



**MINUTES OF A REGULAR MEETING OF THE  
COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE  
OF THE CITY AND COUNTY OF SAN FRANCISCO HELD ON THE  
7TH DAY OF JANUARY 2025**

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 7<sup>th</sup> day of January 2025.

**REMOTE ACCESS:**

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

**PUBLIC COMMENT:**

Members of the public may provide public comment in-person at the noted 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 432 8150      **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 1:03 p.m. by Chair Brackett.

Chair Brackett provided an official and personal statement before starting the meeting to make sure they were there to do the business of OCII. She wanted to read the OCII by-laws because she stated it was essential to be grounded in these guiding principles, especially after observing practices over the past 3½ years, during which she stated she had witnessed Executive Directors with the support of General Counsel take liberties and exercise powers which were not granted under the City or State Charter. These actions undermined the principles of fair and shared governance and eroded the spirit of collaboration and trust that must exist among the Commission, its staff and the general public. Ms. Brackett recalled that when she started with OCII, its Executive Director, Nadia Sesay, demonstrated exemplary leadership and never attempted to manipulate Commissioners, usurp their authority or obscure their wishes, but rather acted with the utmost integrity, consistently providing both facts and opinions as well as the pros and cons of each agenda item. She encouraged Commissioners to provide feedback and when questions arose, she would research the answers and report back to the Commission before

placing items on the agenda. If there were opportunities for changes, she would approach them thoughtfully, even if they were challenging and contrary to her initial views. Ms. Sesay prioritized collaboration and often sought to meet in the middle, enabling immediate progress while continuing to refine items until they fully met the Commission's goals. Ms. Sesay also included Commissioners in drafting and advocating for legislation alongside assembly members, senators and the mayor. She welcomed the participation and support of Commissioners. Ms. Brackett stated that this stood in stark contrast to recent experience. An example of this was with the replacement housing and legislation, which Ms. Brackett, Sally Oerth (former OCII interim Executive Director) and others in the community had advocated for, in which Commissioners' inclusion was severely lacking. Language was added to the bill without Commissioners' knowledge, which harmed OCII's ability to address critical issues and raised unnecessary barriers to descendants accessing citywide housing. The Commission was misled for over a year as these issues were obscured only for the problem to resurface during a later meeting. This failure created additional challenges that would now require additional legislation to resolve. At one point, Ms. Brackett recalled that she travelled to Sacramento to advocate for OCII only to be told that she was not allowed to speak on OCII's behalf. This was unprecedented as well as deeply disrespectful, not just to herself but to the role of OCII Commissioner and more specifically, the position of Chair. Unfortunately, she noted that today's agenda reflected a continuation of this troubling trend and which violated the Brown Act as well as the OCII Charter. For several months, Commissioners' requests to add agenda items were denied, depriving the Commission the ability to deliberate on important matters within its jurisdiction. This deliberate obstruction infringed on the separation of power between the Executive Director and the Commission. She described a long-standing precedent dating back to the 1800's that prohibited Executive Directors from having voting powers on Commissions and Oversight Boards. This principle was established to ensure transparency and to protect public interests, serving to maintain a balance between departmental or political justice and the voices of the public. This separation was not optional but rather was founded on good governance. Ms. Brackett offered to proceed today with the commitment to honor these principles and restore integrity to the role of Commissioners and to the public.

Chair Brackett announced there had been a request for continuance on Item 5(d).

Roll call was taken.

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

All Commissioners were present.

## 2. Announcements

- a) The next regularly scheduled Commission meeting will be held **in person** on Tuesday, January 21, 2025 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. It is recommended 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 432 8150

Secretary Cruz 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 Meetings of October 1 and October 15, 2024

b) Authorizing a Personal Services Contract with Hollins Consulting, Inc., a California Corporation, in an amount not to exceed \$376,692, for infrastructure coordination services in connection with the implementation of the Disposition and Development Agreements for Hunters Point Shipyard Phase I and Candlestick Point/Hunters Point Shipyard Phase II; Hunters Point Shipyard and Bayview Hunters Point Project Areas (Action) (Resolution No. 01-2025)

**PUBLIC COMMENT - None**

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

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

Commissioner Aquino - yes

Commissioner Drew - yes

Commissioner Lim - yes

Vice-Chair Scott - yes

Chair Brackett - abstained

**ADOPTION:** IT WAS VOTED BY FOUR COMMISSIONERS WITH ONE ABTENTION THAT APPROVAL OF THE MINUTES FOR REGULAR MEETINGS OF OCTOBER 1 AND OCTOBER 15, 2024, BE ADOPTED.

**ADOPTION:** IT WAS VOTED BY FOUR COMMISSIONERS WITH ONE ABTENTION THAT RESOLUTION NO. 01-2025, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH HOLLINS CONSULTING, INC., A CALIFORNIA CORPORATION, IN AN AMOUNT NOT TO EXCEED \$376,692, FOR INFRASTRUCTURE COORDINATION SERVICES IN CONNECTION WITH THE IMPLEMENTATION OF THE DISPOSITION AND DEVELOPMENT AGREEMENTS FOR HUNTERS POINT SHIPYARD PHASE I AND CANDLESTICK POINT/HUNTERS POINT SHIPYARD PHASE II; HUNTERS POINT SHIPYARD AND BAYVIEW HUNTERS POINT PROJECT AREAS, BE ADOPTED.

## **REGULAR AGENDA**

- c) Electing the Chair and Vice Chair under Section 27 of the Successor Agency Bylaws (Discussion and Action)

Chair Brackett requested nominations for the position of Chair.

Commissioner Aquino nominated Dr. Carolyn Scott for the position of Chair and Commissioner Lim seconded that. There were no other nominations for Chair.

## **PUBLIC COMMENT**

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

Mr. James commended all members of OCII for their good work during 2024. He was disappointed that Chair Brackett was not nominated for the position of Chair, even though he supported Dr. Scott. He wanted to make sure that OCII would continue to be dedicated to BVHP and to the African American residents, contractors and workers in his area. He referred to a park recently opened in his area and welcomed everyone to come and celebrate the opening of that park.

Secretary Cruz called for a voice vote on the election of Dr. Carolyn Scott for the position of Chair.

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

**ADOPTION:** IT WAS VOTED BY FOUR COMMISSIONERS WITH ONE ABSTENTION THAT DR. CAROLYN SCOTT BE ELECTED AS CHAIR OF OCII FOR 2025.

Commissioner Brackett requested nominations for the position of Vice Chair.

Chair Scott nominated Vanessa Aquino and this was seconded by Commissioner Drew. There were no other nominations for Vice-Chair.

**PUBLIC COMMENT** - None

Secretary Cruz called for a voice vote on the election of Vanessa Aquino for position of Vice-Chair.

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

**ADOPTION:** IT WAS VOTED BY FIVE COMMISSIONERS THAT VANESSA AQUINO BE ELECTED AS VICE-CHAIR OF OCII FOR 2025.

- d) Authorizing a Personal Services Contract between the Successor Agency to the Redevelopment Agency of the City and County of San Francisco, acting in its capacity as administrator of Community Facilities District No. 1 (South Beach), and Korotkin Associates, a California corporation, to provide landscape maintenance and related services in Community Facilities District No. 1 (South Beach) for an initial term of three years with one option to extend for up to an additional three years, in an amount not to exceed \$1,823,152; Former Rincon Point-South Beach Project Area (Discussion and Action) (Resolution No. 02-2025)

Presenter: Thor Kaslofsky, Executive Director

Executive Director Kaslofsky announced that staff proposed to continue this item to the meeting of January 21, 2025.

Commissioner Brackett inquired about why this item was placed on the agenda if it was not ready to be presented to the Commission.

Executive Director Kaslofsky responded that the day prior they had received an inquiry from one of the proposers who requested information from OCII. He stated that it was best practices before the Commission acted to not act before the issues with the inquiry were resolved.

Commissioner Brackett inquired about whether there were any signs prior to the day before that there might have been deficiencies with the RFP process.

Executive Director Kaslofsky responded in the negative.

## **PUBLIC COMMENT**

Speaker: Oscar James, native resident, BVHP

Mr. James commended the people currently working in South Beach and stated that he would continue to support them as long as they were from San Francisco and the Bay Area. He referred to the South Beach harbor as a “pearl” and hoped OCII would work to continue to maintain its beauty.

Commissioner Brackett referred to Mr. James’ comment and inquired about whether the contract was being offered to the current contractor or whether a new contractor had won the bid.

Executive Director Kaslofsky responded that staff had proposed to award this contract to Korotkin Associates, who was not the existing contractor. However, they were proposing the item be continued.

Commissioner Brackett clarified that this contract was not going to be awarded to the same existing provider, but that there would be a new provider should the bid not be contested and it came back before the Commission.

Chair Scott motioned to continue Item 5(d) and Vice-Chair Aquino seconded that motion.

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

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

**ADOPTION:** IT WAS VOTED BY FOUR COMMISSIONERS WITH ONE ABSTENTION THAT RESOLUTION NO. 02-2025, AUTHORIZING A PERSONAL SERVICES CONTRACT BETWEEN THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, ACTING IN ITS CAPACITY AS ADMINISTRATOR OF COMMUNITY FACILITIES DISTRICT NO. 1 (SOUTH BEACH), AND KOROTKIN ASSOCIATES, A CALIFORNIA CORPORATION, TO PROVIDE LANDSCAPE MAINTENANCE AND RELATED SERVICES IN COMMUNITY FACILITIES DISTRICT NO. 1 (SOUTH BEACH) FOR AN INITIAL TERM OF THREE YEARS WITH ONE OPTION TO EXTEND FOR UP TO AN ADDITIONAL THREE YEARS, IN AN AMOUNT NOT TO EXCEED \$1,823,152; FORMER RINCON POINT-SOUTH BEACH PROJECT AREA, BE CONTINUED.

e) Confirming the issuance of tax allocation refunding bonds, on a tax-exempt and taxable basis for federal income tax purposes, as permitted in section 34177.5(a)(1) of the California Health and Safety Code in an aggregate principal amount not to exceed \$85,000,000, and approving preliminary and final official statements, a continuing disclosure certificate and other related documents and actions; Mission Bay South Redevelopment Project Area (Discussion and Action) (Resolution No. 03-2025)

Presenters: Thor Kaslofsky, Executive Director; Nicholas Jones, Debt Manager, OCII

**PUBLIC COMMENT** - None

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

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

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

**ADOPTION:** IT WAS VOTED BY FIVE COMMISSIONERS THAT RESOLUTION NO. 03-2025, CONFIRMING THE ISSUANCE OF TAX ALLOCATION REFUNDING BONDS, ON A TAX-EXEMPT AND TAXABLE BASIS FOR FEDERAL INCOME TAX PURPOSES, AS PERMITTED IN SECTION 34177.5(A)(1) OF THE CALIFORNIA HEALTH AND SAFETY CODE IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$85,000,000, AND APPROVING PRELIMINARY AND FINAL OFFICIAL STATEMENTS, A CONTINUING DISCLOSURE CERTIFICATE AND OTHER RELATED DOCUMENTS AND ACTIONS; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

f) Update on the San Francisco Unified School District's Mission Bay School Project's Small Business Contracting: Good Faith Efforts Analysis (Discussion)

Presenters: Thor Kaslofsky, Executive Director; Maria Pecot, Contract Compliance Specialist III, George Bridges, Contract Compliance Supervisor, Marc Slutzkin, Deputy Director

**PUBLIC COMMENT**

Speakers: Oscar James, native resident, BVHP; Bruce Agid, Board member, South Beach Rincon Mission Bay (MB) Neighborhood Association & Lead, MB Elementary School Community Steering Committee

Mr. James commended McCarthy for their research and outreach to the communities. He stated that he used to be a trucking contractor and at that time, the then Redevelopment Agency had a list of all the contractors, both general and subcontractors, by zip code which were included in a book. All local contractors could communicate with the contractors in that book to bid on a job. Mr. James inquired about whether that book still existed and if so, requested that it be brought back into function. He inquired about the construction of the buildings and whether any minority contractors were able to bid on these jobs.

Mr. Agid thanked OCII staff for the presentation on the good faith efforts being made by SFUSD general contractor (GC) McCarthy to meet the required SBE (Small Business Enterprise) goals. His organization was in full support of those SBE goals being met. However, although the goals were not met, it appeared that the majority of the good faith efforts were met. He reported that the community was pleased and encouraged to know that these efforts continued with the remaining work which had yet to be contracted as well as with any future projects managed by OCII. Mr. Agid felt strongly that all efforts must be made to ensure that this project moved forward and to ensure that the school opened in 2026. He recalled that in 1998, as per the MB Redevelopment Plan, the plot of land was set aside for an elementary school in MB and now, almost 30 years later, approximately 90% of the housing designated in the plan had been built with 6400 units of housing with 30% affordable and almost all of the community benefits had been delivered to support residents and families. The last element needed was the school. He reported that there had been significant development to the north and south of the site, including 17,000 units of housing built with 30% affordable housing and over the next 10 years, approximately another 7,000 units would be built with 30% affordable housing in that area, including the Shipyard. Based on the expected growth in this part of the City, Mr. Agid stressed that SFUSD must have this as part of their facilities portfolio. He thanked OCII for their continued support.

Commissioner Lim referred to Slide No. 2 and applauded OCII's SBE good faith effort of 50% and inquired about why only 6% had been achieved, which was not acceptable. He referred to the design build model, which usually meant that it excluded local small businesses. Mr. Lim referred to Slide No. 5 and asked for the names of the San Francisco (SF) LBE's (Local Business Enterprise), how many participated and how many were selected and awarded. He recalled that he had asked for the same information regarding a different job the previous year and never got any response and hoped he would not have to wait another year for a response this time. Regarding good faith effort, Mr. Lim stated he was familiar with McCarthy and referred to McCarthy as a "well-oiled machine" with regard to how they dealt with these policies. He referred to Slide no. 9 which stated that McCarthy had referred contractors to Merriwether and Williams for assistance with bonding and

insurance and wanted to confirm whether contractors had indeed received that assistance, including the names and titles of those contractors. He referred to Slide #10 which stated that McCarthy awarded contracts on “best value” basis. Mr. Lim stated that the majority of the LBE’s listed would not even qualify or pass this test.

Ms. Pecot responded that the LBE list could be provided regarding contracting and that she would contact Merriwether Williams for more information. She deferred to Mr. Slutzkin to answer questions about the design build model. She responded that contracts awarded on “best value” basis was consistent with the design build model and reported that no additional consideration was given to whether it was a small business based on the design build restrictions.

Commissioner Lim asked Ms. Pecot to forward his questions to the Chair.

Commissioner Brackett reminded Commissioners that the choice to do a design build was brought before OCII in 2020 during the pandemic when they decided to move forward with this model. OCII was only responsible for reimbursing for the school yard. SFUSD and McCarthy came before OCII and stated that if OCII allowed them to do a design build, they would ensure that OCII SBE policies were met and that they would have no problem meeting the OCII 50% SBE and local hire goals. Because McCarthy had a reputation of working with OCII and were familiar with its standards, they stated that they would have no problem meeting the goals. Relying on that information, OCII voted to approve that process because McCarthy made a commitment to do so. However, McCarthy had refused to honor that commitment for the past four years which was why OCII staff was left out of the meetings in the pre-bid process and has been excluded from getting information for the past three years, despite Ms. Brackett’s efforts to collect this information from the Executive Director and SFUSD staff. She reminded Commissioners that this issue had been brought before OCII in April 2024 and instead of sending a competent person to speak on the actual project, SFUSD sent a spokesperson from their Communications Department, who had been on the job for less than a month. She stated that OCII had been asking these questions over and over again, especially why they did not meet the initial good faith efforts and why there was such a low SBE participation rate. As of last April when OCII was told they were at 6% and they stated that they would do everything possible to raise that number, no progress had been made since. In fact, after that meeting, rather than more transparency and providing more information to OCII staff, SFUSD sent an email stating that this issue was not any of OCII’s business and if OCII disputed what was happening, OCII could take them to court. Because OCII was in third position and the way this contract had been written up, SFUSD asserted that it was up to the purview of SFUSD as well as the contractors to decide what would be the ultimate participation rate. They also contended that they did not have to follow OCII’s SBE policies and that they could rely on the PLA (Project Labor Agreement) policies which everyone in SF knew did not provide any advantages to SBE’s or LBE’s or provide local jobs. Ms. Brackett stated that they were in this position after advocating for 40 years for SBE protection and participation, having to fight with a sister City department just to be compliant with policies that the sister City department had promised to meet. Ms. Brackett contended that had OCII known in 2020 that SFUSD would not follow OCII SBE policies, OCII would not have approved this project. So it would be disingenuous to say today that good faith efforts were made when clearly they were deficient. Ms. Brackett stated that she had asked Executive Director Kaslofsky to make this a Closed Session item on the agenda because she had received a legal read-out earlier that should have been presented to all Commissioners, but due to the Brown Act she could not share this information without there being a Closed Session, in which they would have been able to evaluate if good faith efforts were actually made in compliance with the law. She referred to the slide that showed that



under the Design Build model, McCarthy did not unbundle the school yard portion of the school project, which was not subject to SBE policy. The school project was \$100 million in total, OCII was excluded from SBE participation and \$100 million from the start of this project to \$11,231,463 million, which was the school yard portion. So the SBE's actually benefited in less than 6% participation or SBE contracting which amounted to less than \$700,000. In terms of identifying scopes and works appropriate for SBE's, Ms. Brackett inquired about whether that process was normally done with OCII staff and developers; she inquired about when the attempt to make that happen took place; inquired about when the first contact between McCarthy and OCII staff took place; inquired about when SFUSD reached out to OCII before they started the pre-bid process when they were starting to unbundle the school yard work and whether they ever submitted documentation regarding the unbundling work.

Ms. Pecot responded that advertisement materials and bid tabulations provided by SFUSD indicate that bid packages 2 and 4, which included school yard related work scopes were advertised and awarded in 2022 and 2023. She deferred to Mr. Bridges for more detail on procurement activities.

Mr. Bridges congratulated Chair Scott and Vice-Chair Aquino on their new positions. He responded that they did not hear from SFUSD from the fall of 2022 until May 2024 and by that time the work had already been done in terms of outreach. He acknowledged that they did conduct outreach to 188 SBE's, which was a significant number, even though they did not work with OCII on this.

Commissioner Brackett stated that the reason for OCII's success in SBE participation was the fact that unbundling normally took place before the outreach so that the unbundling would benefit SBE's. Therefore, the fact that SFUSD stated that they would follow the guidelines and then did not do that would constitute an automatic red flag. To outreach to SBE's for jobs that they would not qualify for was a worthless task.

Mr. Bridges agreed with that assessment.

Commissioner Brackett inquired about what type of outreach was done to the 188 SBE's, whether they used flyers, cards, or attendance at pre-bid meetings. She also inquired about whether that number was a cumulative number of people attending the meetings, which could constitute a double count, i.e., perhaps it was really 40 people that attended the same meetings for the same bids several times. Ms. Brackett requested the names of the 188 SBE's to find out if they were double-counting. She commended the work of Mr. Bridges and Ms. Pecot for trying to help, but this situation did not appear to be good faith to her in any shape or form.

Ms. Pecot stated that she had pre-bid and other meeting sign-in sheets and other items that indicated that SBE's were present but no list was provided.

Commissioner Brackett inquired about whether the public advertisements were in line with what other contractors had done and whether they were consistent in what they would normally see in advertising.

Ms. Pecot responded that the Small Business exchange advertisement was consistent and she referred to other advertising events which were consistent with what other contractors did.

Commissioner Brackett referred to the next slide on advertising and inquired about what was different.

Ms. Pecot responded that she was not able to confirm whether advertising was on the City's Purchasing Department and Procurement Opportunities section. She did confirm that the timeframes were consistent with minimum requirements for OCII programs.

Commissioner Brackett inquired about whether McCarthy submitted any documentation indicating that they had submitted advertising on the SF City website. She concluded that this was a contractor who had worked with SF and different City departments for decades and did not even bother to list on the SF City bidders website. She stated that they had had over a year to provide this documentation to staff and had not provided it.

Ms. Pecot agreed with that statement.

Commissioner Brackett referred to the part of the slide indicating that "McCarthy's advertising efforts, while not identical to program requirements, were sufficient..." and asked for more detail about that. She inquired about what the minimum requirements were that they met.

Ms. Pecot responded that the pre-qualifying requirements were different and was not sure if they met the 30-day requirement for everything.

Commissioner Brackett stated that it looked like they had actually advertised for 14-21 days but claimed that they had been advertising for the full 30 days. She stated that this would not meet OCII's 30-day requirement. She referred to the next slide and stated that unless McCarthy had documentation to prove that they had actually reached out to 188 SBE's, this statement should be struck from this report, because that number could be duplicative and was unsupported. She requested that a memo be issued to McCarthy requiring the names and numbers of SBE's that they engaged with. And because it was also an OCII requirement to offer opportunities to San Francisco preferred zip codes, she requested a breakdown of how many firms from the 94124, 94134, 94107 and 94112 were contacted. Ms. Brackett inquired about whether any actual local people or businesses were hired.

Commissioner Brackett thanked the Small Business staff for doing the hard work to produce this SBE report. However, this report did not show that good faith efforts were made for local hire, which was part of McCarthy's SBE requirements as well as in terms of contracting. She stated that while it was deplorable that they were able to get away with what they had over the past three years and were still at 6% with fake promises to increase that number sometime in the future, Ms. Brackett acknowledged to the Commission and to the public that she had met with the SFUSD Superintendent, Dr. Maria Su, who stated that they had no plans to increase that number. So their promise to staff to increase that number was a false statement and again showed lack of good faith by this contractor.

Commissioner Brackett referred to the next slide and in terms of scopes of work that were broken out, she inquired about what portions were actually unbundled in the 6% and requested more detail about what they actually did.

Ms. Pecot responded that they provided information on seven scopes, including earthwork and asphalt phasing, fencing and gate site concrete, playground equipment and athletics, recreational surfing, landscape irrigation, site furnishings, drains and ground improvements.

Commissioner Brackett inquired about which of the seven scopes were actually contracted out.

Ms. Pecot did not have the answer to that question but would provide it later.

Commissioner Brackett requested that this information be provided in a later report to find out what scopes were actually bid out and in order to evaluate which SBE's could have done the work on the other scopes. She stressed that SBE's did not participate because the SBE's did not know about it due to the shortness of the advertising period, not being on the SF bid site, and other reasons. This created a barrier for some of the SBE's to even know about this opportunity and to be able to prepare a bid package in time.

Commissioner Brackett referred to the next slide and inquired about, according to the logs, what the average number of participants was in the pre-bid and pre-solicitation meetings. She inquired about which SBE's and LBE's attended these meetings.

Ms. Pecot could not answer that question at this time but would provide that information later.

Commissioner Brackett referred to Point #3 of the same slide, which stated that "OCII's SBE policy and program goals were not included in the SBE materials". She pointed out that this was in clear violation of OCII's SBE policies in that projects that OCII funded must supply documentation about the SBE policy and program goals and McCarthy clearly did not include that in their bid packages. Ms. Brackett was not concerned about McCarthy's PLA requirements because PLA was part of the SFUSD requirements but not OCII's. Ms. Brackett recalled the McCarthy was given permission to use PLA on the school site project but were required to follow OCII's SBE policies on the school yard project. To hear that this was not honored was very concerning and, as was evident, they did not meet their good faith efforts in convening their pre-bid or solicitation meetings, which meant that they were deficient in the pre-bid process, including the absence of documentation and materials that were supposed to be provided to all the SBE's. Ms. Brackett noted that SBE's relied on that information being part of the bid package to know that they had a better chance of acquiring a contract.

Ms. Pecot referred to contract size and was able to bring up the bid tabulations that were provided and showed that there were SBE's that did bid on the work but they weren't the low bids. She explained that the best value standard was set at low bid and that was how selections were made.

Commissioner Brackett stated that that was why OCII created their SBE policies, because they knew that the PLA and the design build policies actually harmed SBE's and did not give them equitable access to contracts. This was why OCII was specific about McCarthy and SFUSD being required to follow OCII's SBE policies. It was not optional for them. These results were not caused by a lapse in judgment but more of a refusal to actually honor the agreements between these entities and OCII back in 2020. They found loopholes so that they would not have to honor those agreements, which ultimately meant loss of money for the local economy. Ms. Brackett stated that one of the reasons that she wanted to be a Commissioner was because she championed the SBE program. Supporting SBE's helped local residents and taxpayers feed their families, generated jobs

in the community and kept people in SF. Hearing that a fellow City Department and a long-term contractor had done everything they could to avoid following OCII rules was unacceptable. OCII policies were very clear and it was evident that no good faith efforts were made.

Commissioner Brackett referred to the next slide and requested information on the technical assistance that McCarthy provided to the SBE's, specifically around the school yard scope.

Ms. Pecot responded that McCarthy stated that they made themselves available to answer project-specific questions, to aid SBE's regarding requirements and to assist them with pre-qualifications as well as connecting interested firms with larger contractors for teaming arrangements and provided access to bid documents and different project requirement materials.

Commissioner Brackett inquired about whether McCarthy provided any documentation to back up these claims, namely any receipts from contractors that they worked with for deep technical assistance to help them with bid preparation.

Ms. Pecot responded in the negative.

Commissioner Brackett asked Ms. Pecot to provide documentation that technical support was actually provided. In the absence of that, she explained that there was no proof that they actually did it and knowing that McCarthy and SFUSD had not been honest with OCII, Ms. Brackett requested that the bullet point in question be removed from the report as well. Since there was no proof that they completed any of that, she was not inclined to take their word for it. Ms. Brackett pointed out that in several instances in the presentation, Ms. Pecot used the word "invited" instead of "secured" and inquired about why that was and requested additional clarification on that.

Ms. Pecot responded that she did not have an answer for that.

To clarify, Commissioner Lim explained that 188 SBE's were invited to bid, but inquired about how many of them actually turned in a bid, referring to the 6% of 50% goal. He clarified that the Commissioners were not blaming staff for this situation but good faith efforts was just talk unless they knew how many SBE's actually ended up getting the work.

Commissioner Brackett referred to the next slide regarding Merriwether Williams. She explained that Merriwether Williams had many different insurance and bonding programs and some new programs funded as of 2020. For OCII it was helpful to get details on what SBE's were referred to, what they used and whether it sufficient for them to actually get a contract. Ms. Brackett explained that even if McCarthy did refer some SBE's to Merriwether Williams to participate in some of their programs, like accounting, cashflow, insurance, bonding, etc., it might not have been sufficient for their scope of work. Within their scopes of work as broken down, she inquired about how many of those were done with the Merriwether Williams programs. Specifically, Ms. Brackett requested that Ms. Pecot obtain: what the scopes as broken down were, what were the amounts of the scopes according to their contracts and whether the contracts were obtained through the Merriwether Williams insurance, bonding and financing. If they weren't, this would not apply and there would be deficiency in this area as well. Ms. Brackett noted that right now there was a question as to whether there was good faith efforts in insurance and bonding. She also inquired about how many of the seven scopes of work qualified under the Merriwether Williams programs.

Commissioner Brackett stated that with the overall lack of monitoring in this project, she recommended to OCII that by policy, they no longer allow any design build projects on any OCII projects, because design build kept OCII from being able to monitor their SBE goals and policies. She clarified that this was not the fault of staff; however, OCII senior leadership did not do a good job of demanding that this information be provided to staff in a timely manner, even though they had had since April 2024 to gather the information and forward it to OCII. Also the lack of urgency had robbed the community from being able to participate economically due to the merry-go-round of bureaucracy. Ms. Brackett expressed concern that the notice of default was not sent to McCarthy, as promised and as asked for by OCII by vote, and that senior leadership did not move forward in taking appropriate action and steps in advance to compel McCarthy to follow OCII's SBE goals in a timely manner. She stated that they were left with a report that clearly showed that McCarthy was non-compliant. Therefore, OCII's only recourse was to not reimburse McCarthy for this project. Ms. Brackett indicated that this action would present more problems for the good citizens of SF, like Bruce Agid, who had been waiting almost 40 years for a MB school and school yard. So while the school and school yard were completed, the community had not benefited from this and now OCII might have to pay for something that they did not want to happen. Since OCII originally only approved them for the \$11,236,463, she inquired about whether they were set to be under that amount or whether there were any over-run costs.

Ms. Pecot responded that the \$11 million figure was the most recent she had received.

Commissioner Brackett inquired about where they were currently from the time OCII approved the amount for the school yard; whether they were under-budget or over-budget and if over, by how much.

Mr. Slutzkin responded that McCarthy had not submitted any reimbursement requests to date nor had they submitted any change orders, so they did not know what the final costs would be. It was OCII's understanding that they were still at the \$11 million.

Commissioner Brackett inquired about whether he expected to see a higher number than what was submitted in 2020.

Mr. Slutzkin responded that he did not know what was submitted in 2020, but since this was a design build with a cap on the amount, he believed it would be the \$11 million.

Commissioner Brackett inquired about what would happen if they received a final bill from McCarthy that was over that amount, given the increase in prices for construction, labor, materials, etc.; she inquired about whether OCII would be on the hook for paying that difference.

Mr. Slutzkin responded that since that was the contract amount, it should not exceed that amount. If it did exceed that amount, McCarthy would have to submit a justifiable change order that the SF Department of Public Works would have to sign off on. He indicated that price escalation should not factor into it, but that any increase would have to be justified by an unforeseen condition that required additional work and not just that prices had gone up so they had to charge more.

Commissioner Brackett requested confirmation that OCII should not expect to have any resolutions coming before it once the school yard was finished to have to increase the amount approved in 2020 for reimbursement.

Mr. Slutzkin stated he was not clear that they came to OCII with a specific project amount, because that was not how OCII usually worked with infrastructure. It was indicated in the MB South Redevelopment Plan to use reimbursements.

Commissioner Brackett pointed out that there was an actual amount approved in 2020. They had a contractor who was in clear violation of OCII policies and the SFUSD was in clear violation of good faith efforts. OCII was committed to making sure the school yard got built; however, OCII should not incur any additional costs if they did not fulfill their contractual promises with OCII in terms of meeting the good faith efforts for SBE. She wanted to be clear since the project was not over about whether OCII would be responsible to pay for any increase in costs.

Mr. Slutzkin responded that as per the OPA and the Acquisition Agreement, OCII would be required to reimburse any legitimate eligible expense. However, he did not foresee this occurring because the contract had already been approved. So unless there was a change order presented to OCII, this would not be expected.

Executive Director Kaslofsky inquired about whether the Commission would want staff to entertain the possibility that if there were additional SBE's that would increase the prices because they went with low bid and they were higher if they were selected and the budget went up. He added that this might not be allowed within the infrastructure plan, but he wanted to mention it.

Mr. Slutzkin mentioned that counsel reminded him that there was a reimbursement agreement between the master developer, FOSIL, and the school that locked in that number and that there would have to be a change order to go above that number.

Commissioner Brackett wanted the Commission to be aware that eligible expense was in some ways similar to good faith effort and normally OCII would just approve whatever increase in costs there was to finish the project and complete the reimbursement.

Commissioner Brackett asked for confirmation that the school yard project was being paid directly out of CFD6 (Community Facilities Districts) funding.

Mr. Slutzkin responded that the school yard project was being paid out of CFD funding or tax increment bonds.

Commissioner Brackett asked for confirmation from Executive Director Kaslofsky that the school yard project was being paid directly out of CFD6 funding and not from tax increment.

Executive Director Kaslofsky confirmed but deferred to Mr. Slutzkin's statement that it could be either. He explained that there was a joint CFD agreement which allowed CFD funds to be used but it would be in addition to the tax increment.

Commissioner Brackett referred to increases to the project amount and the final goals in terms of this project. She referred to her conversation with the Dr. Su, who acknowledged that both McCarthy and the management of the facilities department regarding the build-outs was done incorrectly, and that they did not follow OCII SBE policies. Dr. Su had also stated that they were working with the SFUSD administration to upgrade some of their internal policies and work with the OCII team to

improve their SBE policies, but because they were out of money, they were not able to increase participation goals above 6% in April. She noted that OCII was not informed of this issue either. Ms. Brackett lamented having to have private conversations with other department heads in order to get information she should have gotten from staff. Ms. Brackett inquired about what OCII could do at this point. She inquired about whether OCII would have to approve more money to ensure greater SBE participation. She added that if the project were to be finished by May, then the bid or solicitation packets for additional work would have to go out this month or next.

Mr. Slutzkin responded that they could look into the possibility of having them buy out the contracts to add to SBE participation. He stated that OCII had been pushing them for that but to no avail. OCII could not force them to do that.

Commissioner Brackett thanked Mr. Slutzkin for his transparency on this issue. She pointed out that this was why she had asked for Closed Session so they could have full disclosure on this issue. They needed to decide what was truly possible for OCII to do to increase SBE goals because the new leadership at SFUSD now seemed ready to work with OCII on policies and goals.

Executive Director Kaslofsky stated that staff would go back and speak to SFUSD and their new leadership to get the necessary documentation and answers to questions posed at this meeting. He added that there was no reason they could not speak freely in open session about these issues and they did not need to hold a Closed Session because staff did not recommend a default. The Brown Act provided Closed Session criteria around litigation, which was not being pursued at this meeting, so they did not recommend a Closed Session meeting.

Commissioner Brackett responded that when they were in situations like this one, which could become potentially legal, they needed to be able to hold those discussions in a Closed Session. She stressed that there were questions she wanted to pose to their general counsel but was not able to because it might put OCII at risk. Ms. Brackett argued that staff did not decide the agenda or how the meetings would be held.

Executive Director Kaslofsky denied that this situation was grounds for a Closed Session. He asserted that under the Brown Act, there were two reasons under this context of litigation to hold a Closed Session: one was active litigation and the other was the threat of imminent litigation that is being initiated. Neither one of those was happening in this situation.

Commissioner Brackett responded that the Commission had voted and stated in October 2024 that SFUSD was non-compliant and they advised staff to take every option available, including litigation and arbitration. That action allowed for additional discussion in Closed Session. She reminded everyone that the Commission and the Chair set the agenda, so when she stated that she, as Chair, wanted this item to be in Closed Session, what staff recommended was meaningless.

Executive Director Kaslofsky stated that in the by-laws, the Chair, Vice-Chair and the Executive Director set the agenda.

Commissioner Brackett asked the Commission Secretary to pull up the by-laws so they could verify this. She stated that staff and the Executive Director only had the power of recommendation and no voting power. The only staff member that was part of the Commission was the Commission Secretary.

Chair Scott asked for a five-minute recess.

After the recess, Chair Scott reminded that this was an informational discussion and she suggested that they table this item and come back to it when staff was able to provide more information.

Commissioner Brackett stated that in the interest of time, she would refer this matter to the City Attorney's Office and the Ethics Commission, so they could send a brief to OCII, specifically stating what the duties and roles were for OCII Commissioners and staff.

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

Speaker: Oscar James, native resident, BVHP

Mr. James wanted to thank Commissioners for their work on these issues and he saluted their dedication in working toward the betterment of the community.

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

Chair Scott stated that she continued to meet with the SBE's and hyper-locals along with Executive Director Kaslofsky and Maria Pecot, who also attended the meetings and discussions had been going forward with the PUC. She felt privileged to hear the concerns of the SBE's as well as their excitement over the jobs they had secured working with OCII developers and contractors. Although percentages for the SFUSD was disappointing, others had devoted themselves to meeting OCII goals and things were moving forward. Dr. Scott commended Commissioner Brackett for her research and dedication and also commended Executive Director Kaslofsky for his work as well. She stressed that collaboration was critical here. OCII had moved toward perfection and excellence in accomplishing goals for housing and increasing SBE percentages. They would also need to listen to their new mayor-elect, Daniel Lurie, and find out what his expectations were.

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

Executive Director Kaslofsky wished everyone a happy new year and congratulated Dr. Scott on her election to Chair and thanked her for her service. He appreciated the research done and the continued interest from Commissioners Brackett and Lim on the above issue and he stated they would work to provide them the answers they sought. Mr. Kaslofsky wanted to reflect on the past year's accomplishments by OCII. He commended Commissioners for their professionalism and stability which had been demonstrated by their dedication to provide successful results for the SF community. In 2024 OCII:

- Continued to fulfill enforceable obligations in MB, Transbay (TB), Hunters Point Shipyard (HPS) and Candlestick
- Finalized a 3-year work contract with the OCII union, International Federation of Professional and Technical Engineers (IFPTE), Local 21
- Finalized a 3-year agreement with the Service Employees International Union (SEIU) for 2024-2027



- Partnered with the East Cut Community Benefits District to sustain their operations at their community garden at 29 Essex Street in order to strengthen urban green spaces in that neighborhood
- Launched the construction of TB Block 2 with 330 affordable rentals units, half targeting households earning 30% of AMI or lower
- Selected Curtis Development and the Bayview Multipurpose Senior Center to develop new affordable housing on MB Block 4E
- Expanded outreach to provide additional funding to Lynx Insights & Investigations, Inc. ("Lynx") and New Community Leadership Foundation ("NCLF") to locate displaced persons eligible for housing programs and affordable housing preferences
- Hosted multiple community workshops on SB593 regarding replacement housing
- Approved major amendments to the HPS/Candlestick extending the timeline refining the land uses to sustain viability of that project and to get it restarted
- Allocated Legacy Fund funding for HPS Phase 1 to Home Ownership Grant Program to help residents achieve home ownership
- Opened the 5½ acre Bayfront Park behind the Warriors Arena, the largest park in MB
- Continued designating the 2½ acre Under Ramp Park to develop and activate that under-utilized space
- Honored the great Oscar James, present at this meeting today, and his many contributions to the BVHP and surrounding communities
- Honored the late Rev. Arnold Townsend and his great contributions to the Fillmore and Hunters Point communities

Executive Director stated that this was the track record of this Commission, the current Executive Director and OCII staff. He commended Commissioners for their professionalism and stability which had been demonstrated by their dedication to provide successful results for the SF community. In 2024 OCII. Executive Director Kaslofsky listed out expectations for 2025. In SF, there still existed a 37% office vacancy rate but key indicators showed optimism. The Federal Reserve had cut interest rates, inflation had dropped to 2.7% and the State of California might be reporting a budget surplus. SF's unemployment rate remained low a 3.7%, lower than the state and national average. This demonstrated the resiliency of the residents and the opportunity here in San Francisco.

In 2025 Executive Director Kaslofsky stated that OCII would continue to build on several transformative projects, such as:

- Complete the construction and host the ribbon-cutting ceremony for MB Block 9A consisting of 148 affordable home ownership units, which should be ready in the second quarter of 2025
- Release the Request for Qualifications for a mixed-use affordable project for MB Block 12W
- Release a Request for Proposals for TB Block 4 targeting affordable housing, especially at Howard and Main Streets
- Continue the planning for the replacement housing and finishing out the MB Block 4E project which required replacement housing to complete that block
- Continue infrastructure design and permitting for HPS/Candlestick Point targeting construction to restart that project by the end of 2025 or early 2026
- Continue to invest in the workforce with strategic hiring, professional training and staff retreats to bolster morale and cohesion of staff

- Modernize systems, upgrade the IT infrastructure, digitizing records and optimizing OCII website to improve accessibility and increase use by the public
- Maintain OCII's focus on equity, innovation and economic inclusion to lead as California's most progressive successor agency

Executive Director Kaslofsky thanked outgoing mayor, London Breed, for her leadership and her unwavering support of OCII's mission, her vision and commitment to economic development in housing. He looked forward to partnering with new mayor, Daniel Lurie, and his administration and stood ready to collaborate in advancing the City's priority for equity, innovation and economic growth

Executive Director Kaslofsky summarized that OCII's achievements reflected the shared determination and hard work of staff and Commissioners as well as that of their community partners. He reminded everyone that thoughtful planning, equitable investment and collective action could drive meaningful changes in this City and wanted to continue this momentum in 2025 to build a stronger and more inclusive city for all.

## **9. Commissioners Questions and Matters**

Vice-Chair Aquino wished everyone a happy new year and extended gratitude to her fellow Commissioners for her election to Vice-Chair. She was very excited and proud to be part of OCII because SF has always been in her heart. Ms. Aquino commended Mr. James and his work for the City, stated that she had heard his comments and would work to make that happen. She announced that in December she participated in the Bayview Pop-Up Holiday event and met mayor-elect Daniel Lurie there and looked forward to working with him. She also participated in the 12<sup>th</sup> annual holiday event at the Bayview Opera House, which had an amazing turnout. She described handing out raffle tickets to families for children to be able to win a bike, Christmas trees and toys to families in need. Ms. Aquino stated that she was committed to all areas of the City, but especially District 10. She thanked Mayor London Breed for appointing her twice, first as a former Human Rights Commissioner and now as an OCII Commissioner.

Commissioner Drew congratulated Chair Scott and Vice-Chair Aquino on their elections. She announced that this would be her last meeting as an OCII Commissioner and spoke about how very proud she was to have served not only as staff but also as a Commissioner for OCII. Ms. Drew remarked that staff and leadership of OCII was top notch and the end results spoke to the level of effort required: this was hard work and difficult to accomplish but this Commission got it done. She described the building of affordable units, locating and moving displaced individuals into those units, creating beautiful parks and public amenities, and the focus on SBE, LBE and local hire requirements. She expressed gratitude to Executive Director Kaslofsky who she recalled she had had the privilege of working with on the HPS/Candlestick team and now as a Commissioner and commended his leadership. Ms. Drew thanked her fellow Commissioners and was sad to leave.

Chair Scott stated that they would miss Commissioner Drew and her excellent work as well. She stated that together they had all learned so much and were ready to move forward working toward compliance and excellence in their actions She thanked Mr. James for his continued work and she extended gratitude to Mayor London Breed for reappointing her to her position and she promised to give her all.

Commissioner Lim wished everyone a happy new year.

Commissioner Brackett thanked everyone for the privilege of serving as Chair for the last two years. She stated that her reasons for serving was for truth, transparency, collaboration and communication. Ms. Brackett acknowledged that she was the Commissioner who stated things that others could or would not say, but she felt it was important to be able to state these things in order to move past the status quo, which was not always possible if one remained silent. She stated she was also committed to collaborating with people to meet in the middle and move forward. She thanked Executive Director Kaslofsky for his work in leading OCII to all their successes. She thanked staff for their incredibly hard work facing challenges when they were already under-staffed and recognized their successes. Ms. Brackett stressed the importance of communication, transparency and upholding the tenets of the office of Commissioner.

Commissioner Brackett gave an update on the Certificate of Preference (COP) Committee, which was created in 2020 at the behest of former OCII Chair Miguel Bustos and former Vice-Chair Mara Rosales. At a recent meeting, they celebrated many of the wins that had resulted over the past four years. She thanked staff members who attended as well as Executive Director Kaslofsky, General Counsel Jim Morales, Marc Slutzkin (Deputy Director), Pam Sims (Senior Development Specialist, Housing Division) and Elizabeth Colomello (Housing Program Manager). Mr. Ed Donaldson had asked how would they scale outcomes from SB 593 in terms of production of the 6,000 COP units. Ms. Brackett responded that a goal had been set for at least 50 COP holders be placed in housing in 2025 and to ensure that those individuals were ready for either rental or purchase opportunities. Mr. James, also a Committee member, had expressed concerns about the China Basin project and the Community Benefits package for the downpayment assistance program and commented about COP holders not getting enough information in a timely manner to be able to make decisions to secure that housing. Ms. Brackett reported that recommendations were given by Committee members to add information to the OCII website as well as a link for COP holders to easily receive notifications about available housing opportunities as well as information on financial assistance programs.

Executive

Director Kaslofsky had offered information on improving the program, specifically around Lynx and setting a goal of having 200 new COP's being issued in 2025. Ms. Brackett reported that over the past two years, they had succeeded in finding over 1,000 displaced individuals and now they needed to convert them to actual certificate holders. She thanked Ms. Colomello for her contribution to the meeting for adopting new policies in COP marketing and outreach. The best outcome was the continued commitment by all Committee members to push for legislation to improve replacement housing and make the process more efficient. With that, the COP Committee made a goal to start meeting regularly, getting the community more involved and expanding the outreach efforts.

For 2025, Brackett requested an update from Executive Director Kaslofsky on several items, including: the partnership with the Human Rights Commission (HRC) and the Reparations Committee regarding looking into the possibility of having the HRC serve as a conduit to financial aid and funding, getting the SF Public Library involved in genealogy searches for the COP program, bringing more elderly individuals into discussions for their important historical input, and the housing at Alice Griffith and the conditions of the elderly there. She requested that OCII maintain their involvement in the situation there.

Lastly, Commissioner Drew was presented with flowers from Chair Scott and Commissioner Brackett as a parting gift. Photos were taken of the entire Commission together.

**10. Closed Session - None**

**11. Adjournment**

Chair Scott asked for a motion to adjourn.

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

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

Respectfully submitted,



Jaimie Cruz  
Commission Secretary