

**MINUTES OF A SPECIAL MEETING OF THE
COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE
OF THE CITY AND COUNTY OF SAN FRANCISCO HELD ON THE
1ST DAY OF APRIL 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 Mission Creek Senior Community, Swift Conference Center, 3rd Floor, 930 4th Street, in the City of San Francisco, California, at 3:00 p.m. on the 1st day of April 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 3:15 p.m. Roll call was taken.

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

All other Commission members were present.

2. Announcements

A. The next scheduled Commission meeting will be a regular meeting held on Tuesday, April 15, 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: Regular Meeting of March 4, 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 Item 5(a).

Commissioner Ellington – yes

Commissioner Mondejar – yes

Vice-Chair Rosales – yes

Commissioner Singh – yes

Chair Johnson – yes

ADOPTION: IT WAS VOTED UNANIMOUSLY BY 5 COMMISSIONERS THAT THE MINUTES OF THE REGULAR MEETING OF MARCH 4, 2014 BE ADOPTED.

REGULAR AGENDA

- b) Authorizing a Grant Agreement with the Municipal Transportation Agency of the City and County of San Francisco in an amount not to exceed \$785,000 in Excess Bond Proceeds, from Series 2009 B and 2009 F Bonds, to provide funding for the renovation of the Bayview Opera House Plaza, located at 4705 Third Street; Bayview Hunters Point Redevelopment Project Area. (Discussion and Action) (Resolution No. 16-2014)

Chair Johnson announced that Commissioners Ellington and Vice-Chair Rosales would be recusing themselves from voting on this item.

Vice-Chair Rosales recused herself because the San Francisco Municipal Transportation Agency (SFMTA) had been a client of her firm within the past 12 months.

Commissioner Ellington recused himself because he served on the Board of Directors of the Bayview Opera House.

Presenters: Tiffany Bohee, Executive Director; Sally Oerth, Deputy Director; Joel Goldberg, Manager, Capital Expenditure, MTA; Judy Nemzoff, Program Director, San Francisco Arts Commission

PUBLIC COMMENT - None

Commissioner Singh inquired about whether they had hired the SFMTA for other projects in the Bayview and inquired about why they were there and what they would be doing there. He stated that he did not understand their involvement in the project and also inquired about the role of Department of Public Works (DPW) in the project.

Ms. Oerth responded that for this project they had never expended any of the proceeds from the original 2011 grant and the project had not yet started when the Department of Finance (DOF) invalidated it. She explained that now they were timing the grant and the SFMTA was starting their project at the same time. On the plaza project, the SFMTA would be working on some renovations, removing existing landscaping and fencing and replacing it, and working on paving and then the DPW would be working on renovations as well. Ms. Oerth explained that the SFMTA was involved because this was city-owned property and that this project would be considered a joint effort between the SFMTA and the DPW working on the plaza renovations.

Mr. Goldberg responded that 10 years ago they had received a federal grant from the Municipal Transportation Commission to work on this project. He explained that they were using the \$210,000 mentioned in the staff presentation as a required match to a larger Federal Transit Administration grant of about \$1,000,000 to be used between the Opera House and the 3rd Street line and they had received money to renovate the plaza between the two grants. Mr. Goldberg added that the SFMTA would be using the \$210,000 from the OCII to renovate the plaza and the rest of the money from the federal funds to rebuild the entire plaza. He explained that they had to have a link to transit to be able to use the money to serve as a transit benefit. Mr. Goldberg explained that the DPW would be using the rest of the \$570,000 to renovate the Opera House but that the SFMTA was only allowed to work on the Plaza.

Commissioner Mondejar inquired as to whether anyone from the DPW was present to speak about the renovations.

Ms. Nemzoff explained that the San Francisco Arts Commission was managing the project overall and the total renovation package was about \$5.3 million and that there were nine funding sources, including multiple agencies and private sources. She added that the renovations would include a new stairway designed by Architect Walter Hood and would include a main entrance, fencing and exterior work with an outside stage, expanded program area and significant landscaping. Ms. Nemzoff added that the exterior and interior of the building would become fully ADA compliant with funding from the Mayor's Office of Disabilities MOD Disabilities (MOD). The historic interior balcony would be secured, three ADA-accessible bathrooms would be added and the entry foyer would be expanded. She concluded that they hoped to complete this project in a year.

Executive Director Bohee added that the City through the Arts Commission owned the structure and the Arts Commission had the lease to operate with the non-profit Bayview Opera House. She explained that the Arts Commission was heading the project management. The SFMTA would be using their transit authority federal grant money but was limited in what they would be able to do and that was why the DPW was involved as well as other agencies.

Ms. Nemzoff added that there were four cultural centers owned by the Arts Commission on behalf of the City and that this was one of the largest projects they had ever done. She announced that the Opera House had been placed on the National Register of Historic Places in 2011 and was the only building of that stature in D10. Ms. Nemzoff stated that they were proud to be able to restore it.

Commissioner Mondejar inquired about whether they had all the funding needed to complete the renovation.

Ms. Nemzoff responded in the affirmative and added that the groundbreaking had taken place about two weeks earlier and that they were on target for completion in 12 months.

Commissioner Mondejar inquired about the other cultural centers that the Arts Commission owned.

Ms. Nemzoff responded that the Arts Commission also owned the Mission Cultural Center for Latino Arts on Mission & 24th Street; the SOMArts Cultural Center at 8th and Brannan, and the African-American Arts Center on Folsom in the Western Addition.

Commissioner Mondejar inquired about whether the OCII was involved in any of the other cultural centers.

Ms. Nemzoff responded in the negative and added that they would look forward to having the support of the OCII on those centers as well.

Commissioner Mondejar 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 – recused

Commissioner Mondejar – yes

Vice-Chair Rosales – recused

Commissioner Singh – yes

Chair Johnson – yes

ADOPTION: IT WAS VOTED BY 3 COMMISSIONERS WITH TWO RECUSALS THAT RESOLUTION NO.16-2014, AUTHORIZING A GRANT AGREEMENT WITH THE MUNICIPAL TRANSPORTATION AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO IN AN AMOUNT NOT TO EXCEED \$785,000 IN EXCESS BOND PROCEEDS, FROM SERIES 2009 B AND 2009 F BONDS, TO PROVIDE FUNDING FOR THE RENOVATION OF THE BAYVIEW OPERA HOUSE PLAZA, LOCATED AT 4705 THIRD STREET; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- c) Authorizing the issuance of a request for proposals from qualified development teams to design and develop an approximately 700,000-square-foot commercial office building on Block 5, located on Howard Street between Main and Beale Streets; Transbay Redevelopment Project Area. (Discussion and Action) (Resolution No. 17-2014)

Presenters: Tiffany Bohee, Executive Director; Courtney Pash, Assistant Project Manager, Transbay

PUBLIC COMMENT - None

Chair Johnson announced that she had provided some minor comments and changes on the RFP and had some questions about the marketing plan and retail strategies that would be part of submissions from proposers; inquired about what expectations would be from a successful proposer: would they be expected to come in with a full tenancy plan, would that affect the purchase price and also asked for more information regarding the full build-out of this building.

Ms. Pash responded that because of the timeframe in developing these projects, proposers were not expected to come in with a full tenancy plan but were only required to submit a plan about the type of tenants they expected and when they were expected to sign the lease. She pointed out that the market analysis showed the type of floor plans that they were proposing, which would be of interest to potential tenant companies.

Chair Johnson announced that proposals were due on her birthday.

Commissioner Ellington pointed out that normally the actual RFP came in the form of a memo and inquired as to whether the next steps would be in a similar format after the selection.

Ms. Pash responded in the affirmative, that they were asking for Commission approval that day and once approved, they would issue the RFP the following day, depending on any additional changes. She stated that after that the community would have 2 ½ months to respond with proposals.

Chair Johnson addressed Vice-Chair Rosales about the RFP because Ms. Rosales had worked on workforce contracting policies and inquired as to her thoughts on the final proposal.

Vice-Chair Rosales thanked staff for their considerable work on the RFP and for the responsiveness on the part of the TIPA administration in addressing selection criteria. Ms. Rosales pointed out that this RFP placed emphasis on the importance of OCII workforce and contracting action plans as well as the importance of social responsibility and diversity within the proposing teams. Ms. Rosales added that this was critical because it made them look at local talent in San Francisco, which was very deep and created ways to bring new folks into the project. She added that while dollars were important, the message should be sent that diversity and depth of local experience was also significant.

Commissioner Singh inquired as to whether any of the prospective bidders were present.

Ms. Pash responded in the negative. She added that once the RFP was issued, the prospective bidders would have the opportunity to come forth with questions and other concerns.

Commissioner Mondejar inquired as to how they would announce and market the RFP.

Ms. Pash responded that they had sent out 1500 postcards announcing the RFP, as per a community list as well as a list of developers, architects, and consultants going back to 2008. She added that they also took out ads in the San Francisco newspapers, the Wall St Journal and other local newspapers to announce that the RFP was available.

Commissioner Mondejar inquired as to whether that information was on the website and whether there was a way to reach out to new applicants from the website.

Ms. Pash responded in the affirmative; that the RFP was on the website as well as discussion about the process to follow.

Executive Director Bohee added that the purchasing policy also gave guidance regarding the RFP. She added that in addition to outreach to various chambers, business organizations, and CityBuild, the City's contract monitoring division list and other resources would be used to reach out to the community.

Chair Johnson stressed that Commissioner Mondejar's point was well taken and having the workforce and contracting plan as part of the proposal would be helpful because this was a very large project and it would be incumbent upon the developers to come in with the resources to be able to conduct their own outreach as well.

Commissioner Mondejar inquired as to whether the community had been notified about the impending construction of this building so as to warn them about the construction and perhaps about a building blocking their view.

Ms. Pash responded that all the building heights had been established for a number of years. She added that the RFP will be open for two months and had been sent to area residents so that they would know that an RFP had been issued and that construction would be taking place there.

Commissioner Mondejar stated that she would like the OCII to consider taking action to notify residents and local businesses about this construction and suggested an online app notification about

the upcoming construction in the area. Ms. Mondejar inquired about whether the hotdog area would stay there.

Ms. Pash responded that the hotdog area would not be removed.

Vice-Chair Rosales 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 – yes

Vice-Chair Rosales – yes

Commissioner Singh – yes

Chair Johnson – yes

ADOPTION: IT WAS VOTED UNANIMOUSLY BY 5 COMMISSIONERS THAT RESOLUTION NO.17-2014, AUTHORIZING THE ISSUANCE OF A REQUEST FOR PROPOSALS FROM QUALIFIED DEVELOPMENT TEAMS TO DESIGN AND DEVELOP AN APPROXIMATELY 700,000-SQUARE-FOOT COMMERCIAL OFFICE BUILDING ON BLOCK 5, LOCATED ON HOWARD STREET BETWEEN MAIN AND BEALE STREETS; TRANSBAY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Secretary Jones announced that Items 5 (d) through 5 (g) related to Alice Griffith Public Housing site would be presented together but acted on separately.

- d) Authorizing a Predevelopment Loan Agreement with Double Rock Ventures LLC, in the amount of \$2,713,863, for predevelopment activities related to the development of 94 units as Phase 1 of the construction of 256 replacement public housing units and the construction of 248 additional units of low-income family rental housing and a Replacement Housing Plan; Alice Griffith Public Housing site, 211 Cameron Way; and adopting environmental findings pursuant to the California Environmental Quality Act; Bayview Hunters Point Redevelopment Project Area. (Discussion and Action) (Resolution No. 18-2014)
- e) Authorizing a Predevelopment Loan Agreement with Double Rock Ventures LLC, in the amount of \$2,603,863, for predevelopment activities related to the development of 90 units as Phase 2 of the construction of 256 replacement public housing units and the construction of 248 additional units of low-income family rental housing; Alice Griffith Public Housing site, 211 Cameron way; and adopting environmental findings pursuant to the California Environmental Quality Act; Bayview Hunters Point Redevelopment Project Area. (Discussion and Action) (Resolution No. 19-2014)
- f) Authorizing a Predevelopment Loan Agreement with Double Rock Ventures LLC, in the amount of \$2,493,520, for predevelopment activities related to the development of 60 units as Phase 3a of the construction of 256 replacement public housing units and the construction of 248 additional units of low-income family rental housing; Alice Griffith Public Housing site, 211 Cameron way; and adopting environmental findings pursuant to the California Environmental Quality Act; Bayview Hunters Point Redevelopment Project Area. (Discussion and Action) (Resolution No. 20-2014)
- g) Authorizing a Predevelopment Loan Agreement with Double Rock Ventures LLC, in the amount of \$2,444,900, for predevelopment activities related to the development of 62 units as Phase 3b of the construction of 256 replacement public housing units and the construction of 248 additional units of low-income family rental housing; Alice Griffith Public Housing site, 211 Cameron way; and

adopting environmental findings pursuant to the California Environmental Quality Act; Bayview Hunters Point Redevelopment Project Area. (Discussion and Action) (Resolution No. 21-2014)

Presenters: Tiffany Bohee, Executive Director; Elizabeth Colomello, Development Specialist; Isaac Dozier, Sr. PM, Urban Strategies; Yusef Freeman, VP-Project Management, McCormack Baron Salazar; Helen Hale, Director, Mayor's Office of Housing and Community Development, HOPE SF Services

PUBLIC COMMENT

Speakers: Alonso Walker Menelik, resident of Baview Hunters Point; Ace Washington, San Francisco resident

Mr. Menelik stated that he had a concern with the presentation regarding the development of the units because he hadn't heard any mention of SB2113 replacement units or extremely low and very low income housing units. He inquired as to how many of the 256 units were SB2113 units and how many of the 248 units were replacement units as well as how many of the 248 units were for the very low and extremely low income categories. Mr. Menelik reminded Commissioners that the law mandated that these categories be listed. He also pointed out that by law 30% of all new units and those that would be substantially renovated by an agency must be offered to families of low and moderate income and that 50% of the 30% must be available at affordable housing costs to very low income households.

Mr. Washington commented on OCII procedures and that this was the second time the OCII had had a special meeting in the Alice Griffith community. He spoke about community reform.

The last speaker (no name given) stated that she was a resident of Alice Griffith for 20 years and was on the Board of Alice Griffith and that she was in support of this item.

Commissioner Singh inquired about the terms of the loans for this project; whether it would be a grant or a loan; whether Double Rock Ventures had done anything previously with the City.

Ms. Colomello responded that these were predevelopment loans which would fund each project through to the point of construction start and eventually would be rolled into larger permanent loans with a term of 55 years. She added that they expected to be back before the OCII within two months for approval of the permanent loan. She responded to Commissioner Singh's question that it would be a loan. Ms. Colomello responded that Double Rock Ventures was an LLC associated with MBS which has done work with the City, and in particular were presently working on the Carroll Street Senior Services in San Francisco.

Chair Johnson pointed out that there were four different predevelopment loan agreements that corresponded to Phase 1-3. She inquired about whether work during the predevelopment phase would require moving units and/or funding from one phase to another and changing the loan agreements and wanted to get a sense about the effects of this loan and the permanent loan financing; if so, Ms. Johnson inquired as to whether an amendment to the loan agreement would be necessary and what else would the OCII have to do. Ms. Johnson understood that the CNI grant would be reducing the OCII contribution but if the OCII were to not meet one or both unit delivery dates in 2016 and 2017, she inquired about what that would mean in terms of overall financing. Ms. Johnson stated that the CNI grant would be expended by the time of Phases 4 & 5 and inquired as to whether they had projected out the financing sources for those phases.

Ms. Colomello responded to the first question in the negative for Phases 1 and 2, because they were already set, but added that moving units and/or funding might be required for Phase 3 because they might try to bring more units into that stage. She explained that if additional funds were required, it would require an amendment and it would have to come back before the OCII as well as the City Loan Committee. Ms. Colomello stated that it was not clear at this time whether an amendment would be necessary. She explained that any shortfall related to the loss of the CNI grant would be made up by OCII, which was how the DDA had been written. She responded that Phases 4 & 5 would have the standard financing sources from tax credit and if there were additional funding sources, they would try to get some of that as well. She concluded that for now they were using standard sources currently available to affordable housing projects.

Chair Johnson inquired as to whether someone from Urban Strategies could come up and discuss measuring outcomes relating to the work with residents.

Mr. Dozier responded that they had different areas that they worked on: education, workforce, health, safety, and housing mobility and the way they measured outcomes was to set specific goals in the CNI grant for education/economic achievement or health. There were also specific goals for adults or youth with health coverage. As an example, he stated that they had several activities that involved enrolling people into ObamaCare and measured their success on whether they were able to get a certain number of people enrolled in CoveredCA. Mr. Dozier explained that they were also involved in getting people signed up for Medicare and Medicaid. He added that they also measured how many people were actually accessing the health coverage that they already had. Mr. Dozier stated that success was measured both quantitatively and qualitatively and that quality was more difficult to measure. He stressed that residents were part of their staff and that they met once a week to discuss the quality effectiveness issues. Mr. Dozier pointed out that those team members were mothers and senior care providers so they informed as to what was working and what was not working. He added that they also met with tenant leadership every two weeks to discuss implementation strategies and effectiveness. Ultimately, he added, they would measure success by asking at the end of the day how many families would be able to move into this kind of new community.

Chair Johnson inquired about resident services and relocation directed to MBS. She explained that there were certain categories required under the CRL regarding the replacement housing plan but that certain aspects were not covered by CRL but which were equally important. Ms. Johnson pointed out that there was a wide range of issues from being ready for relocation to currently going through eviction and not being ready for relocation. Ms. Johnson inquired about how MBS and other agencies working with residents were getting people ready to meet the timeline.

Ms. Colomello deferred to Mr. Freeman to respond to that question.

Mr. Freeman responded that they were currently going through the relocation planning process and had brought in a consultant to assist in that process. He spoke about the collaborative effort between his company, the Housing Authority (who was ultimately responsible for this), Urban Strategies, OCII and Lennar. Mr. Freeman stated that they would draft a relocation plan that would be part of the submittals to HUD and which would cover those items. He asked for clarification on whether the question was about the right to return.

Chair Johnson indicated in the affirmative regarding right to return as well as in terms of relocation. She inquired as to current status of residents vis-a-vis where they were on paper with a lease, etc. as well as about eviction and eligibility issues.

Mr. Freeman added that the Housing Authority would be involved in any eviction issues but his company would not be. He indicated that Urban Strategies' principal job would be to make sure that residents were ready to live in this new community. He explained that their case management process handled issues with leases, rent or anything that could jeopardize residents' ability to move into the new housing. Mr. Freeman added that they work closely with Urban Strategies for this reason. He mentioned that their understanding of the right to return legislation in San Francisco meant that anyone would be eligible to move in except when a resident had an issue with the Housing Authority. Mr. Freeman pointed out that there were other things they were doing to make sure residents were prepared, for example, having Urban Strategies check to make sure residents had credit to be able to get utilities and pay for them in their own name. This he added would be a measure of success.

Commissioner Ellington stressed the importance of creating a process whereby residents would have confidence to be able to stay in these units. He pointed out that currently there was a lot of uncertainty regarding public housing in San Francisco. Mr. Ellington inquired about how Urban Strategies would instill confidence in residents that they would be able to return; inquired about public outreach and how they were informing both residents in public housing and elsewhere.

Ms. Hale responded that she wanted to assure Commissioners that Urban Strategies was performing very well at Alice Griffith, was very engaged and meeting regularly with residents and had a good relationship with the developer. She stressed that Urban Strategies was very entrenched to make sure that residents were ready for all processes. Ms. Hale added that they had been involved at Hunters View early on because they wanted to address any issues with residents from the beginning to solve any problems that might hinder their moving in, such as bedroom size and how many people would be living in the unit. Ms. Hale stressed that this really was a transformation process so having services for the families early on was critical. She concluded that they wanted to work on the wellness of the family as a whole so that they could become part of the bigger picture of the community.

Mr. Dozier responded that of the seven people on the team, three lived on site and one used to live onsite, so that they were the first source for information and feedback from the community. He explained that those residents were part of the decision making process and the design service programs and that they would be using the same process for relocation plans. He explained that the same group of urban staff met with the Board every two weeks to talk about all the jargon in layman terms so they would be able to break it down to residents.

Commissioner Ellington inquired about whether the services being described were included and laid out in the relocation plan.

Mr. Dozier responded that the relocation plan would be focused on the actual relocation process and would not include case management issues in detail. He explained that the relocation plan would state that one of the rights of residents would be case management support and relocation counseling support provided by Urban Strategies and the Housing Authority.

Commissioner Mondejar inquired about how many case management staff there were and what the demographics of the population to be served were.

Mr. Dozier responded that they have onsite resident staff that work with residents in general and who were the first people to meet the residents. He explained that their case management staff worked on the detailed development plan with the family. He responded that his entire staff consisted of 8 people and that they served about 600 people on site, 200 households of which 122 had families, approximately 50% children/50% adults and 40 senior individuals. Mr. Dozier stated they really were

a conduit to existing city services to help people navigate through the process of dealing with other city agencies.

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

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

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

ADOPTION: IT WAS VOTED UNANIMOUSLY BY 5 COMMISSIONERS THAT RESOLUTION NO.18-2014, AUTHORIZING A PREDEVELOPMENT LOAN AGREEMENT WITH DOUBLE ROCK VENTURES LLC, IN THE AMOUNT OF \$2,713,863, FOR PREDEVELOPMENT ACTIVITIES RELATED TO THE DEVELOPMENT OF 94 UNITS AS PHASE 1 OF THE CONSTRUCTION OF 256 REPLACEMENT PUBLIC HOUSING UNITS AND THE CONSTRUCTION OF 248 ADDITIONAL UNITS OF LOW-INCOME FAMILY RENTAL HOUSING AND A REPLACEMENT HOUSING PLAN; ALICE GRIFFITH PUBLIC HOUSING SITE, 211 CAMERON WAY; AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, BE ADOPTED.

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

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

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

ADOPTION: IT WAS VOTED UNANIMOUSLY BY 5 COMMISSIONERS THAT RESOLUTION NO.19-2014, AUTHORIZING A PREDEVELOPMENT LOAN AGREEMENT WITH DOUBLE ROCK VENTURES LLC, IN THE AMOUNT OF \$2,603,863, FOR PREDEVELOPMENT ACTIVITIES RELATED TO THE DEVELOPMENT OF 90 UNITS AS PHASE 2 OF THE CONSTRUCTION OF 256 REPLACEMENT PUBLIC HOUSING UNITS AND THE CONSTRUCTION OF 248 ADDITIONAL UNITS OF LOW-INCOME FAMILY RENTAL HOUSING; ALICE GRIFFITH PUBLIC HOUSING SITE, 211 CAMERON WAY; AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, BE ADOPTED.

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

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

Commissioner Ellington – yes
Commissioner Mondejar – yes

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

ADOPTION: IT WAS VOTED UNANIMOUSLY BY 5 COMMISSIONERS THAT RESOLUTION NO.20-2014, AUTHORIZING A PREDEVELOPMENT LOAN AGREEMENT WITH DOUBLE ROCK VENTURES LLC, IN THE AMOUNT OF \$2,493,520, FOR PREDEVELOPMENT ACTIVITIES RELATED TO THE DEVELOPMENT OF 60 UNITS AS PHASE 3A OF THE CONSTRUCTION OF 256 REPLACEMENT PUBLIC HOUSING UNITS AND THE CONSTRUCTION OF 248 ADDITIONAL UNITS OF LOW-INCOME FAMILY RENTAL HOUSING; ALICE GRIFFITH PUBLIC HOUSING SITE, 211 CAMERON WAY; AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, BE ADOPTED.

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

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

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

ADOPTION: IT WAS VOTED UNANIMOUSLY BY 5 COMMISSIONERS THAT RESOLUTION NO.21-2014, AUTHORIZING A PREDEVELOPMENT LOAN AGREEMENT WITH DOUBLE ROCK VENTURES LLC, IN THE AMOUNT OF \$2,444,900, FOR PREDEVELOPMENT ACTIVITIES RELATED TO THE DEVELOPMENT OF 62 UNITS AS PHASE 3B OF THE CONSTRUCTION OF 256 REPLACEMENT PUBLIC HOUSING UNITS AND THE CONSTRUCTION OF 248 ADDITIONAL UNITS OF LOW-INCOME FAMILY RENTAL HOUSING; ALICE GRIFFITH PUBLIC HOUSING SITE, 211 CAMERON WAY; AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Secretary Jones announced that Items 5 (h) through 5 (k) related to Refunding of the CFD No. 7 Bonds and Change Proceedings of the CFD No. 7 and No. 8 would be presented together but acted on separately.

- h) Authorizing a Personal Services Contract with Jones Hall, a Professional Law Corporation, for Bond Counsel Services in an amount not to exceed \$93,500 related to the proposed change proceedings regarding Hunters Point Shipyard, Community Facilities District No.7 and Community Facilities District No. 8, and Refunding of Special Tax Bonds Regarding Community Facilities District No. 7, in each case pursuant to the Hunters Point Shipyard Phase 1 Disposition and Development Agreement; Hunters Point Shipyard Redevelopment Project Area. (Discussion and Action) (Resolution No. 22-2014)
- i) Authorizing a Personal Services Contract with Goodwin Consulting Group, Inc., a California Corporation, for Special Tax Advisory Services in an Amount Not to Exceed \$55,000 Related to the Change Proceedings Regarding Hunters Point Shipyard, Community Facilities District No. 7 and

Community Facilities District No. 8, and Refunding of Special Tax Bonds Regarding Community Facilities District No. 7, in each case, pursuant to the Hunters Point Shipyard Phase 1 Disposition and Development Agreement; Hunters Point Shipyard Redevelopment Project Area. (Discussion and Action) (Resolution No. 23-2014)

- j) Adopting a Resolution of Consideration to Amend and Restate the Amended and Restated Rate and Method of Apportionment of Special Tax for Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements); Hunters Point Shipyard Redevelopment Project Area. (Discussion and Action) (Resolution No. 24-2014)
- k) Adopting a Resolution of Consideration to Amend and Restate the Rate and Method of Apportionment of Special Tax for Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 8 (Hunters Point Shipyard Phase One Maintenance); Hunters Point Shipyard Redevelopment Project Area. (Discussion and Action) (Resolution No. 25-2014)

Presenters: Tiffany Bohee, Executive Director; Thor Kaslofsky, Project Manager, Hunters Point Shipyard; John Daigle, Senior Finance Analyst; Christopher Lynch, Bond Counsel, Jones Hall; Susan Goodwin, Goodwin Consulting Inc.

PUBLIC COMMENT

Speaker: Ace Washington, San Francisco resident

Mr. Washington commended Mr. Kaslofsky on his work and congratulated staff on their hard work. He spoke about a proposal that he was going to present to the Executive Director and spoke about community change and reform.

Vice-Chair Rosales was not aware of the Commission's authority to adopt ordinances and inquired about the origin of that authority and whether it was just for levying taxes.

Mr. Kaslofsky deferred to Mr. Lynch to respond to that question.

Chair Johnson announced that Irwin Tam from Baxter McArly Berry was present at the meeting.

Mr. Lynch responded that the Mello--Roos Community Facilities Act is the law under which the refunding bonds would be issued and is the law under which the change proceedings would be occurring. He explained that the special taxes would be levied by ordinance and that the Mello-Roos Community Facilities Act expressly grants to those entities which do not otherwise have the right to adopt ordinances the authority to adopt ordinances for the purpose of levying special taxes.

Commissioner Singh inquired whether Jones Hall & Goodwin Consulting had done any work with OCII before.

Mr. Kaslofsky responded in the affirmative. He explained that Jones Hall had served as the bond counsel on the 2005 issuance and pointed out that they remained as bond counsel throughout the life of the bonds until they were retired or converted. Mr. Kaslofsky explained that Goodwin Consulting was the CFD administrator for the OCII and currently administered all the special taxes for all CFD 7.

Commissioner Ellington inquired about how the tax rate was determined and how it would be governed once Lennar no longer owned the land; inquired about whether there was any for-sale affordable housing in the Shipyard and whether that would be tax exempt;

Mr. Kaslofsky responded that the tax rate was determined across a number of factors—the type of unit, whether it was a townhome, etc., the size of the unit, and then there was a value placed on that according to the method of apportionment and that this would create the basis for the tax. The tax was paid by the landowner and that the only taxable entity was Lennar because the OCII was tax-exempt. Mr. Kaslofsky explained that when Lennar sold homes, the tax would be passed onto the new homeowner. Then, as a private individual, the new owner would be taxed by the tax assessor's office along with property taxes. Mr. Kaslofsky responded that all the affordable housing that OCII would be developing and transferring to MOH was partially tax-exempt: exempt from the CFD taxes that were maintaining the bond payments. He added that the OCII contributes to the special tax related to CFD 8 for the maintenance of the parks on a partial level: the inclusionary within market rate development was not exempt and would pay normal tax just like everyone else.

Chair Johnson inquired whether Goodwin Consulting worked on the projections for the amended and restated rates in the Commissioners packages for that meeting. Ms. Johnson noted that the purpose of the change proceedings was slightly different for each one but that the districts themselves overlapped and inquired whether generally speaking they would cancel each other out.

Mr. Kaslofsky responded that Goodwin Consulting had prepared the form of amended and restated RMA in the packets as well as the original one. To the second question he responded that the existing RMA would be replaced with the form in the packets. He deferred to Ms. Goodwin to add further detail to this question.

Ms. Goodwin responded that the RMA's were overlapping CFD's and that the special taxes within each RMA were also overlapping. She explained that the types of units within the different categories would pay both of those taxes and the taxes that were shown in the amended RMA's for both CFD's would replace the taxes that had been in the previous RMA's.

Chair Johnson referred to the overall impact on homeowners because that plus the letter of credit and the need to refinance was what was driving the change proceedings for CFD #7. She inquired as to whether change proceedings for CFD#7 related to the cost for end homeowners would be negated by the fact that they were also increasing the rate for CFD#8 to create a capital reserve; she inquired as to whether those changes would cancel each other out in terms of impact on the homeowner end tax costs.

Ms. Goodwin replied that it was a wash; there was a slight reduction overall. She explained that one of the main changes that initiated the whole process had less to do with lowering the rate on homeowners and more to do with the fact that the BMR 50% units had originally been sprinkled throughout the project in different blocks and now were all located on Block 49 within the project. Ms. Goodwin added that Block 49, because of negotiations with the affordable housing provider, needed to be exempt from the tax for CFD #7. The current RMA did not provide for that exemption because it had been anticipated that those BMR 50% units would be distributed throughout all the blocks. She added that the primary change for CFD7 would be to exempt Block 49 and replace the 50% BMR units in the other blocks with market rate units.

Chair Johnson announced that there would be more opportunities for discussion on this topic at future meetings.

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

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

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

ADOPTION: IT WAS VOTED UNANIMOUSLY BY 5 COMMISSIONERS THAT RESOLUTION NO.22-2014, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH JONES HALL, A PROFESSIONAL LAW CORPORATION, FOR BOND COUNSEL SERVICES IN AN AMOUNT NOT TO EXCEED \$93,500 RELATED TO THE PROPOSED CHANGE PROCEEDINGS REGARDING HUNTERS POINT SHIPYARD, COMMUNITY FACILITIES DISTRICT NO.7 AND COMMUNITY FACILITIES DISTRICT NO. 8, AND REFUNDING OF SPECIAL TAX BONDS REGARDING COMMUNITY FACILITIES DISTRICT NO. 7, IN EACH CASE PURSUANT TO THE HUNTERS POINT SHIPYARD PHASE 1 DISPOSITION AND DEVELOPMENT AGREEMENT; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

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

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

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

ADOPTION: IT WAS VOTED UNANIMOUSLY BY 5 COMMISSIONERS THAT RESOLUTION NO. 23-2014, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH GOODWIN CONSULTING GROUP, INC., A CALIFORNIA CORPORATION, FOR SPECIAL TAX ADVISORY SERVICES IN AN AMOUNT NOT TO EXCEED \$55,000 RELATED TO THE CHANGE PROCEEDINGS REGARDING HUNTERS POINT SHIPYARD, COMMUNITY FACILITIES DISTRICT NO. 7 AND COMMUNITY FACILITIES DISTRICT NO. 8, AND REFUNDING OF SPECIAL TAX BONDS REGARDING COMMUNITY FACILITIES DISTRICT NO. 7, IN EACH CASE, PURSUANT TO THE HUNTERS POINT SHIPYARD PHASE 1 DISPOSITION AND DEVELOPMENT AGREEMENT; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

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

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

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

ADOPTION: IT WAS VOTED UNANIMOUSLY BY 5 COMMISSIONERS THAT RESOLUTION NO. 24-2014, ADOPTING A RESOLUTION OF CONSIDERATION TO AMEND AND RESTATE THE AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO COMMUNITY FACILITIES DISTRICT NO. 7 (HUNTERS POINT SHIPYARD PHASE ONE IMPROVEMENTS); HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Commissioner Mondejar motioned to move Item 5(k) and Commissioner Singh seconded that motion.

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

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

ADOPTION: IT WAS VOTED UNANIMOUSLY BY 5 COMMISSIONERS THAT RESOLUTION NO. 25-2014, ADOPTING A RESOLUTION OF CONSIDERATION TO AMEND AND RESTATE THE RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO COMMUNITY FACILITIES DISTRICT NO. 8 (HUNTERS POINT SHIPYARD PHASE ONE MAINTENANCE); HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Chair Johnson announced that two Commissioners would be leaving within the next 30 minutes and asked that presenters for the next item keep their presentation under 30 minutes.

- 1) Workshop on OCII's Fiscal Year 2014-2015 Budget: Mission Bay North and South, Transbay Redevelopment Project Areas, and Hunters Point Shipyard/Candlestick Point, and Retained Housing Obligations. (Discussion)

Presenters: Tiffany Bohee, Executive Director; Sally Oerth, Deputy Director; Catherine Reilly, Project Manager, Mission Bay; Courtney Pash, Assistant Project Manager, Transbay; Wells Lawson, Senior Project Manager, Hunters Point Project Shipyard Phase II & Candlestick Point

PUBLIC COMMENT

Speaker: Corinne Woods, Chair, Mission Bay CAC; Ace Washington, San Francisco resident

Ms. Woods stated that she was standing in for another CAC member who wanted to talk about long-term property management plans for the Mission Bay parks. She understood that they had to wait until the state came back with a response to the draft plan, but their concern was that they had not seen any mention of management plans for the parks on the work plan, the budget or on the future OCII agenda. Ms. Woods requested that the OCII put this item back on the agenda and follow up on it so that it would not just fall off because these issues had to be resolved before all the Mission Bay parks were built out.

Mr. Washington stated that there had been no mention of the Western Addition and the Fillmore during this meeting, even though all the project managers had come forward to update on their projects areas. He also spoke about community reform.

Chair Johnson announced that there would be a second workshop regarding the budget at the April 15 meeting and, therefore, more opportunities for questions and discussion.

Vice-Chair Rosales inquired about the status of a past request that she had made for a report on the global look at contract compliance and in particular, the local hire and small business programs. Ms. Rosales mentioned that they had talked about getting it before the close of this fiscal year.

Ms. Oerth responded that they were working on a 2013 look-back by project area on professional services contracts and workforce hours and that this would be presented either at the April 15 or May 6 meetings.

Executive Director Bohee announced that they had filled their contract compliance supervisor position with Raymond Lee who would be starting on April 16. Ms. Bohee stated that they also had another contract compliance II specialist position to be filled, the request for which would go out soon.

Ms. Oerth announced that Jeff White, former employee of the Redevelopment Agency, would be starting as housing program manager on April 21 and would be present at the May 6 meeting.

Vice-Chair Rosales noted that she heard about an arts component for Hunters Point Shipyard but wanted clarification about a tech center; inquired about a commercial kitchen.

Mr. Lawson responded in the affirmative and explained that this was the broad category under the Economic & Development Administration grant that OCII was funding, including upgrades to Building 101 and a modular facility to create an arts and technology district.

Executive Director Bohee added thanks to Nancy Pelosi for that as well as others in the federal delegation.

Mr. Lawson responded that the commercial kitchen that was currently operating on the site had been a huge success and that staff would be presenting a proposed design for a replacement commercial kitchen at the April 15 meeting. He explained that the existing kitchen was located on the spot where they wanted to put the artist replacement studios. He added that this would be followed eventually by a design for the artist replacement building.

Commissioner Mondejar inquired about who was currently running the commercial kitchen.

Mr. Lawson responded that it was Eclectic Cookery and run by a current CAC member, Scott Madison.

Chair Johnson announced that this was not an action item and that it would be considered again on April 15.

Ms. Oerth clarified that on April 15 the workshop would cover the next section on staffing, operating, asset management and that this discussion would come back to Commissioners on the May 6 meeting.

Chair Johnson announced that the meeting would be adjourned and any items not covered would be taken up at the next meeting.

6. Public Comment on Non-agenda Items - None

7. Report of the Chair

8. Report of the Executive Director

9. Commissioners' Questions and Matters

10. Closed Session

11. Adjournment

The meeting was adjourned by Chair Johnson at 6:15 p.m.

Respectfully submitted,

Natasha Jones

Natasha Jones, Interim Commission Secretary