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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  
2ND DAY OF APRIL 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 2nd day of April 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](mailto: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:** 2663 029 5657      **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 1:01 p.m. by Vice-Chair Scott. Roll call was taken.

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

Chair Brackett and Commissioner Lim were absent. All other Commissioners were present.

**2. Announcements**

- a) The next regularly scheduled Commission meeting will be held **in person** on Tuesday, April 16, 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: 2663 029 5657**

Secretary Nguyen 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 19, 2024**

**PUBLIC COMMENT - None**

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

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

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

**ADOPTION:** IT WAS VOTED BY THREE COMMISSIONERS WITH TWO ABSENCES THAT APPROVAL OF THE MINUTES FOR REGULAR MEETING OF MARCH 19, 2024, BE ADOPTED.

**REGULAR AGENDA**

- b) **Workshop on OCII's Budget for the period July 1, 2024 through June 30, 2025 (Discussion)**

Presenters: Thor Kaslofsky, Executive Director; Mina Yu, Senior Budget and Project Finance Manager; Marc Slutzkin, Deputy Director, Projects and Programs; Lila Hussain, Senior Project Manager; Michael Hochstoeger, Director of Operations, Lennar

## PUBLIC COMMENT

Speaker: Ace Washington, Fillmore Corridor Ambassador

Mr. Washington referred to the Western Addition and the changes going on there. Specifically, he was concerned about the garage in the Fillmore, which was an issue he noted was not on the agenda. Mr. Washington was grateful for the Safeway located in the Western Addition now. He missed the community meetings with the developers that used to take place. Mr. Washington announced that he planned to submit a letter of intent to OCII to take over the garage in the Fillmore, a plan which he was involved with and had been involved with for many years. He stated that the garage had about 112 parking spots and he was working with the garage and the community to create business for it.

Commissioner Drew appreciated seeing the prior year to this year's budget and budget to actuals as demonstrated in the presentation. She requested that this information be included in the Commissioner memo and packet going forward, because it included a lot of numbers and it was difficult it all to digest in real time during the meeting. Ms. Drew requested clarification on the OCII budget philosophy because it seemed to her that they were holding money operationally in case of need in the future. She gave the example that they were staffed at 35 but were going up to 40 and were requesting budget approval for 55 positions in case they might need to fill those positions. Ms. Drew inquired about how realistic the budget was to what they thought would happen in the future and about how much buffer was needed in the budget.

Ms. Yu responded that they were obligated to the state budget, which involved a much more rigorous review process and had less flexibility. She explained that they started the process in August/September, which was earlier than other City departments which started in February, so they were projecting far out and had many contingencies built into the budget. They wanted to make sure that they were funded to act on things that may come up quickly. Regarding the positions, Ms. Yu explained that the 55 positions were the approved FTE count, but that they were actually holding 14-15 vacant positions which they were not funded for. Overall, the approved budget was for 55 FTE but what was funded in the budget was for 43-45 FTE. Regarding what was realistic in the budget, Ms. Yu referred to the budget to actuals to provide a good picture as to what was realistic. Regarding the indirect programmatic expenditures, she reported that everything they budgeted, they expected to spend. Those were very real numbers that were calculated very tightly and they would spend all those funds. Regarding direct programmatic expenditures, the affordable housing loans were fully committed in terms of having a signed contract with a developer in place expecting payment and everything was set up, but the length of those projects took a couple of years. She stressed that those were real projects and real contracts being funded, but it could take years to expend those amounts, and they were budgeted at the beginning of the project. The affordable housing budget looked large but those were real dollars that OCII was spending. Regarding infrastructure and non-housing, Ms. Yu explained that these were large projects which could take place over several years. For example, the Transbay (TB) parks cost \$60 million and they had to fund that at the beginning of the project. So, if they were going to partner with the Department of Public Works (DPW), DPW expected proof of funding at the beginning of the project. She summarized that much of this had to do with how they worked with their partners and they preferred to fund at the beginning of the project.

Commissioner Drew stated that the City was currently in a budget crisis and referred to the fact that Mayor Breed had directed city agencies to cut budgets by 10% with a 5% contingency. In previous years, OCII had followed the spirit of the City in that regard and pointed out that this was not reflected in this budget. She noted that the OCII budget was a contingency-based and robust budget in a difficult fiscal time for the City.

Ms. Yu responded that the OCII property tax was of major interest to the City, because the City wanted to control general fund expenditures and the property taxes flowed into the general fund. The property taxes amounted to \$160 million, which was about 1/5 of the budget, and this was consistent year after year. Ms. Yu explained that they were very tight with the property taxes, meaning that they did not budget anything extra and only took what they needed, and that this included a biannual review process with the Comptroller's Office. So, of the \$160 million for 2024/25, OCII might need only \$150 million and the City would get \$10 million back. She added that they provided a five-year overview of their property tax draw to the City, so the City could anticipate what OCII general fund impact would look like. Ms. Yu asserted that this almost always provided savings to the City every year and they were expecting to return about \$8 million to the City in the 2024/25 budget. She reported that the property taxes were primarily to fund debt service and mandatory obligations regarding with retiree health care and pension.

Regarding property taxes, Executive Director Kaslofsky clarified that there was no concept of OCII "giving back" money to the City, because OCII did not take any. He explained that the Comptroller would tell OCII what was available inside the tax increment trust fund and then inquired about what OCII planned to spend over the next six months and the distribution took place biannually with OCII. Mr. Kaslofsky explained that the amount of money that OCII had on hand was typically from bond money or developer payments. Those funds never went to the City and the bonds had to be issued at once rather than piecemeal, because that would be inefficient and more expensive. He explained the process such that OCII would issue a bond for over 8 years in the first year and spend that money down over time. This made their balance sheet look large but most of that was bond funds or developer payments that got paid down over time, since OCII projects took years to complete. Mr. Kaslofsky added that the budget balance was only as of December 2023, so this was really only a 50% look. He referred to Project Management and Operations, which had been projected at \$19 million and they had spent about half, so they were on target so far operationally.

Commissioner Drew referred to the OCII approach as to how they took general fund dollars and stated that it seemed like there was a shift away from developer fees and more toward a pay-go basis. She inquired about why developer fees were decreasing and why they were supplementing with property tax dollars.

Ms. Yu responded that the funding by developer payments really depended on the work that was available. She explained that over the past two years, they had seen a decline in what they could bill to the developers. If the work was not billable, then they could not use that money to pay for staffing costs from that source of funds. Therefore, to make sure that they did not run into any funding issues for staffing costs, they were shifting whatever costs possible first to bond proceeds and then to reserve funds. She explained that with bond proceeds, it was very specific what could be charged to that source and the work had to be directly related to the project and last year they recovered about \$800 million from bond proceeds. Reserve funds were also very specific to the project, so if the work was related to Mission Bay (MB), they could only use MB reserve funds to pay for that. The remainder of the funds they would have to supplement with property taxes.

Commissioner Drew inquired about what type of work they were doing specifically that was not now being reimbursed by developers which previously was.

Executive Director Kaslofsky responded that during the pandemic and preceding the pandemic there was a great deal of market rate (MR) development, such as large projects in TB and some in MB and those were large mixed-income and mixed-use projects, in which MR developers were paying OCII developer fees for those projects. He explained that as the economy shifted and MR development started to decline, OCII MR development started to decline as well. As a result, staff started working more on park projects and affordable housing projects, which were bond funded. So, it was not that there was no billable work to bill developers for, because they were doing non-billable work for MR developers, but rather that there was less MR development work occurring and staff

ended up working on other types of projects. Mr. Kaslofsky indicated that this also showed in staffing, which was now at 55, and was more of a mixed income portfolio, which they did not have in today's market right now. Overall, they were now working on the six MB parks, the two parks in TB and the affordable housing project under construction today.

Commissioner Drew returned to the issue of the property tax pull, because in the traditional spirit of trying to reduce the impact on the general fund, they were increasing staffing costs towards being paid by the general fund. She stated that it would be helpful if, when they were to see the budget for action again, Commissioners could clearly see how OCII was trying to meet the request to reduce the impact to the general fund.

Executive Director Kaslofsky responded that, for example, in the replacement housing project as demonstrated, instead of using the replacement housing funding, OCII was able to use the job housing linkage fee. He explained that the California Department of Finance (DOF) asked a lot of detailed questions from auditors and were always pressing to find out if there were other funds which OCII could legally use for the projects they were seeking funding for. OCII had to answer the questions and demonstrate that there was no other source of funds. Mr. Kaslofsky reported that tax increment was a last chance source when there was no other source and when OCII had an enforceable obligation under a contractual relationship with a third party.

Commissioner Drew thanked the team for the responses to her budget questions. She referred to MB and was hoping to get a status update on P22, since in the presentation it was stated that it would be completed.

Mr. Slutzkin responded that the rains had set them back this year (as well as last year), but that they would meet substantial completion in the beginning of June. He explained that this was a five-acre park, so after June, it would probably take another two months. Mr. Slutzkin explained that substantial completion meant when the contractor stated they were done and not when the City inspectors stated it was done. After that, they put together an acceptance package which would go through the City's acceptance process. They were currently trying to expedite that process by having the Board of Supervisors authorize the Port to accept the park so that as soon as the park was done, the Port Commission could accept it, rather than going through the Board of Supervisors process, which would take 90-150 days. Ideally the park would be open in October as long as all the goals were met.

Commissioner Drew referred to OCII's work program to complete and accept the park and inquired about what staff's role would be. She inquired about what role the Port would have.

Mr. Slutzkin responded that it was the Task Force that was the lead agency overseeing the work, so OCII acted as the project manager pushing the project forward, making sure that all parties were doing what they were supposed to do to get to the inspections as soon as possible, get the developer to do their work and make sure that work that needed to get redone was done. He responded that OCII was trying to get the Board of Supervisors to authorize the Port to accept the park.

Executive Director Kaslofsky added that this park was on Port land and what Mr. Slutzkin was describing was the classic acceptance process where the Board of Supervisors accepted the property. To expedite this, the team had proposed to try to have the Board delegate that responsibility to the Port Commission, an act which had been done in the past.

Commissioner Drew noted that in MB they were doing infrastructure funding through property tax on a pay-go basis and not through bonding and asked for clarification on that.

Mr. Slutzkin responded that in FY 24-25 OCII will pay down the existing bond, so OCII will be issuing a new bond in the coming year. The \$5 million in RPTTF for FY 24-25 is to fill the funding gap until the new bonds are issued. They had told the City that the FY 24-25 RPTTF would be \$20 million but they had been able to cut it down to \$5 million and in the next presentation, Commissioners would see that they would be using the Community Facility Districts (CFD) fund balance to minimize using tax increment.

Commissioner Drew clarified then that this was in effect a stop gap effort until additional bonds could be issued.

Mr. Slutzkin responded in the affirmative.

Commissioner Drew referred to TB and recalled that there had been talk about changing the program for Block 3. She understood that this could take a significant amount of funding and represent a significant change and inquired about whether this budget reflected the potential changes to the park design or whether this budget was more of a stay-the-course strategy.

Mr. Slutzkin responded that this budget left the option open. He explained that they had been working closely with the City and with the San Francisco Recreation and Parks Department (RecParks), which would take control of the park, to see what design would work and what OCII could afford. He added that they were not considering a full redesign and that staff would be back shortly with their recommendations, but there would be bond funds. With this budget, they were looking at a minimal redesign and this would be more than a one-year process.

Executive Director Kaslofsky added that this budget only included the existing project funds and did not include additional funds for additional work. He explained that the project funds had contingencies and there was the potential that a contingency could accommodate a minor amount of more active use in that space, but they were not there yet. He announced that they would be bringing an update to Commissioners within the next 45 days after meetings with RecParks and other stakeholders to understand what would be possible.

Commissioner Drew clarified that what was in this budget was the project as approved.

Mr. Slutzkin stated that this budget included the current bonds that were approved.

Commissioner Drew referred to the Shipyard and Block 48 and the current status of that project. She noted that Ms. Hussain had stated that work on OCII's affordable project might move forward depending on whether infrastructure work by the developer progressed. Ms. Drew inquired about what triggers staff were looking for under which they would actually move forward with predevelopment on Block 48.

Ms. Hussain responded that currently Lennar was working on horizontal infrastructure and the goal was to substantially complete that work, so they could have acceptance ready so that they would not have to go through the difficult process of having the infrastructure ready early and then be waiting forever to get it accepted. She explained that they were working on that on Hilltop right now and they were considering approaching this differently. Ms. Hussain reported that there was a pause due to financial conditions but that right now horizontal infrastructure was getting started and would take a year to finish. As it related to financing, she believed it was a matter of getting replacement housing funding for those projects to help assist in the funding for Block 48.

Commissioner Drew stated that she would like to hear from Lennar on the plans for development on the Hilltop as well as on Phase 2 and Candlestick for the next fiscal year.

Executive Director Kaslofsky interjected that there would be a Shipyard benefits report at the end of the agenda.

Commissioner Drew responded that outside of the benefits report, she wanted to hear about what they could expect to see in terms of predevelopment and development for the Shipyard and Candlestick.

Mr. Hochstoeger responded that regarding Block 48, they were working with the prime (contractor) on infrastructure trying to get it under budget. He explained that there were some changes made to the design which took time to get approved by the City but did get approved. Now they were hopeful that within the next 30-45 days they would be able to sign a contract to begin the remaining public infrastructure including the streets and streetscapes, which was projected to take 6-8 months. He explained that after that, they would be looking to transfer those improvements to the City or have them accepted. Mr. Hochstoeger reported that they had had some challenges with Hilltop with getting acceptance and this had taken them much longer than anticipated. They were working with City agencies to try to shorten that acceptance period but for right now their focus was on completing the streets and getting them accepted. Regarding questions on Phase 2 or Candlestick, he responded that those were Five Point projects and not Lennar's.

Commissioner Drew stated that she was encouraged to see the additional \$400,000 of expenditure for the Certificate of Preference (COP) program and for finding certificate holders. She thanked the team for including that additional expenditure authority in the budget.

Commissioner Aquino thanked staff for the presentation. She stated that most of her questions had already been answered.

Vice-Chair Scott thanked staff for their comprehensive report. She stated that what the nation's workers needed now was self-care. Dr. Scott was impressed that staff was looking at that and at worker mental health now, which had become a major issue. She thanked Lennar for their immediate response to Commissioner Drew's question.

- c) Workshop on the budgets and levies of special taxes for July 1, 2024 through June 30, 2025 for Community Facility Districts administered by the Successor Agency to the Redevelopment Agency of the City and County of San Francisco (Discussion)

Presenters: Thor Kaslofsky, Executive Director; Mina Yu, Senior Budget and Project Finance Manager; Marc Slutzkin, Deputy Director, Projects and Programs; Lila Hussain, Senior Project Manager; Jim Morales, General Counsel and Deputy Director

**PUBLIC COMMENT - None**

Commissioner Aquino thanked staff for the presentation. She referred to page 11 regarding the HP Shipyard/Candlestick and requested clarification on the RecParks transfer and inquired about what date that would take place and what exactly they would be doing.

Ms. Hussain responded that they had been working with RecParks to figure out how to conduct this transfer. She explained that this was different from the MB transfer, because OCII was the underlying owner and as part of dissolution, OCII must transfer the assets owned and managed by OCII, which included the parks, which were public assets, back to the City. Therefore, RecParks would be the appropriate City department to take on the responsibility of maintaining and managing the parks, which OCII was currently doing. This was the overall scope of the situation. However, she added that there were elements which did not fall under RecParks purview, including dealing with the art pieces in the Shipyard, which they were working with the Arts Commission to resolve and the streetscape elements, which they were working with DPW to resolve. Ms. Hussain indicated that it was the physical land which ultimately would transfer; however, they might start the maintenance transfer before the physical transfer. She added that they might be able to complete the maintenance transfer in January, but they had to work with the City Department of Real Estate first, so timeline was not firm.



Commissioner Aquino stated that as she rode her bike around the Shipyard area, she noticed the changes happening on the hill. She was waiting for the bike path and walking trail to be completed and was excited about the completion of the parks because the area was so beautiful.

Executive Director Kaslofsky referred to the dissolution process discussion and clarified that the long-range property management plan called for OCII to complete the infrastructure and transfer a park to the City, so that they would not hold onto the property and operate it long-term. He explained that before dissolution, they might have held onto the property longer and closer to the Redevelopment Plan life, which was 30 years. However, dissolution specified that they had to transfer as soon as the infrastructure was completed. He indicated that the Shipyard parks were nearing completion but there were still items that needed to be detailed out before the City would accept ownership of the parks. Mr. Kaslofsky added that the City had designated RecParks mostly to manage the parks, but not in every case, it is related to who owns the underlying land. In another situation, P22 would be managed by the Port because they own the land, not by RecParks. He commented that what Commissioner Aquino described was called the Blue Greenway, which was a pathway for bikers and pedestrians to traverse the entire Bay. He stated that Five Point would be completing the Blue Greenway when the connections were made.

Commissioner Aquino stated that to have the artwork and sculptures for the community would also be a wonderful accomplishment.

Commissioner Drew pointed out that CFD's were in reality special taxes that City residents were paying and they deserved to get something special in return for paying them. She wanted to make sure that residents who were paying the CFD's were benefiting from paying a supplemental assessment in order to maintain the green spaces around them. With that in mind, Ms. Drew inquired about the status so far of having RecParks taking over the maintenance of some of the parks and about whether they had received any community feedback.

Mr. Slutzkin responded that it was going very well. He reported that feedback from the MB Community Advisory Committee (CAC) was very positive regarding the parks there and responses from the community regarding the Port were also positive.

Commissioner Drew was pleased with that response and with the fact that the transition had gone smoothly and that this was a partnership that they could rely on and build upon for the future. She asked for clarification regarding annual appropriations and the additional levy process and inquired about whether this meant that levies were increasing and that residents would be paying more.

Executive Director Kaslofsky responded that this was to legislate through OCII and to appropriate the maximum limit of amounts that could be levied. State law was requiring this. He added that there were no new taxes or expenditures planned other than what was outlined in the presentation today. He deferred to Mr. Morales for more information on this.

Mr. Morales responded that the appropriation limit was also known as the Gann Limit, which was the result of voter initiatives back in the 1980's. It was related to Proposition 13 of 1978, which limited what counties and cities could raise from property taxes and then as a follow-up, the Gann limit put a limit on what counties and cities could spend. Mr. Morales explained that the California Constitution had been amended to prohibit cities, counties and special districts from spending more than what they had appropriated the year before. There was a formula to adjust this, which could be increased each year. He reported that when the CFD's were first formed, the appropriation limit was set high at a number that would never be reached. When the CFD's went to the voters, they approved the high limit as well as the levy of taxes which was lower in the sense of generating a small amount to appropriate. Currently they were adjusting the numbers to make sure they had the most accurate numbers based upon the factors used in adjustment. Mr. Morales indicated that this was a legalistic theoretical limit but was still required.



Commissioner Drew summarized then that the budget was the actual expenditure authority and then they had this legalistic appropriations authority that required updating and then the levy. She inquired about how these were related to the final levy.

Mr. Morales responded that the levy was set by the voters and also adjusted by factors under the Mello-Roos law, which was what the OCII CFD tax consultant was currently checking. However, this was already set and they could not increase the amount of the levy without going back to the voters. He added that, historically, redevelopment was exempt from the Gann limit because of the nature of the funding, which was not general tax dollars. However, the City and County of San Francisco did have an appropriations limit and each year the Board of Supervisors adopted an appropriations limit. The levies were a separate matter.

Vice-Chair Scott announced that this item would come back to OCII for approval later in the month.

- d) Informational Memorandum on the Master Developer Compliance for the Community Benefits Agreement for Hunters Point Shipyard Phase 1 for the period of January 2021 through December 2022 and Legacy Fund Update; Hunters Point Shipyard and Bayview Hunters Point Redevelopment Project Areas (Discussion)

Presenters: Thor Kaslofsky, Executive Director; Lila Hussain, Senior Project Manager; Michael Hochstoeger, Director of Operations, Lennar; Sydney Martin, Project Manager for Contractors Assistance Program, Tyche; Marcus Tart, Center Director, Renaissance Entrepreneurship Program, Bayview; TJ Brookter, Young Community Developers (YCD); Dr. Veronica Hunnicutt, Chair, Legacy Foundation; Lynn Bell, Home Sales, Lennar

## **PUBLIC COMMENT**

Speaker: Oscar James, native resident Bayview Hunters Point (BVHP)

Mr. James recalled his history with the Mayors Task Force for the closing of the Shipyard working with the Navy, Hon. Phil Burton and former Mayor Alioto. He commended Mr. Brookter of YCD which was created by the Model Cities. He commended Dr. Hunnicutt and the CAC to make sure the community benefitted from this program. Mr. James recalled the history of the development of the HP Shipyard and he remembered discovery of the toxins on site there. He stated that Lennar had done a great job in benefiting the community. He was in support of having the Shipyard developed and stated that it needed to get completed. Mr. James noted that MB was already built but they were still working on the Shipyard.

Commissioner Drew thanked staff and the Legacy Foundation for their work. She stated that she was disappointed to not hear from Lennar about 2023 and requested more commentary regarding the two areas where there was partial compliance. She inquired about what they would be offering.

Mr. Hochstoeger responded that during 2023 they had lost 2/3 of their sales and marketing team in the middle of the year, which impacted their ability to provide the workshops. However, he reported that they were started up again in late 2023, they had one in January and were scheduled to have another in two weeks. Mr. Hochstoeger explained that they were ramping back up and had brought in Ms. Bell to help ensure that they were reaching out to all providers either through Lennar or other programs regarding homebuyer education. He also announced that they were working with the Mayor's Office of Housing and Community Development (MOHCD) on the Block 52 Madison Project regarding Below Market Rate (BMR) homes. He stated that they hoped to be able to offer contracts soon for new homes.

Commissioner Drew referred to the 0% down loan obligation and inquired about what they would be offering in lieu of providing 0% loans.

Mr. Hochstoeger responded that the Veteran's Administration (VA) was the only organization offering 0% down loans. Lennar would be offering between 2-3% down loans and would help buyers with additional financing. He explained that Lennar Mortgage took over from Universal American Mortgage Company (UAMC) via Eagle Home Mortgage. He reported that there was a transition period and then there was a gap during the pandemic when no mortgage arm existed. Now Lennar Mortgage was in existence and they could offer this again. He deferred to Lynn Bell for more details.

Ms. Bell stated that she had started the homebuyers' workshops years ago with David Sobel, who was now with San Francisco Housing Development Corporation (SFHDC), and she had chatted with Mr. Sobel recently about how they could collaborate to provide more outreach to the community. She explained that they had started Homeownership SF, which was a resource to understand the best way they could approach the community and get them re-engaged. Ms. Bell explained that it was very challenging during the pandemic because no one wanted to live in attached housing. Now they were starting to see the market shift and it was a good time to get re-engaged with the community. Originally, the Disposition and Development Agreement (DDA) required that they conduct one workshop per quarter. Years ago, she recalled, they conducted them once per month. Ms. Bell stated that her biggest supporters in the community back then were Mrs. Kennedy and Mrs. Vincent. She continued that now they wanted to look at some of the other lenders out there who had mandates to conduct first time homebuyer programs and find out how they were conducting those programs to see what they could include in Lennar's program. Lennar was already doing monthly workshops online available to everyone and getting much traction from these. Ms. Bell reported that they would have more of an update regarding the programs and the people attending them by the next session.

Commissioner Aquino thanked Mr. Hochstoeger for attending the meeting as well as the other team members and was pleased to hear about the progress in the Shipyard. Ms. Aquino stated that she lived in District 10 in the Dogpatch area and was anxious to see all this come to fruition after so many years.

Vice-Chair Scott thanked everyone for the presentation which brought much joy due to the diversity this work had brought together. The pandemic had put a halt to so many things and they were looking forward to the completion of all these projects.

## **6. Public Comment on Non-Agenda Items**

Speaker: Dr. Veronica Hunnicutt, Chair, Legacy Foundation

Dr. Hunnicutt wanted to comment on SB593 and the COP program. She explained that SB593 offered a rare opportunity to accomplish what they had not been able to do in the past as far as housing equity, past displacement and new housing potential and they needed to seize on this opportunity without further delay. She stated that she, Executive Director Kaslofsky and other community leaders had worked hard to convince the California legislature about the needs of the community. Dr. Hunnicutt reported that the Hunters Point Shipyard (HPS) CAC had met with OCII and that Elizabeth Colomello (Housing Program Manager), Pamela Sims (Senior Development Specialist, Housing Division) and Lila Hussain (Senior Project Manager, Hunters Point Shipyard/Candlestick Point) were present at the meeting. She felt that it was time to start discussing some actionable items. Regarding COP there were some fundamental issues that needed to be addressed, such as success to date, what did the numbers show, what were the challenges, issues regarding verification, measurements and performance of the existing methods with MOHCD, and whether the COP's main objectives and goals were to be met. She explained what the HPS CAC provided for the Shipyard and stated that they were prepared to move forward with the participation of OCII and other entities to assist with these programs. Dr. Hunnicutt suggested that OCII sponsor a community meeting to discuss SB593 and COP matters at the HPS site office at either a subcommittee meeting or at a full CAC meeting. The goal would be to engage in dialogue to tie existing housing in the pipeline to existing targeted COP population via education and assistance

while also providing opportunities to the residents in need of housing and assistance. She thanked OCII for supporting these programs and the Legacy Foundation.

Vice-Chair Scott thanked Mr. James for his presence at every meeting with factual information starting from when he was a juvenile to now when he was a senior and could provide historical facts about the City.

## **7. Report of the Chair**

Vice-Chair Scott stated that she had no report.

## **8. Report of the Executive Director**

Executive Director Kaslofsky provided an update regarding the HP Shipyard and the Navy's ongoing remediation work there, part of which was to demolish the 100+ buildings at the site. He acknowledged Dr. Hunnicutt for her participation in this matter. He explained that the Navy itself did not conduct any demolition of buildings. However, after new legislation spearheaded by Mayor London Breed and OCII to authorize the Navy in this circumstance at HP to demolish the buildings, this had been approved last year. The Navy was currently in the planning stage for this activity. Mr. Kaslofsky reported that during a tour of the Shipyard with Mr. Greg Preston, National Director of Base Realignment and Closure, Washington D.C., Dr. Hunnicutt inquired about local contracting. Mr. Kaslofsky had advised Dr. Hunnicutt that the Navy basically did not have a local contracting goal. However, Dr. Hunnicutt insisted and wrote a letter to Washington D.C., to Greg Preston National Director of BRAC asking for local contracting. Mayor London Breed also met with Meredith Berger (Navy Undersecretary for Energy, Installations and Environment) and she advocated for more Navy investment in the community and this resulted in a 23% local contracting goal, subject to Congressional appropriations. Mr. Kaslofsky announced that this was a \$1 billion demolition project over 10 years to be carried out specifically in BVHP. He read some of the scopes and skills they would be subcontracting for during the first phase on Parcel G. Mr. Kaslofsky announced that on April 24 from 8-5 at the South San Francisco Conference Center at 255 So. Airport Blvd, the Navy would hold an event called Navy Industry Day providing all the information from the Navy on how to bid for these contracts. He thanked Dr. Hunnicutt for making this possible. He invited Dr. Hunnicutt to remark on this issue.

(Applause)

Dr. Hunnicutt stated that "you could not just give up and that you had to keep working toward the goals you wanted". She referred to Michael Pound, the Navy representative, who conducted a special meeting with some of the local contractors. But what they discovered was that some of their local contractors were not ready to be able to participate in federal activities. She announced that there would be a meeting on April 18 at 6pm at the Shipyard CAC for contractors' readiness for this project. They were concerned that the contractors would not be ready paperwork-wise for federal work, and they wanted to remedy this.

Executive Director Kaslofsky commended the Navy, Greg Preston and other Navy representatives for their participation in this project and for meeting with the community. He also commended Lila Hussain (Senior Project Manager, Hunters Point Shipyard/Candlestick Point), George Bridges, (Contract Compliance Supervisor), Maria Pecot (Senior Contract Compliance Specialist), Stephanie Tang (Head of Contract Monitoring, San Francisco) and Ken Nim (Director, CityBuild) who had all been involved in this significant project worth \$250 million to the community. Mr. Kaslofsky added that he had flyers to distribute about this project.

Executive Director Kaslofsky referred to Candlestick and Phase 2 of the HP Shipyard. The Shipyard as discussed above was still under remediation by the Navy. Mr. Kaslofsky reported that the developer, Five Point, had been looking at ways to restart Candlestick and that OCII had been in discussion with them for many months. He thought they would have an outline of events to bring to

Commissioners in early May to talk about what the initial stage might look like. This had changed, since it was originally retail, then office, and now they were considering the innovation sector, such as artificial intelligence, technology in general, clean technology, climate change, etc., which would include amendments to the program, such as increasing the amount of commercial square footage and extending the timeline for the redevelopment plan.

Executive Director Kaslofsky provided an update on MB Block 2 approved by OCII last year. An owner of a building in MB (UDR, Inc.) at 185 Channel Street wanted to take some onsite parking and offer it for public parking, which had been approved by OCII. In exchange they had to give 20 lower income rate rents for the parking leasing for the affordable housing community in MB. A lottery was held for the 20 parking spots and that leasing would begin within the next two months. Mr. Kaslofsky commended the MB team and especially Gretchen Heckman (Project Manager, MB) and Pam Sims (Senior Development Specialist, Housing Division) for their work on the negotiations and also for administering the lottery and conducting outreach and other business activities involved in this. This event would allow for much needed parking resources to be injected into the MB community.

Executive Director Kaslofsky announced that there would be a groundbreaking ceremony in late May (no specific date yet) at the Transbay (TB) Block 2 project (2 West and 2 East phases). The Mayor would be attending this as well.

**9. Commissioners Questions and Matters**

**10. Closed Session - None**

**11. Adjournment**

Commissioner Aquino motioned to adjourn and Commissioner Drew seconded that motion.

The meeting was adjourned at 3:59 p.m.

Respectfully submitted,



Commission Secretary