brought in to assist the development team with implementation of the plan as well as to help work with the community.

Chair Bustos thanked Commissioners for their questions and thanked staff for making sure that local residents and workers would know about this opportunity. He stated that this was a great opportunity which would help a lot of families.

Executive Director Sesay announced that they had started holding CAC meetings in TB for this project and also at the Shipyard in Mission Bay (MB) the following week. She reported that they had been in touch with all members to set up these meetings and that this would result in more members being able to participate.

Executive Director Sesay announced that the Bayview (BV) Industrial Triangle, also known as BIT, would be expiring at the end of the month. She explained that the BIT was located between 3rd and Phelps Street from Gerald to Fairfax Avenues in Bayview Hunters Point (BVHP) and was set up by the Redevelopment Agency in 1980 with the objective of preserving and expanding existing industries and improving 3rd street in order to provide a buffer between the community and residential and industrial uses. Ms. Sesay reported that the BIT was originally established to receive grants through community development programs, which were cut by the federal government, and due to limited funding, the BIT remained inactive for much of its life. OCII retained land use authority through July 1, 2020, when the Planning Commission would resume oversight of land development of the property. Ms. Sesay reported that SF Supervisor S. Walton had co-authored legislation to develop transit, land use designation and allow for repairs on properties within the BIT. While they were closing out the BIT over the last 3 years, OCII had approved three mixed-use housing projects which would provide 125 new housing units, 23 of which would be affordable and active ground floor retail development and retail in BVHP.

Executive Director Sesay announced that apartments on Third Street in MB were finished and all but two of the 119 units were occupied in May 2020, including veteran units and family units of 1-, 2-, and 3-bedroom units. Construction was started in December 2017 and completed in January 2020. Ms. Sesay reported that they had over 6700 applicants and she broke down the demographics of the occupants. She added that more information would be forthcoming in October with a full report on this project.

Commissioner Brackett requested that Ms. Sims report next month with a racial demographics breakdown on who would be leasing these spaces.

Executive Director Sesay agreed to have this information available at a later meeting.

Commissioner Scott referred to the developers mentioned in Executive Director Sesay's announcement and inquired about which developers she was referring to.

Executive Director Sesay responded that the developers were Chinatown Community Development Corporation and Swords to Plowshares.

Mr. White confirmed that these were the only two developers.

9. Commissioners' Questions and Matters

Chair Bustos wanted to end the meeting with acknowledgement by OCII of the race issues taking place in the country and the world. He stated that this was not just a local or national issue but an international issue. Mr. Bustos reminded the public that for years OCII has been involved in trying to undo the wrongs perpetrated by redevelopment during the 60's and 70's in the City of San Francisco and that they were still working to repair some of the systemic racist issues taking place in the City. Mr. Bustos requested that all Commissioners take a stand for the Black Lives Matter movement by adjourning the meeting in the memory of George Floyd and Breanna Taylor as well as all those who had died and been injured due to racism.

10. Closed Session – None

11. Adjournment

Commissioner Scott motioned to adjourn and Commissioner Brackett and Vice-Chair Rosales co-seconded that motion.

Chair Bustos adjourned the meeting at 2:07 p.m. in honor of everyone who had died due to injustice.

Respectfully submitted,



Jaimie Cruz
Commission Secretary