

**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 FEBRUARY 2014**

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 February 2014, 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 1:11 p.m. Roll call was taken.

Commissioner Ellington – present
Commissioner Mondejar – absent
Vice-Chair Rosales – present
Commissioner Singh – present
Chair Johnson – present

Commissioner Mondejar was absent; all other Commission members were present.

2. Announcements

A. The next regularly scheduled Commission meeting will be held on Tuesday, March 4, 2014 at 1:00 pm (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 that 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

Chair Johnson announced that items (a) and (b) would be considered together and voted on separately.

a) Approval of Minutes: Regular Meeting of January 21, 2014

- b) Authorizing a first amendment to the Personal Service Contract with Overland, Pacific and Cutler, Inc., a California corporation, to extend the contract term by six month, for a period ending on August 15, 2014 and to provide continued tenant relocation services at the Hunters Point Shipyard in compliance with the Disposition and Development Agreement for Candlestick Point and Phase 2 of the Hunters Point Shipyard; Hunters Point Shipyard Redevelopment Project Area. (Discussion and Action) (Resolution No. 7-2014)

PUBLIC COMMENT

Speaker: Dorris M. Vincent, Bayview Hunters Point (BVHP) resident and member of Shipyard CAC

Ms. Vincent was in support of Item 5(b) and urged the Commission to pass it.

Vice-Chair Rosales stated that she was absent for part of the meeting and had to recuse herself for another part. She inquired about whether she needed to abstain on the approval of the minutes if she was not present or had recused herself for parts of that meeting.

Mr. Bryan responded that if Vice-Chair Rosales felt that she was not knowledgeable enough to vote on the minutes of the January 21 meeting, then she could abstain.

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

Secretary Jones called for a voice vote on Items 5(a).

Commissioner Ellington – yes
Commissioner Mondejar – absent
Vice-Chair Rosales – abstained
Commissioner Singh – yes
Chair Johnson – yes

ADOPTION: IT WAS VOTED BY 3 COMMISSIONERS WITH ONE ABSENCE AND ONE ABSTENTION THAT APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF JANUARY 21, 2014, BE ADOPTED.

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

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

Commissioner Ellington – yes
Commissioner Mondejar – absent
Vice-Chair Rosales – yes
Commissioner Singh – yes
Chair Johnson – yes

ADOPTION: IT WAS VOTED BY 4 COMMISSIONERS WITH ONE ABSENCE THAT RESOLUTION NO. 7-2014, AUTHORIZING A FIRST AMENDMENT TO THE PERSONAL SERVICE CONTRACT WITH OVERLAND, PACIFIC AND CUTLER, INC., A CALIFORNIA CORPORATION, TO EXTEND THE CONTRACT TERM BY SIX MONTH, FOR A PERIOD ENDING ON AUGUST 15, 2014 AND TO PROVIDE CONTINUED TENANT RELOCATION SERVICES AT THE HUNTERS POINT SHIPYARD IN COMPLIANCE WITH THE DISPOSITION AND DEVELOPMENT AGREEMENT FOR CANDLESTICK POINT AND PHASE 2 OF THE HUNTERS POINT SHIPYARD; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

REGULAR AGENDA

- c) Authorizing the Executive Director to enter into a Vertical Lease Development and Disposition Agreement and an Option to Ground Lease with AMCAL Pacific Pointe Fund, L.P, and a Conveyance Agreement with HPS Development Co, LP, in furtherance of the development of 59 units of very low-income rental housing development serving families earning up to 50 percent of area median income, plus one manager's unit, at Block 49 in Phase 1 of the Hunters Point Shipyard; Hunters Point Shipyard Redevelopment Project Area. (Discussion and Action) (Resolution No.8-2014)

Presenters: Tiffany Bohee, Executive Director; Amabel Akwa-Asare, Assistant Project Manager, Hunters Point Shipyard; Maria Benjamin, Mayor's Office of Housing and Community Development

PUBLIC COMMENT

Speakers: Dorris M. Vincent, Bayview Hunters Point (BVHP) resident and member of the Citizens Advisory Committee for Hunters Point Shipyard; Oscar James, Bayview Hunters Point (BVHP) resident; D.J. Brookter, Deputy Director, Young Community Developers (YCD)

Ms. Vincent stated that what had been presented had been vetted in the community and stated that she hoped this would be passed because it was community-driven.

Mr. James announced that he was 100% in support of this project and stated that he was pleased that Young Community Developers would be playing a significant part in this development. He stated that he was in total support of the Lennar Corporation because of their cooperation and commitment to do what the community had asked them to do.

Mr. Brookter stated that he echoed what they had been hearing from the community and that his organization was in full support of this project moving forward.

Commissioner Singh stated that this seemed like a very good project; however, he expressed concern about the fact that there were only 45 parking spaces for 60 units and asked for additional explanation on this matter.

Ms. Akwa-Asare responded that the parking ratio was .75% for each unit, which was in line with the Planning Code, which did not allow more than one parking spot per unit. She explained that in order to mitigate this situation, they had included the car-share space which was required by the Planning Department so residents would have access to a parking spot and public transit whether they owned a car or not.

Commissioner Singh inquired as to what residents were supposed to do if they did have a car.

Ms. Akwa-Asare responded that they could use one of the 45 spaces within the building or park on the street.

Commissioner Singh inquired as to whether there was sufficient street parking.

Ms. Akwa-Asare responded in the affirmative, that there was parking on the entire street at the Shipyard.

Commissioner Ellington stated that he was excited about this item because he had seen all the work that had been put into this project and was happy to see it move forward.

Vice-Chair Rosales inquired about the implementation of the SBE program. She requested more detailed information regarding minority women participation in the numbers presented. Her understanding was that there was 52% SBE participation in professional consulting services, and that 47% of that number were San Francisco-based and 29% of that number was minority-owned but she was still trying to figure out where the 22% of women came in because when she did the math, it came out to 51%. Ms. Rosales indicated that overall what she wanted to know was how many minority women were part of the team and also wanted to make sure there was robust outreach among all participants in the local business economy.

Ms. Akwa-Asare responded that she did not have any additional information beyond the list of consultants that was included in the Commission package available at that time but would be able to provide more detailed information later.

Vice-Chair Rosales clarified that she was interested in minority women-owned businesses. She inquired as to how the OCII could be assured that there would be a level of diversity among the construction contracting pool.

Ms. Akwa-Asare responded that the general developer, Cahill Contractors, was familiar with all the SBE requirements and workforce expectations. She explained that Cahill Contractors would be working with the support structure that had been put in place, such as the Construction Assistance Project (CAP) which had an on-site office at the Shipyard and their job would be to reach out to local contractors to make sure they were aware of these opportunities as well as to help them prepare to bid on these opportunities.

Chair Johnson referred to the marketing plan. She stated that, specifically, the primary lease out or the first time the apartments are leased out, was very prescriptive for the vertical developer as to how their outreach was supposed to flow, through what news outlets, etc. Ms. Johnson inquired as to how that method would reach people digitally or through other methods. She stated that she was aware that the vertical developer specifically did not have to do anything other than what was laid out in the print advertisements section nor could the OCII comment or approve on any other method. She inquired as to whether other methods had been considered. Ms. Johnson stated that typically vertical developers had marketing websites and asked for additional explanation.

Ms. Akwa-Asare responded that the vertical developer and the team were not limited by only print advertising and suggestions had been made to help them improve their marketing and outreach in conjunction with the Mayor's Office of Housing and Community Development (MOHCD). She deferred to Maria Benjamin from the MOH who is leading that effort to respond.

Ms. Benjamin responded that they were working on the portal mentioned during the previous meeting that would have information for anyone in the City about affordable housing opportunities but clarified that the portal would not be ready until July 2015. Therefore, they would be advertising on the MOH's website to the 14,000 people on the email list to inform them of these opportunities. Ms. Benjamin explained that they were working with developers and with Lennar on how to make their applications digitally accessible to be able to meet the digital needs of those they were serving.

Chair Johnson inquired as to what the role of MOH would be in reaching out to Certificate of Preference holders and how would they make sure that the holders in the right order were entered correctly.

Ms. Benjamin responded that they had specific procedures for the Certificate of Preference program and the lotteries. She explained that they had staff that worked with the developers to monitor the specific lottery and stated that the Ellis Act lottery would come into play as well. She indicated that the developer would have to finance the MOH in their outreach to certificate holders. Part of the plan was to request that certificate holders contact the MOH if they intended to apply for a unit so that MOH could make sure the developer was working with them and to be able to compare their list with the developer's list.

Chair Johnson stated that the Ellis Act program was different from the Certificate of Preference program. Ms. Johnson noted that everything Ms. Benjamin had just said was not stated in the Vertical DDA and inquired as to where that information was covered.

Ms. Benjamin responded that it was included in the amendment to the COP ordinance that was done in 2008. It stated that any affordable housing opportunity that the City or the Agency would be financing must follow rules declaring that the developer must work with the MOH to reach out to certificate holders.

Chair Johnson stated that her interpretation of that ordinance was different and she would have the staff follow up on that statement. Ms. Johnson stated that overall she was requesting more clarity on this issue because it was very vague as far as how the program coincided with the marketing opportunities for Block 49. Ms. Johnson pointed out that it actually stated that the OCII would have some marketing responsibilities. She requested clarification in the Vertical DDA on the connection between the marketing responsibilities that were to be shared between the vertical developer, the OCII and the MOH as the successor agency for the program. Ms. Johnson also cautioned against lumping together programs like the Ellis Act and the Certificate of Preference. She pointed out that the Certificate of Preference program had had a long history with OCII projects but that the Ellis Act was a very distinct program, even though it had been in the news recently. Ms. Johnson reiterated that she wanted to make sure that there would be tailored outreach to the different populations and that it would not be all lumped together.

Ms. Benjamin assured the OCII that the Certificate of Preference program would always have top preference and priority. She explained that it was the only preference program in the City where the developer was required to reach out to people who have been evicted and that there was no such outreach requirement like that with the Ellis Act. Ms. Benjamin confirmed that the Certificate of Preference holders would have priority over any units they desired.

Chair Johnson spoke about the digital outreach efforts and hoped that it would be done before the Block 49 lottery in July 2015. She requested verification on how the digital outreach would be done within the DDA. Ms. Johnson stated that she wasn't sure if what she was requesting would constitute a change in the agreement or if her request could be met without changing the Agreement. She

indicated that she did not want to hold up approval on this item and deferred to Executive Director Bohee to respond to that.

Executive Director Bohee responded that they could clarify the documents as stated on the record regarding the Vertical Lease Development and Disposition Agreement between the OCII, AMCAL and YCD. She explained that the details and description of what would happen in the marketing plan would be in the ground lease, which would be coming before the OCII in the next few months.

Chair Johnson repeated some of the details that needed to be adjusted.

Commissioner Singh motioned to move Item 5(c) and Commissioner Ellington seconded that motion.

Secretary Jones called for a voice vote on Items 5(c).

Commissioner Ellington – yes
Commissioner Mondejar – absent
Vice-Chair Rosales – yes
Commissioner Singh – yes
Chair Johnson – yes

ADOPTION: IT WAS VOTED BY 4 COMMISSIONERS WITH ONE ABSENCE THAT RESOLUTION NO.8-2014, AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A VERTICAL LEASE DEVELOPMENT AND DISPOSITION AGREEMENT AND AN OPTION TO GROUND LEASE WITH AMCAL PACIFIC POINTE FUND, L.P, AND A CONVEYANCE AGREEMENT WITH HPS DEVELOPMENT CO, LP, IN FURTHERANCE OF THE DEVELOPMENT OF 59 UNITS OF VERY LOW-INCOME RENTAL HOUSING DEVELOPMENT SERVING FAMILIES EARNING UP TO 50 PERCENT OF AREA MEDIAN INCOME, PLUS ONE MANAGER’S UNIT, AT BLOCK 49 IN PHASE 1 OF THE HUNTERS POINT SHIPYARD; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- d) Update on the draft Recognized Obligation Payment Schedule for July 1, 2014 to December 31, 2014 (ROPS 14-15A). (Discussion)

Presenters: Tiffany Bohee, Executive Director; Sally Oerth, Deputy Director

PUBLIC COMMENT – None.

Vice-Chair Rosales referred to Slide 6 and inquired whether the funds were certain; referred to the Western Addition and inquired as to whether there was room to do other kinds of community benefits like supporting business or commercial activity rather than infrastructure improvements.

Ms. Oerth responded to the first question in the affirmative, that those were the bond proceeds that remained. To the second question, Ms. Oerth responded that the brick and mortar, hard costs were eligible under the tax exempt usage and typically that was what tax exempt bond proceeds were used for. She added that they would run into the funding source constraints on that piece.

Chair Johnson inquired as to which department they had passed off the programming of those funds.

Ms. Oerth responded that they had had conversations with the Office of Economic Workforce Development and Invest in Neighborhoods.

Executive Director Bohee explained that the Invest in Neighborhoods was an umbrella which housed many departments and also referred to Public Works and the Capital Planning Department of the City. She explained that in areas such as streetscape, façade improvements, and open space, there was unfinished Agency business but they stopped short two years ago and had to go through the gauntlet of reviews and audits and only now in the new budget and new ROPS process, they were able to spend the money. Ms. Bohee stated that unlike previous Bayview funds, there was more flexibility with these funds as long as they were funding tax exempt eligible uses. She stated that they had wanted to give themselves more specificity as to what kinds of projects would be eligible in each of these specific geographic areas, but that this would be subject to more discussion and community stakeholder input.

Commissioner Ellington inquired as to whether that meant then that they would be going with any City department that was doing that type of work and inquired as to how they would come up with the general scope of work for these projects.

Ms. Oerth responded that they would include this in the budget and other City departments would have to include it in their budgets as well. She stated that staff would create a proposal for a budget to bring before the Commission. Ms. Oerth explained that the objective was not to restrict this to any City department but rather that this would represent a placeholder to give OCII the expenditure authority and then they could identify which department would be the most appropriate for this task.

Commissioner Ellington inquired as to whether the Department of Finance (DOF) had put any other special instructions on this other than to require that it had to go to capital improvements.

Ms. Oerth responded that what Commissioner Ellington was referring to was a tax exempt bond restriction. She explained that the DOF restrictions specified that it needed to be consistent with the original bond covenants, which they would have to do anyway, because the bond covenants could not be violated. She added that the DOF restrictions were more tied to receiving the finding of completion. Ms. Oerth concluded that the OCII got the first tranche out there with the first items on 13-14B and that this was just the closing out of those remaining excess non-housing proceeds.

Vice-Chair Rosales returned to Western Addition question. She inquired about whether they could use the \$83,000 along with City monies to help improve lower Fillmore on the street side; for instance, if the City came up with some kind of branding campaign. She was aware that the Invest in Neighborhoods division of the Mayor's Office continuously received grant proposals or RFP ideas that include branding or marketing campaigns for street improvements.

Ms. Oerth responded in the affirmative and clarified that this was referred to as façade improvements, which usually meant ground floor façades. As an example, she cited the SF Shines program, which is a program for street front facade improvements.

Executive Director Bohee clarified that the Invest in Neighborhoods program could fund a marketing campaign and a consultant but that the OCII would fund the improvements on the exterior of a building, i.e., the sign, the awning, a new paint job or anything to improve the looks of the outside of the building, but not anything on the inside nor any tenant improvements. To the extent that the funds might be able to give an area a facelift, she stated that it would be a good use of the funds.

Chair Johnson expressed some concern about the change that DOF wanted them to make in terms of reserves and encumbered funds. She stated that the spreadsheet still only included one column for reserves and inquired as to how they intended to track those.

Ms. Oerth responded that she thought they would have a number of tracking spreadsheets to help them keep track of reserves. She explained that the idea in terms of spending activities was that if it was shown on 14-15A that would mean it was a new item and was not on ROPS 14-15B or that it was on ROPS 14-15B but was expenditure activity that would take place after October 1. They would have up to that date to accrue it and this would indicate activity going from October through February of the next accrual period. She added that the DOF would want to see the activity on the ROPS detail tab but on the cash balances and on the prior period adjustment, they would want to see that it was fully expended. Ms. Oerth explained that the DOF would want to be able to separate out any tax increment that wasn't contracted for and throw it back in as a credit against the next request. She added that even though invoices were still being paid against that contract, it could be counted as fully expended because it would not be available to be redistributed. Ms. Oerth pointed out that there would be a difference between the cash balances and the prior period adjustment or what was 100% expended. They would still continue to show the activity but it would be more like requesting authority to access their own reserves.

Chair Johnson clarified her question and stated it was really about how the DOF was going to be able to distinguish between reserves because of the way they were defining them.

Ms. Oerth added that with each ROPS period, DOF was learning a little bit more and was giving them new instructions each time and that this was a continually evolving issue.

6. Public Comment on Non-agenda Items

Speaker: Oscar James, BVHP resident

Mr. James expressed concern for the people that were relocated from the Moscone Center area, and asked the OCII to make sure those people were added to the Certificate of Preference holders list. Mr. James recalled that in 1974, he had served on a committee with Mayor Alioto and Phillip Burton that worked with the homeless on housing and turn-key housing, which he explained was for people coming out of foster housing and the homeless. Mr. James was concerned that he hadn't heard anything about turn-key housing or housing for the homeless within the Hunters Point Shipyard project and asked the OCII to consider that idea.

7. Report of the Chair

Chair Johnson had no report.

8. Report of the Executive Director

Executive Director Bohee had two announcements. First, there would be a groundbreaking ceremony on March 1 at the Dr. Davis Senior Center at 5800 Third Street. The Mayor and other elected officials would be in attendance and the OCII, as a major funder, was invited. Second, the Hunters View Phase II, for which the OCII had granted \$21 million, groundbreaking ceremony would take place on April 17. Leader Nancy Pelosi along with the Mayor and other elected officials would be attending and all Commissioners were invited.

9. Commissioners' Questions and Matters

Chair Johnson stated that she wanted to reschedule the Certificate of Preference item to discuss how the MOH was handling that program.

Vice-Chair Rosales reminded Commissioners that the MOU would be coming back to the Commission.

Executive Director Bohee responded that the MOU was calendared for the second meeting in March and they that would be tackling many of those follow-up issues and responding to the concerns with the MOHCD at that meeting.

Chair Johnson stated that there were many things coming up on March 18 regarding the MOU and did not want to take up too much of the agenda time with the Certificate of Preference program. She also announced that she would miss the March 18 meeting.

10. Closed Session

Chair Johnson announced that they would be taking a short recess and asked anyone not directly involved with the Closed Session to leave the room and return after the Closed Session.

- a) CONFERENCE WITH LABOR NEGOTIATORS, pursuant to Government Code § 54957.6, to confer with its designated representatives, but to take no action.

OCII representatives: Tiffany Bohee, Jim Morales, Leo Levenson, Vitus Leung, Jeff Sloan and April Ward.

Employee organizations:

- (1) the International Federation of Professional and Technical Engineers (IFPTE) Local 21 representing the Engineers and Architects bargaining unit, the Management/Supervisory bargaining unit, and the Professional/ Technical bargaining unit; and
- (2) the Service Employees International Union (SEIU) Local 1021 representing a miscellaneous employees bargaining unit.

11. Adjournment

The meeting was adjourned by Chair Johnson at 3:21 p.m.

Respectfully submitted,



Natasha Jones, Interim Commission Secretary

ADOPTED.