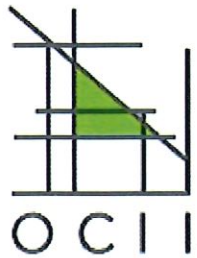


London N. Breed
MAYOR



Bivett Brackett
CHAIR

Dr. Carolyn Ransom-Scott
VICE-CHAIR

Vanessa Aquino
Tamsen Drew
Kent Lim
COMMISSIONERS

Thor Kaslofsky
EXECUTIVE DIRECTOR

**MINUTES OF A REGULAR MEETING OF THE
COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE
OF THE CITY AND COUNTY OF SAN FRANCISCO HELD ON THE
19TH DAY OF MARCH 2024**

The members of the Commission on Community Investment and Infrastructure of the City and County of San Francisco met in a regular meeting in person at 1:00 p.m. on the 19th day of March 2024.

REMOTE ACCESS:

WATCH LIVE ON SFGOVTV: <https://sfgovtv.org/ccii>

PUBLIC COMMENT:

Members of the public may provide public comment in-person at the noticed location or remotely via teleconference (detailed instructions available at: <https://sfocii.org/remote-meeting-information>). Members of the public may also submit their comments by email to: commissionsecretary.ocii@sfgov.org; all comments received will be made a part of the official record.

INSTRUCTIONS FOR PUBLIC COMMENT:

DIAL: 1-415-655-0001 **ENTER ACCESS CODE:** 2661 369 8121 **PRESS # PRESS #**
again to enter the call. Press *3 to submit your request to speak.

REGULAR MEETING AGENDA

1. Recognition of a Quorum

Meeting was called to order at 1:04 p.m. by Chair Brackett. Roll call was taken.

Commissioner Aquino - present
Commissioner Drew - present
Commissioner Lim - absent
Vice-Chair Scott - present
Chair Brackett - present

Commissioner Lim was absent. All other Commissioners were present.

2. Announcements

- a) The next regularly scheduled Commission meeting will be held **in person** on Tuesday, April 2, 2024 at 1:00 pm at City Hall in 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 from participants dialing in:**
Please be advised that a member of the public has up to three minutes to make pertinent public comments on each agenda item unless the Commission adopts a shorter period on any item. We recommend that members of the public who are attending the meeting in person fill out a "Speaker Card" and submit the completed card to the Commission Secretary. All dial-in participants from the public will be instructed to call a toll-free number and use their touch-tone phones to provide any public comment. Audio prompts will signal to dial-in participants when their audio input has been enabled for commenting.

PUBLIC COMMENT CALL-IN: 1-415-655-0001 ACCESS CODE: 2661 369 8121

Commission Secretary read the instructions for the public to call in.

- 3. Report on actions taken at previous Closed Session meeting - None**
- 4. Matters of Unfinished Business - None**
- 5. Matters of New Business:**

CONSENT AGENDA

- a) Approval of Minutes: Regular Meeting of March 5, 2024

PUBLIC COMMENT - None

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

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

Commissioner Aquino - yes
Commissioner Drew - yes
Commissioner Lim - absent
Vice-Chair Scott - yes
Chair Brackett - abstained

ADOPTION: IT WAS VOTED BY THREE COMMISSIONERS WITH ONE ABSENCE AND ONE ABSTENTION THAT APPROVAL OF THE MINUTES FOR REGULAR MEETING OF MARCH 5, 2024, BE ADOPTED.

REGULAR AGENDA

Agenda Item Nos. 5(b) and 5(c) related to Transbay Block 2 Family, L.P. were presented together but acted on separately

- b) Authorizing an Amended and Restated Loan Agreement with Transbay 2 Family, L.P., a California limited partnership, to increase the contract amount by \$53,961,845 for a total aggregate loan amount of \$61,961,845, and a Childcare/Community Commercial Loan Agreement with Transbay 2 Family Commercial LLC, a California limited liability company, in an amount of \$8,676,682, for the development of 184 affordable rental housing units (including two manager's units), a childcare facility space, and two community-serving commercial spaces at Transbay Block 2 East; Providing notice that the above-described actions are within the scope of the Transbay Redevelopment Project approved under the Transbay Terminal/ Caltrain Downtown Extension/Redevelopment Project Final Environmental Impact Statement/ Environmental Impact Report, a Program EIR, and are adequately described therein for purposes of the California Environmental Quality Act ("CEQA"); Transbay Redevelopment Project Area (Discussion and Action) (Resolution No. 06-2024)
- c) Authorizing a Residential Ground Lease with Transbay 2 Family, L.P., a California limited partnership, and a Childcare and Community Commercial Ground Lease with Transbay 2 Family Commercial LLC, a California limited liability company, for the development of 184 affordable rental housing units (including two manager's units), a childcare facility space, and two community-serving commercial spaces at Transbay Block 2 East; Providing notice that the above-described actions are within the scope of the Transbay Redevelopment Project approved under the Transbay Terminal/ Caltrain Downtown Extension/ Redevelopment Project Final Environmental Impact Statement/ Environmental Impact Report, a Program EIR, and are adequately described therein for purposes of the California Environmental Quality Act ("CEQA"); Transbay Redevelopment Project Area (Discussion and Action) (Resolution No. 07-2024)

Presenters: Thor Kaslofsky, Executive Director; Kimberly Obstfeld, Senior Development Specialist; Maria Pecot, Senior Contract Compliance Specialist; Mick Penn, Community Relations Director, Swinerton; Sean Wils, Senior Project Manager, Mercy Housing

PUBLIC COMMENT - None

Vice-Chair Scott referred to the early outreach and noted that Commissioners had previously discussed getting newsletters and information to institutional churches, especially in Districts 10 and 5, and delivering them as early as possible, and not in May. Dr. Scott pointed out that this time of year was a good time to reach out to those institutions because many people went to church now more than other times of the year. Dr. Scott wanted to ensure that there would be flyers to hand out including information about locations of OCII outreach services and ways to communicate with them. She also advocated for placing flyers in places where small business owners would conduct their own business as well as to unions in order to cover small business owners. Dr. Scott listed a few locations that should be included.

Commissioner Aquino was pleased about this project. She referred to the dog park nearby and expressed concern that some of these units would be for seniors and inquired about whether there would be an area for dogs at the residences.

Ms. Obstfeld responded that there was no dog park area built in for this site. However, there would be one incorporated into the Transbay (TB) Block 3 park across the street.

Commissioner Aquino referred to the last page under Family Building and inquired about the fact that under Maintenance Equipment there were the words "case work" and "residential case work", they were both listed as bids. She inquired about what this meant.

Ms. Obstfeld responded that typically that would mean mill work such as cabinetry and other work that was built into the structure.

Executive Director Kaslofsky responded that the current approved design on Block 3 did not include an enclosed dog park area. Nonetheless, there was a one-acre park planned for that area as a kid

zone and other things. He recalled that a contingency of active sports enthusiasts had come to the meeting for this matter several months ago, but made no requests for an enclosed dog park. However, Mr. Kaslofsky assured Commissioner Aquino that dogs would be welcome there.

Vice-Chair Scott thanked Ms. Obstfeld for a clear and informative presentation. She requested that Ms. Obstfeld add several more names and locations to the list discussed previously.

Chair Brackett thanked Ms. Obstfeld for her presentation. Based on her notes, she referred to the fact that the predevelopment loan agreement amount had already been doubled once and what the Commission was being asked to do now was increase the amount of the loan agreement by 35%, which was in effect a total of over \$19 million and not the \$8 million as stated in the item.

Ms. Obstfeld clarified that the \$53 million was in addition to the \$8 million for predevelopment funding which would bring the residential piece total to \$61.9 million. However, the overall ask project-wide for all of 2 East was still consistent with where they were in August 2023 when they came for the preliminary financing commitment. She explained that the all-in amount was still the \$72.9 million. However, she agreed with Chair Brackett that they were increasing from the \$8 million authorized during predevelopment funding, adding another \$53 million, to come up to the \$61.9 million for the residential.

Chair Brackett requested that Ms. Obstfeld outline some of changes that had happened over the past year to justify the substantial increases being asked for today.

Ms. Obstfeld responded that the project they were bringing today was very similar to the project they brought to Commissioners in August 2023. She explained that they were fine-tuning some of those numbers and would continue to be fine-tuned as they got a tax-credit investor onboard with a letter of intent. Overall, the costs had not increased since that time. Ms. Obstfeld reported that they needed the pre-development amount early and had front-loaded more than they would typically do. She acknowledged that very often they only requested the \$3.5 million; however, in this project they authorized more so that the team could engage in design-build work. Overall, she explained, they were still at the same \$61.9 million estimated residential loan amount as they were in August 2023. She agreed that this was an expensive project but at a per-residential unit basis, they were coming in at approximately \$336,000, which was very comparable if not better than other projects.

Chair Brackett referred to an asterisk next to the Local Operating Subsidy Program (LOSP) families and that there was mention of it being at 50% (AMI) rather than at 35% and requested clarification on that.

Ms. Obstfeld responded that the LOSP units would be offered to households regardless of income. She explained that many applicants came in with \$0 income, and many will have incomes in the 15-20% AMI range. Tenant-paid rent will be based on a percentage (30%) of actual household income. Under the LOSP policy and procedures manual, OCII allowed incomes up to 50% for those units, which allowed for long-term stability for those families. Ms. Obstfeld reported that under the program, if applicants started at \$0 income, but eventually were able to secure employment, they might still need the LOSP-supported resources and OCII wanted to make sure that the incomes went up high enough so they could stay in that unit as long as they needed to in order to stabilize the household.

Ms. Obstfeld acknowledged that this was different from restricting AMI in the 0-30% range; however, for restriction purposes for the OCII documents, they would cap incomes at 50% AMI.

Chair Brackett thanked the team and Mercy Housing for building the extra safety nets into the program. She was aware that many times there were situations where the formerly homeless would find employment and then get thrown out of the unit because they either did not make enough for market rate or made too much for the program. Ms. Brackett inquired about dates set for the technical assistance applications and/or when the applications would be released.

Ms. Obstfeld responded that they would provide the full schedule in the early outreach plan in which they would have a very detailed marketing schedule and Mercy would come in with local partnerships for organizations that would provide workshops and rent-readiness seminars. She stated that they wanted to make sure they locked in their closing date and they knew what the construction schedule would be and then would follow up with a detailed timeline.

Chair Brackett requested that they make sure that the workshops were multilingual or have interpreters available. She recalled that there had been problems with some communities regarding language access and applicants not being able to attend certain outreach events or know about them due to language barriers. Ms. Brackett referred to the Small Business Enterprise (SBE) numbers coming in at 80% and was very pleased about that. She inquired about how they were doing with the Local Business Enterprise (LBE) goals in OCII project areas.

Ms. Obstfeld deferred to Ms. Pecot for more detail on that question.

Ms. Pecot clarified that the question was regarding San Francisco (SF) businesses in construction for this project and OCII goals. She responded that the SF LBE number was very similar to the total SBE participation number, which was around 59% for contracts, for scopes that had been completely bought out. She reported that the majority of the scopes were under negotiation and their contracts were not yet finalized. Ms. Pecot further explained that what was displayed on the sheet in the report included the Swinerton/Rubecon JV scope, in addition to finalized subcontracts.

Chair Brackett referred to the challenges meeting the local hire goals. She expressed concern because as they continued to conduct development, there was a lack of inclusion for local people to get union-wage jobs that would put them in the position to live in these properties and/or purchase in the City. Ms. Brackett requested to hear from Swinerton as to what their historical numbers had been in terms of LBE's with OCII projects as well as what they planned to do differently in the future to increase those numbers, because they were under 20% currently and should be at 50% at least.

Ms. Pecot clarified that Chair Brackett was referring to the early site work on the project and not construction start.

Mr. Penn clarified that Chair Brackett wanted to understand the local hire workforce on the project. He responded that they realized that this project was an opportunity to partner with CityBuild and other community organizations, such as Young Community Developers (YCD), the Chinatown Charity Cultural Service Center, Success Center, etc. Mr. Penn reported that early on they would be able to do what they did on Treasure Island, which was to conduct a job brokering program to meet with community partners and set out the schedule to let them know what opportunities would be available, particularly in ironwork, rebar, tile setting and other union trades. Then they would check in with their trade partners to make sure that they were meeting their goals in collaboration with CityBuild, that they were aware of the available workforce already in the union pool and were staying in touch for opportunities coming from the CityBuild Academy. This would allow Swinerton to keep the focus on workforce compliance and working with trade partners to help facilitate their connection with CityBuild and help promote local labor SF workforce.

Chair Brackett inquired about what trade areas they had found the most successful in matching with local workers.

Mr. Penn responded that the basic crafts, especially carpenters and laborers crafts, were the most successful. He reported that many SF residents were already in the union and would be able to get re-indentured. Mr. Penn added that dry wall finishers would be another area of concentration, because contractors would be able to sponsor them into the union.

Chair Brackett referred to the group of workers who were trained, but who were no longer in the union because they could not afford to pay the union dues. She inquired about whether there was anything Swinerton could do for these workers who wanted to be part of the workforce but were having difficulties maintaining their union membership.

Mr. Penn responded that retention of community workforce was one of the biggest challenges/opportunities and one of the greatest areas for improvement for the industry. He announced the Swinerton/Rubecon new employee training program, which included a series of check-ins for a new hire. Swinerton shared this plan with their trade partners to improve retention of new hires. She added that some of their new trade partners, such as Mission Hiring Hall and YCD did have funds to help workers get re-indentured.

Chair Brackett thanked Mr. Penn and Swinerton for their efforts to help the workforce. She suggested that they try partnering with the Coalition of Black Trade Unionists (CBTU) as well as the Women's Painters Union, which needed additional support from the community to be included in the construction trade.

Vice-Chair Scott noted that Mr. Penn stated that they "planned on reaching out" and she inquired about whether that meant that they had already reached out.

Mr. Penn clarified that Dr. Scott was referring to bringing together the community partners to outline the opportunities. He responded that this was part of their proposal to Mercy Housing and to CCD and they were in the process of putting together.

Vice-Chair Scott inquired about whether they would be able to include information to the churches outreach centers which were already in the communities and could communicate with local workers.

Mr. Penn responded that reaching out to the faith-based organizations with a flyer and local community organizations such as neighborhood access centers to cast a wider net would be a good idea. He indicated that they had selected certain partners because they were already in construction but they could try to cast a wider net.

Chair Brackett referred to budget constraints which did not allow for parking. She noted that this project included 92 bicycle stations, but in reality, this population would not be riding bikes, but rather having to take young children to school, go shopping, etc. Ms. Brackett expressed concern that many families turned down housing opportunities because there was no parking. She inquired about what financial plans were in the works for the future to include parking in these projects.

Mr. Wils responded that he could speak to transit access at the building as well as financing. He stated that at the building they would make sure to educate residents about all the transit opportunities in the area and announced that they were giving all residents three years of free transit passes, which would have a minimum of 40 rides per month. Mr. Wils reported that they were also partnering with the SF Bike Coalition to offer bike safety and repair workshops as well as group walking activities and would be offering bikes, helmets and other safety equipment. He reported that they would be conducting outreach to parking garages in the area and would be educating residents about parking garages in the area. As far as parking in the future, Mr. Wils indicated that this would be very difficult, because it meant going subterranean, which was very expensive, or taking units offline to make room for parking. The funding outlook was to disincentivize parking and incentivize using transit and not getting any additional funds for parking.

Chair Brackett inquired about what they could do collectively to lobby to change some of the laws to allow for family-based housing parking because they needed that option.

Mr. Wils responded that they did not know of any public policy initiative regarding that matter. However, there was a federal legislation change that was passed by Congress to lower the 50% tax exempt bond test to 25%, which would allow for more tax credit funding which could be used as a tool for parking. The housing non-profits had been lobbying the legislature for years for that.

Ms. Obstfeld responded that the biggest bottleneck was the tax-exempt bonds and right now they were doing everything they could do to move forward to build housing and meet the needs of the community.

Commissioner Drew motioned to move Item 5(b) and Commissioner Aquino seconded that motion.

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

Commissioner Aquino - yes
Commissioner Drew - yes
Commissioner Lim - absent
Vice-Chair Scott - yes
Chair Brackett - yes

ADOPTION: IT WAS VOTED BY FOUR COMMISSIONERS WITH ONE ABSENCE THAT RESOLUTION NO. 06-2024, AUTHORIZING AN AMENDED AND RESTATED LOAN AGREEMENT WITH TRANSBAY 2 FAMILY, L.P., A CALIFORNIA LIMITED PARTNERSHIP, TO INCREASE THE CONTRACT AMOUNT BY \$53,961,845 FOR A TOTAL AGGREGATE LOAN AMOUNT OF \$61,961,845, AND A CHILDCARE/COMMUNITY COMMERCIAL LOAN AGREEMENT WITH TRANSBAY 2 FAMILY COMMERCIAL LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, IN AN AMOUNT OF \$8,676,682, FOR THE DEVELOPMENT OF 184 AFFORDABLE RENTAL HOUSING UNITS (INCLUDING TWO MANAGER'S UNITS), A CHILDCARE FACILITY SPACE, AND TWO COMMUNITY-SERVING COMMERCIAL SPACES AT TRANSBAY BLOCK 2 EAST; PROVIDING NOTICE THAT THE ABOVE-DESCRIBED ACTIONS ARE WITHIN THE SCOPE OF THE TRANSBAY REDEVELOPMENT PROJECT APPROVED UNDER THE TRANSBAY TERMINAL/ CALTRAIN DOWNTOWN EXTENSION/REDEVELOPMENT PROJECT FINAL ENVIRONMENTAL IMPACT STATEMENT/ ENVIRONMENTAL IMPACT REPORT, A PROGRAM EIR, AND ARE ADEQUATELY DESCRIBED THEREIN FOR PURPOSES OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT ("CEQA"); TRANSBAY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Commissioner Drew motioned to move Item 5(c) and Vice-Chair Scott seconded that motion.

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

Commissioner Aquino - yes
Commissioner Drew - yes
Commissioner Lim - absent
Vice-Chair Scott - yes
Chair Brackett - yes

ADOPTION: IT WAS VOTED BY FOUR COMMISSIONERS WITH ONE ABSENCE THAT RESOLUTION NO. 07-2024, AUTHORIZING A RESIDENTIAL GROUND LEASE WITH TRANSBAY 2 FAMILY, L.P., A CALIFORNIA LIMITED PARTNERSHIP, AND A CHILDCARE AND COMMUNITY COMMERCIAL GROUND LEASE WITH TRANSBAY 2 FAMILY COMMERCIAL LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, FOR THE DEVELOPMENT OF 184 AFFORDABLE RENTAL HOUSING UNITS (INCLUDING TWO MANAGER'S UNITS), A CHILDCARE FACILITY SPACE, AND TWO COMMUNITY-SERVING COMMERCIAL SPACES AT TRANSBAY BLOCK 2 EAST; PROVIDING NOTICE THAT THE ABOVE-DESCRIBED ACTIONS ARE WITHIN THE SCOPE OF THE TRANSBAY REDEVELOPMENT PROJECT APPROVED UNDER THE TRANSBAY TERMINAL/ CALTRAIN DOWNTOWN EXTENSION/ REDEVELOPMENT PROJECT

FINAL ENVIRONMENTAL IMPACT STATEMENT/ ENVIRONMENTAL IMPACT REPORT, A PROGRAM EIR, AND ARE ADEQUATELY DESCRIBED THEREIN FOR PURPOSES OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT ("CEQA"); TRANSBAY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

6. Public Comment on Non-Agenda Items - None

7. Report of the Chair

Chair Brackett stated that she had no report.

8. Report of the Executive Director

Executive Director Kaslofsky announced that Jaimie Cruz, Commission Secretary, would be out on jury duty for 10 weeks and that Lucinda Nguyen and the administrative team would be filling in for her.

Executive Director Kaslofsky announced that they were planning a groundbreaking event in late May at TB Block 2 West, where construction would be starting. They were trying to find a time when OCII Commissioners as well as the Mayor would be available for the ceremony.

Executive Director Kaslofsky announced that on March 27, there would be a site walk at 800 Embarcadero for Community Facilities District 1 in the South Beach area, where OCII had authorized an extension of the maintenance contract and an RFP had been issued. Mr. Kaslofsky reported that they had already begun posting and advertising this RFP and were doing extensive outreach for this event. The deadline for this proposal was April 22, 2024.

Vice-Chair Scott stated that she was very proud of the OCII staff because it felt like they were doing greater and greater things and moving in a progressive way, although she acknowledged that there was much more to be done. Dr. Scott had heard from the community and from community activist, Oscar James, that they were doing better and better. She stated that they had the lists of organizations to work with and outreach to and asked those that needed those lists to reach out to the Commission.

Chair Brackett commended the entire OCII team for all the extra hours they worked to push through these projects and to continue the important work that they were doing. She also thanked the team for thinking outside the box and considering other ways to improve their work and accomplish their goals.

Executive Director Kaslofsky stated that the entire credit went to the team who truly believed in what they were doing. He stated that they had a high caliber of professionals who worked hard to get this work done.

Vice-Chair Scott paid special tribute to Benjamin Brandin (Project Manager, Transbay), who was on her training team when she came aboard as a Commissioner and thanked him for being present at every meeting and keeping track of everything going on.

9. Commissioners Questions and Matters

Chair Brackett recalled that with their Commission binders they used to receive a hard copy of all the marketing material that was going out about all the OCII project areas, housing and commercial opportunities, etc. She requested that this be included as part of the packet again. Ms. Brackett stated that it was the responsibility of Commissioners also to get information out and unless they received the marketing material, it was difficult to share information with the community. She also indicated that they needed to receive it first so that they knew it was going out on time.

Executive Director Kaslofsky requested clarification as to what Chair Brackett was specifically referring to, so that Commissioners were not inundated with material they did not want. He asked if she was referring to just information on OCII project areas.

Chair Brackett responded that she was referring to mailing cards that MOHCD sent out when applications were due or when BMR's were available, leasing opportunities, etc. She asserted that at the bare minimum Commissioners should be receiving marketing material for OCII projects, but would like to receive information and marketing material on all projects. She added that usually this information came in the binders and would be timed with OCII meetings, so they would know it was current.

Chair Brackett recalled that, before the pandemic, they had spoken about dividing up into groups to do more outward community engagement and wanted to renew that idea. She requested that they put on an annual or quarterly symposium for OCII and their partners based around housing and business opportunities. Ms. Brackett stated that OCII knew what was in their pipeline and through this symposium they could connect earlier on with their partners to do some outreach with the community.

Vice-Chair Scott stated that before she was a Commissioner, that was something that OCII did often, which was how she came to meet the OCII players and get involved with OCII issues . She highly supported that idea and thanked Chair Brackett for this.

Executive Director Kaslofsky stated that they could definitely talk further to strategize on this idea.

10. Closed Session - None

11. Adjournment

Vice-Chair Scott motioned to adjourn and Commissioner Aquino seconded that motion.

The meeting was adjourned at 2:19 p.m.

Respectfully submitted,



Commission Secretary