

**MINUTES OF A REGULAR MEETING OF THE
COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE
OF THE CITY AND COUNTY OF SAN FRANCISCO HELD ON THE
3rd DAY OF SEPTEMBER 2013**

The members of the Commission on Community Investment and Infrastructure of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 1:00 p.m. on the 3rd day of September 2013, at the place and date duly established for holding of such a meeting.

REGULAR MEETING AGENDA

1. Recognition of a Quorum

Meeting was called to order at 1:10 p.m. Roll call was taken.

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

All Commissioners were present.

2. Announcements

A. The next scheduled Commission meeting will be a special meeting held on Tuesday, September 17, 2013 at 4:00 pm (Location: Yerba Buena Center for the Arts, the Forum, 701 Mission Street (at 3rd Street), San Francisco, CA 94103).

B. Announcement of Prohibition of Sound Producing Electronic Devices during the Meeting

Please be advised that the ringing of and use of cell phones, pagers and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing of or use of a cell phone, pager, or other similar sound-producing electronic device.

C. Announcement of Time Allotment for Public Comments

3. Report on actions taken at previous Closed Session meeting, if any – None.

4. Matters of Unfinished Business – None.

5. Matters of New Business:

CONSENT AGENDA

- a) Approval of Minutes: Special Meeting of July 30, 2013
- b) Approval of Minutes: Regular Meeting of August 6, 2013

PUBLIC COMMENT – None.

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

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

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

ADOPTION: IT WAS VOTED BY 5 COMMISSIONERS THAT THE MINUTES FOR THE SPECIAL MEETING OF JULY 30, 2013, BE ADOPTED.

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

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

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

ADOPTION: IT WAS VOTED BY 5 COMMISSIONERS THAT THE MINUTES FOR THE REGULAR MEETING OF AUGUST 6, 2013, BE ADOPTED.

REGULAR AGENDA

- c) Authorizing an Amended and Restated Loan Agreement with Bayview Supportive Housing, LLC, a limited liability company (consisting of Bayview Hunters Point Multipurpose Senior Services, Inc. and McCormack Baron Salazar, Inc., a Missouri corporation), in a total amount not to exceed \$19,111,224 and authorizing the Executive Director to enter into a Ground Lease Option Agreement with Bayview Supportive Housing, LLC, both for the development of 120 very low-income senior rental housing units plus one manager's unit at 1751 Carroll Avenue (formerly known as 5800 Third Street, Lot 3) (Assessor's Block 5431A, Lot 042). (Discussion and Action) (Resolution No. 42-2013)

Presenters: Tiffany Bohee, Executive Director; Pamela Sims, Project Manager, Mayor's Office of Housing and Community Development; Jusef Freeman, McCormack Baron Salazar, Inc

PUBLIC COMMENT

Speakers: Oscar James, Bayview Hunters Point; Rev. Walker, President, BVHP Housing

Mr. James stated that this program was one of the successful ones to come out of the Model Cities project. He endorsed this item and urged Commissioners to approve this project.

Rev. Walker stated that he had worked with Mrs. Kennedy when she was President of the Senior Board and had been elected to carry forth her vision. He added that previously he had worked with Dr. George Davis, whose work and vision he was committed to continuing. Rev. Walker thanked the Mayor's Office of Housing for their work on this project, thanked Ms. Sims for her presentation and thanked the Commission for their approval and stated how excited he was to see this project move forward.

Chair Johnson thanked staff for the presentation and inquired about: how staff was able to reduce the loan amount coming from SFRA/MOH as requested by the loan committee; what had been increased in private debt; whether they were focusing on senior formerly homeless; whether the fact that the project was covered by Section 8 and the revenue coming in as rent would have a negative impact on residual receipts; whether they knew who the Third Street equity partners would be.

Ms. Sims responded that the debt credit ratio was 1.30, which was very high and above their underwriting guidelines. She explained that the reason the bank, lender and the equity investor wanted the higher debt coverage ratio was because it would provide more flexibility in case anything negative happened and they had wanted to play it very conservatively.

Chair Johnson stated that she was aware of these details and inquired as to how they had been able to accomplish the reduction.

Ms. Sims deferred to Mr. Freeman to respond.

Mr. Freeman responded that by lowering the debt coverage ratio, they were able to borrow an additional \$600,000 from the first mortgage lender.

To the question regarding the homeless, Ms. Sims responded that the program criteria, which is 62 years or older, would have to be met by everyone. To the Section 8 question, Ms. Sims responded that this would not result in a negative impact on residual receipts because the project-based Section 8's were higher than what they would want to get and want to charge and, therefore, there would be surplus cash/residual receipts. She added that this would go to ground lease payments first. Regarding the equity partners question, Ms. Sims responded that the Third Street equity partner would be the developer, Rick Holiday.

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

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

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

ADOPTION: IT WAS VOTED BY 5 COMMISSIONERS AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 42-2013, AUTHORIZING AN AMENDED AND RESTATED LOAN AGREEMENT WITH BAYVIEW SUPPORTIVE HOUSING, LLC, A LIMITED LIABILITY COMPANY (CONSISTING OF BAYVIEW HUNTERS POINT MULTIPURPOSE SENIOR SERVICES, INC. AND MCCORMACK BARON SALAZAR, INC., A MISSOURI CORPORATION), IN A TOTAL AMOUNT NOT TO EXCEED \$19,111,224 AND AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A GROUND LEASE OPTION AGREEMENT WITH BAYVIEW SUPPORTIVE HOUSING, LLC, BOTH FOR THE DEVELOPMENT OF 120 VERY LOW-INCOME SENIOR RENTAL HOUSING UNITS PLUS ONE MANAGER'S UNIT AT 1751 CARROLL AVENUE (FORMERLY KNOWN AS 5800 THIRD STREET, LOT 3) (ASSESSOR'S BLOCK 5431A, LOT 042), BE ADOPTED.

- d) Authorizing the Office of Community Investment and Infrastructure to enter into a contract with Alliant Insurance Services, Inc. for liability insurance services for an amount not to exceed \$166,000 for the period September 30, 2013 through September 30, 2014, and to renew the contract at the end of each term for a period of one year through September 30, 2018. (Discussion and Action) (Resolution No. 43-2013)

Presenters: Tiffany Bohee, Executive Director; Leo Levenson, Deputy Director, Finance and Administration

PUBLIC COMMENT

Speakers: Ace Washington

Mr. Washington stated that he did endorse Item 5(b). He spoke about the Western Addition and the Fillmore.

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

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

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

ADOPTION: IT WAS VOTED BY 5 COMMISSIONERS AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 43-2013, AUTHORIZING THE OFFICE OF COMMUNITY INVESTMENT AND INFRASTRUCTURE TO ENTER INTO A CONTRACT WITH ALLIANT INSURANCE SERVICES, INC. FOR LIABILITY INSURANCE SERVICES FOR AN AMOUNT NOT TO EXCEED \$166,000 FOR THE PERIOD SEPTEMBER 30, 2013 THROUGH SEPTEMBER 30, 2014, AND TO RENEW THE CONTRACT AT THE END OF EACH TERM FOR A PERIOD OF ONE YEAR THROUGH SEPTEMBER 30, 2018, BE ADOPTED.

- e) Workshop on the Recognized Obligation Payment Schedule for January 1, 2014 to June 30, 2014 (ROPS 13-14B). (Discussion)

Presenters: Tiffany Bohee, Executive Director; Sally Oerth, Deputy Director; Tracy Reynolds, Development Services Manager

PUBLIC COMMENT

Speaker: Ace Washington

Mr. Washington did not endorse this item and spoke about community reform and working collectively.

Chair Johnson inquired about: whether they anticipated any changes to ROPS 13-14B due to the fact that the long-range property management could either add costs or decrease costs as well as in light of the disposition of South Beach Harbor and whether that would impact any monies needed in the first half of 2014. Ms. Johnson stated that she was trying to get a sense of whether or not the Department of Finance (DOF) might delay ROPS 13-14B because they might see something in the long range property management plan that would not jive with expenditures in ROPS 13-14B.

Ms. Oerth responded that they had been talking about disposition costs, but did not know about the timing or how long it would take DOF to approve the ROPS. She stated that they had not talked specifically about South Beach Harbor but more in general terms. Ms. Oerth added that OCII did have an administrative budget that could cover some of this expenditure if needed, but that they had not heard anything that would indicate a delay in ROPS approval due to the long range property management plan.

Commissioner Ellington inquired about: the different funding sources and whether there were restrictions on the reserved funds; what was in the category called Other Funds.

Ms. Oerth responded that there were certain restrictions on the reserves depending on where they originated from. For instance, prior tax increment balances for Mission Bay were restricted by the Mission Bay tax pledge agreement. Ms. Oerth explained that the Other Funds category included a variety of sources such as developer payments and federal or state grants; basically anything that was not property tax, reserves or bonds.

Chair Johnson indicated that this was a very thorough presentation and that the Oversight Board would go into more specifics with it during their meeting.

Vice Chair Rosales stated she was intrigued to see outstanding loans by certain businesses in the Western Addition and inquired as to why those loans were listed within the ROPS.

Ms. Reynolds responded that they had made a decision to put every enforceable obligation on the ROPS even though it did not involve cash flow out. She stated that those loans were active and were being monitored by staff. Ms. Reynolds explained that the Rasselas loan had gone through a bankruptcy process and had come out with a different structure, which they were following; the Yoshi's loan was tied up in bankruptcy proceedings; the Sheba and 1300 businesses were making payments on their loans, but which were different from what their loan agreement stated and, therefore, were being amended. Ms. Reynolds stated that once amended, those two loans would be presented to the OCII.

6. **Public Comment on Non-agenda Items** – None.

7. **Report of the Chair** – None.

8. Report of the Executive Director

Executive Director Bohee reported that there would be a special meeting coming up on September 17 at a different location and at a later start time. She stated that agenda items would be related to Yerba Buena and Transbay.

9. Commissioners' Questions and Matters

Chair Johnson noted that SFGovTV was present at the meeting and would be taping all future meetings. She expressed her hope that people would tune in.

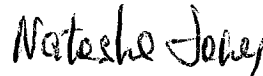
10. Closed Session

a) Under California Government Code § 54956.9, Conference with Legal Counsel for Existing Litigation: The 765 Market Street Residential Owners Assoc., et al, v. All Persons Interested in the Matter of the Validity of (1) Resolution No. 32-2013 of the Commission on Community Investment and Infrastructure of the Successor Agency to the Redevelopment Agency of the City and County of San Francisco and (2) Resolution 8-2013 of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City and County of San Francisco; et al. (Superior Court, Sacramento County, No. 80001609).

11. Adjournment

The meeting was adjourned by Chair Johnson at 3:12 p.m.

Respectfully submitted,



Natasha Jones

Interim Commission Secretary

ADOPTED: