

**MINUTES OF A REGULAR MEETING OF THE
COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE
OF THE CITY AND COUNTY OF SAN FRANCISCO HELD ON THE
20TH DAY OF MAY 2014**

The members of the Commission on Community Investment and Infrastructure of the City and County of San Francisco met in a special 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 20th day of May 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 1:10 p.m. Roll call was taken.

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

All Commission members were present.

2. Announcements

A. The next scheduled Commission meeting will be a regular meeting held on Tuesday, June 3, 2014 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 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

a) Approval of Minutes: Special Meeting of April 15, 2014

PUBLIC COMMENT – None.

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

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

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

ADOPTION: IT WAS VOTED BY 3 COMMISSIONERS WITH TWO ABSENCES THAT THE MINUTES OF THE REGULAR MEETING OF APRIL 15, 2014 BE ADOPTED.

Chair Johnson announced they would be moving to the Closed Session prior to the Regular Agenda.

PUBLIC COMMENT – None.

Chair Johnson announced there would be a short recess so the room could be cleared.

10. Closed Session:

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

OCH 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.
- b) Under California Government Code § 54956.9, Conference with Legal Counsel for Existing Litigation: Yerba Buena Consortium, LLP, et al v. City and County of San Francisco, et al, (Superior Court, Sacramento County, No. 34-2013-80001611).

REGULAR AGENDA

Chair Johnson welcomed special guest, San Francisco Board of Supervisor Scott Wiener, to the meeting. Supervisor Wiener spoke about Item 5(f) on the agenda relating to street clearance in the Hunters Point Shipyard (HPS) and Candlestick Point project. Mr. Wiener recalled that in 2010 after many years of community process and support and approval by the Board of Supervisors, this plan was approved for 20' of street clearance to standard 10' lanes on the residential side streets, which would be considered good standard urban design for livable, walkable streets. He stated that the

Board had learned about a month ago that, unbeknownst to the Board, two City departments, the Fire Department and the Department of Public Works (DPW), without any public process, had between themselves agreed that all streets would be widened to 26' clearance, including residential side streets. Mr. Wiener explained that, in addition to being inconsistent with the plan that was approved by the Board, the change was in total violation of accepted urban street design standards as well as various policy pronouncements by the Mayor, the Board, and the voters, which expressed the desire for walkable streets that are safe for all users, including pedestrians. He stated there was an epidemic of pedestrians being hit and killed in the City and, although enforcement and education for road use were critical, they wouldn't help without well-designed streets. Mr. Wiener stated that there was a history in San Francisco of widening streets, which has resulted in turning many neighborhood streets into semi-freeways in the name of maximizing vehicle transit. He stated that wide streets had resulted in faster-moving traffic, that there were now more accidents and those accidents were more severe. He stated that taxpayer dollars were being spent to try to fix those errors and make the streets more walkable by building sidewalk extensions to calm traffic. Mr. Wiener indicated that he had held a hearing before the Land Use and Economic Development Committee about this issue because this was the largest project in the City and of citywide significance, because, if this was allowed to happen, it would set a new standard of wider streets for development in San Francisco, which was a significant policy change for the City. He questioned how it was possible that two City departments could come back years after the development agreement was signed, and change the agreement without any public process, to widen the roads, cut back sidewalks, and reduce the square footage for housing in violation of the development approval process. He added that neither the MTA nor the Planning Department, the two agencies charged with good street design and transportation policy in San Francisco, had agreed to the new changes. He urged the Commissioners to not allow this to happen and to do whatever was within their power to make sure that the original 2010 approved street clearance was honored. He thanked Commissioners for their time and for the opportunity to convey his viewpoint on this issue. Chair Johnson thanked Supervisor Wiener for coming to speak on that topic.

Mr. Francisco Da Costa stated that he wanted to comment on the Closed Session items. Chair Johnson stated that Public Comment was opened before the Closed Session and now was closed. Mr. Da Costa refuted that decision and stated that it was in violation of Robert's Rules of Conduct. Chair Johnson deferred to City Attorney Robert Bryan to respond to this question. Mr. Bryan responded that if there was action taken during the Closed Session, then Commissioners should decide whether they would disclose the action taken. If no action had been taken, then there would be no disclosure. Chair Johnson stated that there was no action taken during the Closed Session and announced that the next agenda item was actually related to an item discussed during Closed Session.

- b) Authorizing a settlement agreement and release of claims in the lawsuit entitled Yerba Buena Consortium, LLP and Tenants and Owners Development Corporation v. City and County of San Francisco et al., (Sacramento Superior Court, Case No. 34-2013-80001611, filed Aug. 19, 2013) (claims regarding the environmental review of approvals related to 706 Mission Street Project). (Discussion and Action) (Resolution No. 42-2014)

Presenters: Tiffany Bohee, Executive Director; Jim Morales, Interim General Counsel and Deputy Director

PUBLIC COMMENT

Speaker: Francisco Da Costa, Director, Environment Justice Advocacy (EJA)

Mr. Da Costa stated that the City of San Francisco needed to pay respect to all the ethnic groups that had contributed to the City's development. He urged the Commission to move forward with

the Mexican Museum. Mr. Da Costa stated that the processes of change were not clear enough to the public.

Chair Johnson stated that this item would go before the Board of Supervisors. She noted that the developer had agreed to a dollar amount of about \$200,000, but inquired as to what the remaining amount was for all the other changes to be completed and whether there was a number for the total budget for all of the work that was agreed to in the settlement. Ms. Johnson commented that she hoped those funds would not come from funds destined for Yerba Buena Gardens operations. In reviewing the settlement, Ms. Johnson stated that it did not indicate how many members there would be in the sidewalk management working group and pointed out that there was no process for choosing them outlined therein. She inquired about how large the group would be and who would be charged with choosing the members. Ms. Johnson indicated that if there was an opportunity to indicate what the process was, it would save some time and frustration.

To the budget question, Mr. Morales responded that there was an estimated budget for all those activities that Ms. Johnson was referring to. He did not have it at hand but indicated he could get it for her. He agreed that the budget would be the subject of the Board's review as well as the budgets of the City departments that would have to carry out the work. To the sidewalk management group question, Mr. Morales responded that the departments themselves would determine who their representatives would be as well as the community stakeholders, but agreed with Ms. Johnson that the process outlined in the settlement was very broad and not detailed.

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

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

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

ADOPTION: IT WAS VOTED UNANIMOUSLY THAT RESOLUTION NO. 42-2014, AUTHORIZING A SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS IN THE LAWSUIT ENTITLED YERBA BUENA CONSORTIUM, LLP AND TENANTS AND OWNERS DEVELOPMENT CORPORATION V. CITY AND COUNTY OF SAN FRANCISCO ET AL., (SACRAMENTO SUPERIOR COURT, CASE NO. 34-2013-80001611, FILED AUG. 19, 2013) (CLAIMS REGARDING THE ENVIRONMENTAL REVIEW OF APPROVALS RELATED TO 706 MISSION STREET PROJECT), BE ADOPTED.

- c) Adopting environmental review findings pursuant to the California Environmental Quality Act, and conditionally approving a Schematic Design for Artist Replacement Studios as part of the Hunters Point Shipyard redevelopment; Hunters Point Shipyard Redevelopment Project Area. (Discussion and Action) (Resolution No. 41-2014)

Presenters: Tiffany Bohee, Executive Director; Amabel Akwa-Asare, Assistant Project Manager, Hunters Point Shipyard; Anye Spivey, Development Manager, Lennar Urban; Patty Lock, Architect, IBI Group; Marti McKee, President, Star Shipyard Trust for the Arts; Ms. Frenz, Ventura Partners

PUBLIC COMMENT

Speakers: Lorna Kollmeyer, Hunters Point Shipyard (HPS) artist; Fabian Skibinsky, painting contractor; Francisco da Costa, Director, EJA; Marguerite Brown, HPS artist; Karen Slater, member, member of the Star Shipyard Trust for the Arts Board and Chair of Real Estate Committee; Scott Madison, HPS; Stacey Carter, Vice President, Star Shipyard Trust for the Arts; Richard Bolingbroke, HPS artist; Liz Hager, HPS artist; Jim Gleeson, HPS artist; Dr. Espinola Jackson, BVHP resident; Sharon Beals, HPS artist; David Jones, HPS artist

Ms. Kollmeyer stated that she had been part of the HPS artist community for 31 years working as an ornamental plasterer serving architects, building and painting contractors and homeowners in restoration projects and now has amassed the largest and only existing collection of architectural details particular to San Francisco Bay Area buildings, whether Victorian, Eduardian, Mediterranean or Art Deco, allowing homeowners to complete historic restoration of their residences. She stated that she had been able to maintain her business because of the affordable rent offered at the HPS and that for years she had been reassured by Lennar, the former Redevelopment Agency and now OCII, that the new building would provide space and manageable rent so that she could maintain her archive and carry on as a vital part of the artist community. However, she had been informed by Star that she would be "the biggest casualty" of this transition because she had been offered half the space she now had for current market rate values and more than double the rent. Ms. Kollmeyer doubted the subsidies would help and she found it unethical that she would have to prove low-income status to be able to maintain the privilege of being a HPS artist. She stated she would have to leave the HPS artist community and the City would suffer the loss of her architectural detail pieces. She asked the City to stand up for its artists and that if Lennar must profit by bulldozing the buildings that house current artists, then they must provide a genuine working and affordable solution to relocation.

Mr. Skibinsky came in support of Ms. Kollmeyer and stated that Ms. Kollmeyer was the last ornamental plasterer in the City and the only one in the City who made the architectural pieces needed in restoration of older homes in San Francisco. He stated that they painted about 100 houses per year and that they used her work in about 1/3 of their projects for restoration of pieces that were made a hundred years ago. He stated that he was very alarmed about this situation because the only alternative would be to use plastic pieces. Mr. Skibinsky stated that he hoped the OCII would find a way to accommodate Ms. Kollmeyer.

Mr. Da Costa stated that on behalf of the first people in the Bay Area, he wanted to support the artists, not just from HPS but all over the Bay Area, because they were the soul of any civilization. He recalled that when the dot com bust drove many artists out of the dot com area, he provided space for 600 artists at the Presidio, some for free. Mr. Da Costa recalled that in 2000 San Francisco voters passed Prop B to clean up the HPS, preferably to residential standards, which was never completed. In 2004 Lennar removed the batteries from the equipment that was supposed to monitor asbestos dust, which has slowly adversely impacted seniors and children in that area. Mr. Da Costa referred to Lennar as a rogue developer and was not to be trusted. He urged the OCII to do everything possible to keep the artists at the HPS.

Ms. Brown was concerned with the fact that the name Hunters Point had been removed from all advertising for the Shipyard. She felt that it was a denomination that belonged to that space long before the area was changed and the history should not be lost. Ms. Brown stated the new space that she had been offered was 200 sq. ft. smaller than what she currently had and over twice as much. She explained that she worked in assemblage, with huge baskets and large pieces, that she often had several projects going on at the same time and that she used a wheelchair so she needed a large space. Ms. Brown agreed with Ms. Kollmeyer in that she doubted the subsidy would make

a difference and asked the OCII to consider the dilemma that some of the artists would now face. She stated that the benches and trees were nice amenities but unnecessary for their work.

Ms. Slater thanked the staff of the former Redevelopment Agency and the OCII for an extraordinary leap of vision for the new building, which would have 87,000 sq. ft. with 130 studios at below market rates. She stated that she had travelled around the country and artists elsewhere were amazed by this event. In the big picture, Ms. Slater explained that this should be considered an extraordinary event and hoped it would create the first step toward a permanent arts district in San Francisco where the quality of the arts could be preserved and the next generation of craftsmen and artists trained. Ms. Slater reminded Commissioners that an arts district was not just a collection of buildings with some banners but rather an extended interconnected art area interspersed with technology and research to make it a vital, creative place.

Mr. Madison spoke in support of this item and urged Commissioners to move forward with this project. He recalled that when redevelopment of the property started in 1985 and the Navy and Mayor Feinstein wanted to evict all the artists from the property, the artist community banded together with other City politicians to prevent that, but he added it never occurred to him that they would prevail nor that they would see replacement facilities built to keep the artists and culinary folks at the HPS. He hoped the OCII would address the particular problems facing some of the artists so they could stay at the Shipyard.

Ms. Carter stated that she was a professional visual artist who has rented and maintained a studio at HPS for 16 years. She explained that she had no other means of financial support and without the reliable, consistent and long-term affordable rent that she had had, she would not have been able to pursue a career as an artist in San Francisco. Ms. Carter reminded Commissioners that the HPS had provided enough space to support over 300 working artists for over 20 years and those artists had made a considerable contribution to the cultural enrichment of the City. She stated she regretted the loss of the buildings in Parcel B because there was nothing wrong with them and felt they should not be destroyed. However, she commended the Mayor's Office, OCII, and Lennar for working with Star to build a new facility that would meet their needs because this demonstrated that San Francisco was making a committed permanent investment in their artists.

Mr. Bolingbroke commended the Star Board and the OCII staff for their hard work in creating the details of this plan and building, which he thought went a long way to meet the needs of the artists, but not all the way, and asked Commissioners to make sure this building was affordable. He recalled that the City Arts Master Plan created almost 20 years ago expressed that there needed to be affordable space for individual artists to live and create art in the City. Mr. Bolingbroke suggested that Commissioners not pass this item at this time but rather continue trying to create more affordability in the new building to be able to accommodate all the artists in adequate spaces and not create more hardship for them. He stated that notices for meetings had not been sent out on time and that information was difficult to get on the OCII website. He addressed other concerns about the new building as well.

Ms. Hager supported this item and believed that all of the issues could be worked out. She explained that her studio was in Building 110 which was slated for demolition and was excited about the proposal for a dedicated state-of-the-art studio building in its place and stressed how critical this was. Ms. Hager pointed out that visitors came to San Francisco because of its art and having a building at HP dedicated for use as artists' studios demonstrated the commitment of the City to support the largest artist community in the U.S.

Mr. Gleeson was in support of this item. He stated that he had been an artist at the HPS for six years and that he loved his studio as it was but that he would be moved out of his studio. He

commended Lennar for their support through the process as well as the architects and the Star Board.

Dr. Jackson stated that she had been questioning affordability at HPS since the 1970's. She requested that the Board of Supervisors hold a hearing on the AMI and called for San Francisco citizens to come together to demand that the City help all of those dealing with affordability issues in order to stay in San Francisco. Dr. Jackson was concerned about the change in the name and eliminating the words, Hunters Point, because that meant eliminating the history of the place. She asked the Commission to not support this item and to slow down in their decision process. She stated that the Shipyard was a Superfund site and that the ground was still toxic. She asked the OCII to not be a rubber stamp for Lennar.

Ms. Beals stated that she was an artist in Building 116 in Parcel B and would also be moved to a smaller space than she currently had. She commended all the hard work by Star and the OCII staff but asked the Commission to try to figure out a way to keep Ms. Kollmeyer there in a larger, more affordable space because she deserved as much consideration as had been given Scott Madison for his kitchen.

Mr. Jones stated that all this was scheduled to occur before the parcel transfer and he stated that nothing should happen until after the parcel transfer because this could cause many delays as has happened in the past. He stated that Lennar wanted to rush to get the artists in the new building, and then demolish the old buildings on Parcel B, which would lay fallow for years while the artists were crammed into the new building paying twice as much. After all the solicitation from the artists regarding their needs, Mr. Jones stated that there was still no indication of a sink or a water source in the new space or the designated plaster studio.

Commissioner Singh commended Mr. Madison for being on the Board and stated that he was doing a great job. Mr. Singh inquired about the colors and whether there was any indication of the material that would be used; inquired about the difference between what the artists were currently paying for rent and would be paying in the new building; inquired about the subsidy that was being discussed.

Ms. Akwa-Asare responded in the affirmative and that the colors had been chosen to complement Building 101. To the rent question, she responded that it depended on each situation and space. She stated that there were a number of artists that currently paid very low rates because they had been tenants for a long time and rents had never been raised, so for them rent might increase by 50 or more. Likewise, there were many artists that were already paying close to the new rents. To the subsidy question, Ms. Akwa-Asare responded that there was a community benefit by which Lennar agreed to provide replacement space for existing artists and the affordability issue was addressed by certain measures. They had asked Lennar to make the building as energy-efficient as possible, by adding upfront investments, like LED lights, so that ongoing expenses would be as low as possible. She added that the Community Benefits Agreement specified the formula for how rent was supposed to be calculated and the rents would just cover what would be required to run and operate the building and nothing more. Ms. Akwa-Asare stated that they believed it was as affordable as it could be, especially compared to other studio space in the City. Designs had been tweaked in response to affordability concerns by artists so that the floor plans had been revised several times to accommodate artists' space and rent. Ms. Akwa-Asare pointed out that the majority of artists had indicated that a reduction in space size would not inhibit their work and also, that there were a few people indicating that they would need more space, including Ms. Kollmeyer. She stated that the last communication she had received from Ms. Kollmeyer was that she would be able to fit into a 2,500 sq. ft. space at the new rent, which was a slight reduction from her current 2,600 sq. ft. space. Ms. Akwa-Asare indicated that the other

remedy would be to rely on the funds that Star could raise and which Lennar was indirectly contributing to by putting solar on the building, a \$300,000 investment by Lennar for a savings of \$20,000 - \$30,000/year. She stated that it was to everyone's interest to make sure that all the artists be transitioned into the new building and they had been working with each artist individually to make sure that this would happen. She added that affordability issues related to building designs had been addressed.

Commissioner Ellington inquired about whether an analysis had been done on the total number of expenses that the building would incur to operate as compared to the revenue that the building would receive through rents; inquired whether they were assuming that rent would be the only income received for the building; stated that he was happy about the solar panels but inquired about the rationale for one lobby or gallery space as opposed to one on every floor for more common space.

Ms. Frenz responded that they had completed a detailed analysis of what they thought the operating expenses would be for the new building based on the square footage, materials, design systems, etc. She added that the rent was a composite of what the operating expenses would be plus assumptions about a capital replacement reserve that would be funded, so that over time as large systems needed to be replaced or repaired, there would be funds to cover that.

Commissioner Ellington requested a copy of that report from Ms. Frenz. He recapped that affordability came down to finding the extra dollars needed to subsidize the rents and he inquired about the parking and the fact that cars would fit in between the actual trees.

To the lobby space question, Mr. Spivey responded that the gallery was not an item mandated by the design but rather something the artists themselves had expressed an interest in. He indicated that the ground floor was the most appropriate space for that because it could spill out onto the plaza and become a larger space and also be accessed on weekends without having members of the public wandering throughout the building. Mr. Spivey added that the gallery could serve as a place to display artwork as well.

Ms. Frenz added that one of the issues arising with a large amount of common area was that it had to be paid for to operate. She indicated that early on, one of the concerns on the part of the artists was how much common area there would be because their rent would support the entire building. Ms. Frenz explained that if there was more common area which was not direct studio space, there would still be expenses associated with it, which would impact rents.

To the parking question, Mr. Spivey responded that the artists had requested as much parking as possible and a plaza to accommodate daily use as well as large events. He explained that for daily use there were enough parking spaces but they realized that for larger events, there would not be enough. They anticipated that day to day people would not be parking in the plaza; however, it was designed to accommodate more cars in an orderly way should that need arise. Mr. Spivey indicated that they had worked with a landscape architect to design some areas of differentiation so it wouldn't feel as if the plaza was an extension of the parking but rather as a place for seating and gathering and on occasion for parking as well.

Vice-Chair Rosales commended the work so far; however, was concerned about the fact that not all the artists had been accommodated because of economic reasons and was hearing statements like, "no artist will be left behind"; however, she pointed out that there seemed to be a handful of artists who were concerned about being able to move into the new facility. Ms. Rosales requested more information about the artists who were being left behind before a vote was taken. She inquired about the economic notice that was communicated to artists, such as how much advance

notice had been given to respond, how deep were the conversations, was there room for more conversations and if so, she recommended having those conversations before voting on this item.

Ms. Akwa-Asare responded that there were a few artists who had responded to their Intent to Move Survey, where they tried to confirm if artists wanted to move into the new facility and if affordability was a concern. She stated that some artists had communicated that downsizing was not an option because they needed the same amount of space or more. Others had not indicated whether downsizing was an option or not. Ms. Akwa-Asare stated that they were taking additional time to reach out to all the artists to make sure that the new building would fit their needs as much as possible. However, she added, there were certain limitations in which they have had to work, such as the costs in operating the buildings, which are the minimum threshold, and which they have tried to lower. Ms. Akwa-Asare responded that Ms. Frenz with Ventura Partners had come up with an early estimate on rents based on the first draft schematic design that Lennar put forward in 2012 and, at that time, it was decided that rents would range between \$1 and \$1.20/sq. ft. This was communicated to artists. Ms. Akwa-Asare explained that as the designs became more finalized, Ms. Frenz adjusted the price to \$1.11, which was the current price. All artists were notified repeatedly last February through the survey, email, and phone, and the response time had been extended.

Mr. Spivey added that Ventura Partners, which had conducted the initial pro forma around the artists' rents, included a list of items which they felt was important to incorporate into the design from an energy efficiency standpoint. He indicated that most of those items had been included to ensure that they were able to hit the projections provided by Ventura Partners early on. In addition to some of the energy efficient features, such as touchless plumbing fixtures, individual level controls of heating and lighting, there were several capitalized costs that were provided up front, such as \$300,000 in solar panels and over a \$1 million in LED lights, which, in effect, would buy down the replacement of those fixtures, so there would be less maintenance and replacement, because LED lights last a long time. Mr. Spivey felt that Lennar had gone above and beyond what was required to try to accommodate as many people as possible. He added that he had reviewed the space for Ms. Kollmeyer, which had been adjusted several times to accommodate her needs and affordability. He stated that this was the first time that he had heard that Ms. Kollmeyer would not be able to stay in the new space. Mr. Spivey believed that this was a unique outcome in that they were well below what comparable space was going for in the City.

Commissioner Mondejar commended Ms. Akwa-Asare for trying to make the plan work for all the artists. She inquired about how many artists would be displaced from the responses from the Intent to Move surveys; inquired about whether the artists had to qualify to move into the new facility; inquired about rental increases in the future; inquired whether part of the community benefit included moving expenses; inquired about what would happen in the future to the building and requested more information on the roof plan.

Ms. Akwa-Asare responded that currently they had a total of 130 studios and 140 artists because some artists share spaces. She pointed out that until all the artists sign or do not sign leases, she would be unable to say with certainty how many would be displaced. She stated that all the artists had indicated that they would move; however, for some it would be more challenging than for others and some have very clearly stated that they could not afford the current size of the studio at the current rent rate. To date, she indicated that there were 7 people who stated that they would not be able to afford the new rent and who had not yet worked with the OCII staff to be able to come to a compromise. Ms. Akwa-Asare stated that they had made it clear to the artists that the survey was not legally binding so no one was signing leases until they were through with tweaking the floor plans to accommodate the artists who wanted changes. To the question about qualifying for the space, Ms. Akwa-Asare responded that every artist who was currently a tenant

was entitled to move into the new space regardless of income with no affordability threshold. The qualification issue referred to the funds that Star was raising to help artists who were still having financial difficulty moving into the new building. These artists would have to prove that they truly could not afford the new rent before receiving subsidy aid. To the rental increase question, Ms. Akwa-Asare responded that rent increases would depend on costs. To the moving expenses question, Ms. Akwa-Asare responded in the affirmative because there was a relocation obligation to move everyone into the new building. Ms. Akwa-Asare responded that according to the Property Management Plan, the building would most likely be transferred to the San Francisco Department of Real Estate.

Executive Director Bohee added that there were no income requirements that would be imposed on the existing 140 artists. She explained that the community benefit included business cards, letterhead and everything associated with moving to the new building or offsite as well.

Mr. Spivey responded that the roof plan was designed to accommodate solar panels, which would offset the operating expenses of the building and that, in order to maximize the reductions in operating costs, the roof was designed to take up as much of that space as available while accommodating other rooftop penetrations as well from mechanical and ventilation. He explained that the goal was to maximize the vast majority of the roof for solar panels, so that they could pay down operating costs up front over a period a time.

Commissioner Mondejar agreed that Ms. Kollmeyer's collection should be maintained and supported; she inquired about how much Ms. Kollmeyer was currently paying in rent.

Ms. Akwa-Asare stated that she would not be able to disclose how much tenants were currently paying, but offered that the lowest rent was \$.39/sq. ft. and studios ranged from 110 to 3,000 sq. ft.

Mr. Spivey summarized that artists were currently paying about \$200/month for 500 sq. ft.

Ms. Mondejar inquired about how much that would be in the new space.

Ms. Akwa-Asare responded that it would increase to about \$500/month.

Chair Johnson asked Ms. Kollmeyer specifically to share what her current rent was. Ms. Kollmeyer responded that her rent would increase from \$1,500/month to \$3,500/month for 3,200 sq. ft.

Chair Johnson stated that she would not be able to support a decision on the schematic design that day. She stated that she had been working on this project for about 8 years and she was aware that the schematic design offered that day had been through a series of negotiations with the community, the CAC, Star and other members. Ms. Johnson stated that there were still some artists that needed help in accommodating them with adequate space. They had heard that one of the artists would need 2,500 sq. ft., however, there were no studios in the schematic design over 1,500 sq. ft. Ms. Johnson inquired about whether there was still work being done to move space around to accommodate space as specified by the different artists.

Ms. Akwa-Asare responded that there was a space large enough to accommodate Ms. Kollmeyer's needs, which was a configuration of three spaces on the plaza level, which all had the number 201 and which together comprised 2,500 sq. ft.

Mr. Spivey responded that Ms. Kollmeyer was the largest user of space on site and that they had worked specifically with her to find a configuration that would work for her and had provided three or four different options on different floors. He pointed out that some of her needs included the incorporation of roll-up doors for plaster deliveries that required use of a forklift, which was how they had decided on the corner space for her. Mr. Spivey added that they had agreed to include water in her space, which was a unique condition, and throughout the course of those conversations, they had been told by Ms. Kollmeyer that the 2,500 sq. ft. provided to her would be affordable and satisfactory for her needs.

Chair Johnson stressed that the point was not to focus on one tenant but inquired whether in general there was more work to be done in accommodating other artists in the schematic design.

Ms. Akwa-Asare responded that they would be able to accommodate everyone in the new building and that the current configuration would work for all 130 studios and all 140 artists. She stated that up until a couple of weeks prior the architect had been working on adjusting spaces for artists to make sure that everyone could fit, based on the most recent information. She indicated that they have asked Lennar to give them was a drop-dead date for when the floor plans needed to be locked in and then further adjustments could still be made by that time. In general the design was complete.

Mr. Spivey added that they had gone through the additional step of going back and speaking to about 70 of the artists to make sure that what was being provided was both affordable and adequate in terms of space. He stated that the plans as they existed that day reflected the results of the survey. He explained that the work completed by IBI in taking that information and extrapolating it into a floor plan covered 95-97 of studios where sq. footage was within 10 +/- of their requested space.

Chair Johnson inquired about whether what they would be voting on that day was the actual set in stone floor plan or could more changes be made to it in the future; pointed out that there were studio spaces that were under 200 sq. ft., which was very small, and there were already artists sharing space, inquired whether there was any attempt to combine some of the small spaces and have Star work with artists on how to share space; inquired about what the general market was for artist space size and were these small studio sizes comparable to others in the Bay Area.

Mr. Spivey responded that the floor plans were not and would never be static, but that the design in general would be able to accommodate flexibility in perpetuity, so that if in five years from now an artist needed 1,000 sq. ft., they would be able to accommodate that need. He added that the current floor plans reflected the specific needs that artists had requested and had said that they could afford.

To the question related to combining space, Ms. Akwa-Asare responded in the affirmative. She explained that, before the survey, there were no spaces under 200 sq. ft., but as surveys were returned with affordability concerns, they started cutting up spaces so that artists could afford them. They had also addressed the question of sharing spaces as an option; however, for many artists, privacy was a major issue, and preference was that everyone be accommodated with their own space. To the space size, Ms. Akwa-Asare responded that they had discussed this issue with Star and with the landlord for Building 101, which contained many very small spaces, and it was determined that small spaces would be able to be rented out because studios were going for such a premium in San Francisco. She added that there was no vacancy at the Shipyard, but rather a long waitlist and so she was confident that every space would be rented.

Mr. Spivey pointed out that there were also artists paying more than \$1.10/sq. ft. as well as artists requesting more space in the new building, so that there were artists on both ends of this issue. He added that, looking to the future, there would be artists wanting smaller spaces for affordability reasons or because they were writers who don't need large space.

Chair Johnson requested to see the Property Management Plan relating to the artist studios and inquired about the property management and how that would work; inquired about whether the property would be transferred before approving the design; inquired what other discussions had been held regarding the rent stabilization fund. Ms. Johnson expressed concern because the rent stabilization fund being raised by Star would most likely be the responsibility of the management team of the building. She added that the solar roof would contribute a certain amount to that fund, but would probably not be enough with respect to being able to provide sufficient assistance.

Ms. Akwa-Asare responded that the rent stabilization fund would be based on the fundraising efforts of Star alone, without any additional subsidy coming from the OCII or from Lennar.

Chair Johnson inquired about the transfer of the property in the future and pointed out that Star was not officially the manager of the building and therefore had no authority to manage the fund or say how that fund would be utilized. She inquired about discussions regarding how studio affordability as currently designed would be maintained; inquired about whether, in the event that Star was not able to create or maintain the rent stabilization fund or if it were undercapitalized, there were artists who had based their decision on affordability because they were relying on a subsidy being provided to them.

Ms. Akwa-Asare responded that the rent stabilization fund was an effort taken on entirely by Star and added that because their mission was to maintain affordable artist studios, they would still be able to provide grants to artists. She indicated that discussions about management structure were not close to being completed. The plan intent had always been that the artist community through Star would maintain an active role in management but she was not sure how that would work and added that conversations with the Department of Real Estate still needed to take place to determine that. To the last question, Ms. Akwa-Asare responded in the negative because the artists who had decided on the smaller studios had indicated that they would be able to afford them. Rather, it was the artists with the larger spaces who were not able or willing to downsize that were in the situation of non-affordability.

Mr. Spivey added that he believed it was a handful of artists, perhaps 5-6, who were in this situation. He explained that other options for those artists would be to be put on the list for availability in the neighboring property and also indicated that some artists in Building 101 had indicated that they may want to swap spaces with tenants of the new building.

Ms. Akwa-Asare concluded that they have been and would continue to work on creative solutions to address needs as they arise but they wanted to make sure that this building would be available and complete when Parcel B was transferred. From that viewpoint, she explained, that Lennar had calculated back to when they would need to start construction and that was the reason that they were before the Commission that day.

Executive Director Bohee added that they had had conversations with the City through the City Administrator and Real Estate Department about the management structure of the new building. She explained that the City would own the fee title to the land but that there would be a variety of mechanisms and structures that staff had been exploring with the legal consultant team, including cooperative structures, processes of self-determination, and reviewing management models of artist studios elsewhere, as well as ground lease structures modeled on the land trust model. She

concluded that there were opportunities for Star and the artists to form a non-profit joint venture with qualified property management firms and that they were looking at all those possibilities and would be happy to present additional information regarding this issue later. Ms. Bohee stated that, in terms of overall stabilization, the Board of Supervisors had recently adopted two resources of non-profit stabilization, one for \$2 million specifically for generalized non-profits utilizing the City's CDBG funds and the other, for approximately \$2.5 million through the City's Arts Commission for artist stabilization.

Chair Johnson stated that her concern had been to make sure that none of the other issues would turn into a change in the basic design after approval but it did not seem like that would be the case. She explained that they would still have to look at the relocation plan and that the management plan would be part of their overall PMP oversight in terms of the transfer and how it would be managed. Ms. Johnson stated that she was still concerned over counting the Fisher Square Street garage as part of the parking because it was really part of Parcel B.

Mr. Spivey responded that the current parking plan even without the garage could accommodate what the planning requirement would be for parking and was above what it was currently.

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

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

Commissioner Ellington – yes

Commissioner Mondejar – yes

Vice-Chair Rosales – no

Commissioner Singh – yes

Chair Johnson – no

ADOPTION: IT WAS VOTED BY THREE COMMISSIONERS WITH TWO NAYS THAT RESOLUTION NO. 41-2014, ADOPTING ENVIRONMENTAL REVIEW FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, AND CONDITIONALLY APPROVING A SCHEMATIC DESIGN FOR ARTIST REPLACEMENT STUDIOS AS PART OF THE HUNTERS POINT SHIPYARD REDEVELOPMENT; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Items 5 (d) and 5 (e) related to Community Facilities Districts No. 7 and No. 8 will be presented together but acted on separately)

- d) Adoption of an Ordinance Levying Special Taxes Within the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements) and Rescinding Ordinance No. 1-2008; Hunters Point Shipyard Project Area. (Discussion and Action) (Ordinance No. 1-2014)
- e) Adoption of an Ordinance Levying Special Taxes Within the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 8 (Hunters Point Shipyard Phase One Maintenance) and Rescinding Ordinance No. 2-2008; Hunters Point Shipyard Project Area. (Discussion and Action) (Ordinance No. 2-2014)

Secretary Jones announced that the Commission, as the legislative body of the Community Facilities District introduced the ordinances on May 6, 2014 to levy the special tax for Community Facilities District No. 7, according to the second amended and restated rate and

method of apportionment of special tax and for Community Facilities District No. 8, according to the amended and restated rate and method of apportionment of special tax.

Presenters: Tiffany Bohee, Executive Director; Thor Kaslofsky, Project Manager, Hunters Point Shipyard

PUBLIC COMMENT

Speakers: Dr. Espinola Jackson, BVHP resident; Francisco Da Costa, Director, EJA

Dr. Jackson stated that this action was out of order because years ago when the Board of Supervisors and City Planning supported the project going forward, the community had to get an attorney and that Redevelopment was aware of the lawsuit because the Agency was found negligent. She stated that in 2011 the judge ruled that nothing could be done on that property until CERCLA was approved and it had not been approved. It was found that none of the land was clean and Dr. Jackson gave out her number for people to call for additional information about this issue. She requested a copy of the environmental impact report on this property. Dr. Jackson stated that nobody was really aware of what was going on in that area and that the OCII should not be voting on this now.

Mr. Da Costa referred to the recent investigative report done by NBC wherein two white professional Tetra tech employees had testified about the botched cleanup of the Shipyard. He recalled that in the past only black employees of Lennar had come forward to testify. Mr. Da Costa likened the Shipyard to Chernobyl and spoke of the high levels of various chemicals that were very dangerous to human life. He stated that he had worked in the Presidio and was privy to information not available to the public since 1976 to the present. He stated that Lennar was getting this land for free but nothing good would come from any activity on HPS.

Chair Johnson requested a motion to move Ordinance No. 1-2014 and waive the reading in full of the ordinance.

Commissioner Ellington motioned to move Item 5(d) and Commissioner Mondejar seconded that motion.

Chair Johnson called for a voice call, where all in favor would say Aye and opposed or abstaining say Nay.

ADOPTION: IT WAS VOTED UNANIMOUSLY THAT ORDINANCE NO. 1-2014, ADOPTION OF AN ORDINANCE LEVYING SPECIAL TAXES WITHIN THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO COMMUNITY FACILITIES DISTRICT NO. 7 (HUNTERS POINT SHIPYARD PHASE ONE IMPROVEMENTS) AND RESCINDING ORDINANCE NO. 1-2008; HUNTERS POINT SHIPYARD PROJECT AREA, BE ADOPTED.

Chair Johnson requested a motion to move Ordinance No. 2-2014 and waive the reading in full of the ordinance.

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

Chair Johnson called for a voice call, where all in favor would say Aye and opposed or abstaining say Nay.

ADOPTION: IT WAS VOTED UNANIMOUSLY THAT ORDINANCE NO. 2-2014, ADOPTION OF AN ORDINANCE LEVYING SPECIAL TAXES WITHIN THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO COMMUNITY FACILITIES DISTRICT NO. 8 (HUNTERS POINT SHIPYARD PHASE ONE MAINTENANCE) AND RESCINDING ORDINANCE NO. 2-2008; HUNTERS POINT SHIPYARD PROJECT AREA, BE ADOPTED.

- f) Workshop on proposed revisions to Candlestick Point Hunters/Point Shipyard Phase 2 street designs to accommodate increased street widths. (Discussion)

Presenters: Tiffany Bohee, Executive Director

Executive Director Bohee recommended that this item be continued to the next meeting due to time constraints.

Chair Johnson announced that this item would be continued at the next meeting due to not only the late hour but also due to the fact that the parameters of this transaction may have changed and more information would be available later.

PUBLIC COMMENT

Speakers: Francisco Da Costa, Director, EJA; Dr. Espinola Jackson, BVHP resident

Mr. Da Costa agreed with the City Engineer and the Fire Chief that the current width of roads in San Francisco should be 26', due to the recent huge fire at Mission Bay. He opposed the statement by Supervisor Wiener in his presentation to the OCII to narrow street widths to 20'. Mr. Da Costa was of the viewpoint that streets should be widened to 34' and that the OCII should listen to the firefighters.

Dr. Jackson stated that she was at the hearing and stated that Jamestown Street, the street that she lived on, turned into a highway after a ballgame and that many times she could not get home after a game. She also stated that they needed to restrict the wider streets to 25 miles/hour and add more stop signs on Jamestown Street

- 6. Public Comment on Non-agenda Items – None.
- 7. Report of the Chair

Chair Johnson announced that she had no report.

- 8. Report of the Executive Director

Executive Director Bohee referred to an informational memo in Commissioners' packets that detailed the proposed RFP for Mission Bay Block 6 East, the 134-unit 50% AMI with 20 units set aside for formerly homeless families that would be referred by the City's Human Services Agency as consistent with citywide policy. She stated that the Board of Supervisors, acting both in its legislative capacity as well as its successor agency capacity, had approved the transaction for the affordable housing terms for UCSF. She explained that with the funds that the OCII would receive, subject to Oversight Board and Department of Finance approval blessing the overall UC transaction, the OCII would be able to fund the gap of not only this development but another 100-unit supported housing development, which was provided for in the budget that Commissioners most recently approved and

which would be considered by the Board's Budget and Finance Committee on June 18. Ms. Bohee stated that they expected to issue tax increment bonds to collect property tax and then use that \$10.2 million in total. She pointed out that these two projects would cost \$60 million, not comprised of housing trust fund dollars but dollars that would come through tax increment via the Commission.

Ms. Bohee stated that they were pleased to incorporate the feedback provided at the Mission Bay meeting relative to Transbay Block 5 in terms of criteria, scoring, asking the developers up front to provide for a workforce and contracting plan and other activities and actions to place an emphasis on marketing and making sure that this was a focus from the beginning. She stated that this was the result of six months of review, workshops and comments and was in compliance with the Mission Bay South Owner Participation requirements, dissolution law and other citywide policies. Ms. Bohee stated that they hoped to issue the RFP soon unless there were further comments and objections from the Commission.

Vice-Chair Rosales echoed and reaffirmed the marketing piece. After reviewing the RFP, she stated that she preferred the requirement to have a robust marketing plan upfront so that they would be able to see what was going into that effort. Ms. Rosales mentioned that she had discussed with Executive Director Bohee about the possibility of exploring a pre-qualified process for an RFQ or RFP, whereby the OCII through staff would do the competitive process to pre-qualify the marketers that satisfied the developers' component.

Executive Director Bohee responded that bringing resources to bear was an excellent idea as well as leveraging the dollars from the Mayor's Office of Housing and Community Development (MOHCD).

Regarding the commercial space that specified local small businesses, Chair Johnson requested more detail on that issue and requested that they make sure that this was open to all sorts of small businesses and not limit the developer to go to only mom & pop businesses but rather look at having profitable entities in that space.

PUBLIC COMMENT – None.

9. Commissioners' Questions and Matters

10. Closed Session – None.

11. Adjournment

The meeting was adjourned by Chair Johnson at 5:03 p.m.

Respectfully submitted,



Lucinda Nguyen, Interim Commission Secretary