

**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 DECEMBER 2014**

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 2nd day of December 2014, at the place and date duly established for holding of such a meeting.

REGULAR MEETING AGENDA

1. Recognition of a Quorum

Meeting was called to order at 1:08 p.m. Roll call was taken.

Commissioner Bustos - present
Commissioner Mondejar – present
Commissioner Singh – present
Chair Rosales – present

All Commission members were present.

2. Announcements

A. The next scheduled Commission meeting will be a regular meeting held on Tuesday, December 16, 2014 at 1:00 p.m. (City Hall, Room 416).

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

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

C. Announcement of Time Allotment for Public Comments

3. Report on actions taken at previous Closed Session meeting - None

4. Matters of Unfinished Business - None

5. Matters of New Business:

CONSENT AGENDA

a) Approval of Minutes: Regular Meeting of November 4, 2014.

PUBLIC COMMENT – None

Commissioner Bustos motioned to move Item 5 (a) Commissioner Mondejar and seconded that motion.

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

Commissioner Bustos - yes
Commissioner Mondejar - yes
Commissioner Singh - abstained
Chair Rosales - yes

ADOPTION: IT WAS VOTED BY 3 COMMISSIONERS WITH ONE ABSTENTION THAT THE MINUTES FROM THE REGULAR MEETING OF NOVEMBER 4, 2014 BE ADOPTED.

- b) Authorizing a First Amendment to the Legal Services Contract with Carr McClellan P.C., formerly known as Carr McClellan Ingersoll Thompson & Horn, A Professional Corporation, to increase the contract amount by \$25,000 for a total aggregate contract amount not to exceed \$100,000, to provide bankruptcy-related legal services on an as-needed basis. (Action) (Resolution No. 95-2014)

PUBLIC COMMENT – None

Commissioner Bustos motioned to move Item 5 (b) and Commissioner Singh seconded that motion.

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

Commissioner Bustos - yes
Commissioner Mondejar - yes
Commissioner Singh - yes
Chair Rosales - yes

ADOPTION: IT WAS VOTED UNANIMOUSLY BY 4 COMMISSIONERS THAT RESOLUTION NO. 95-2014, AUTHORIZING A FIRST AMENDMENT TO THE LEGAL SERVICES CONTRACT WITH CARR MCCLELLAN P.C., FORMERLY KNOWN AS CARR MCCLELLAN INGERSOLL THOMPSON & HORN, A PROFESSIONAL CORPORATION, TO INCREASE THE CONTRACT AMOUNT BY \$25,000 FOR A TOTAL AGGREGATE CONTRACT AMOUNT NOT TO EXCEED \$100,000, TO PROVIDE BANKRUPTCY-RELATED LEGAL SERVICES ON AN AS-NEEDED BASIS, BE ADOPTED.

REGULAR AGENDA

- c) Confirming, subject to approval by the Department of Finance, the issuance and sale of Successor Agency to the Redevelopment Agency of the City and County of San Francisco taxable and tax-exempt refunding tax allocation bonds in a combined aggregate principal amount not to exceed \$300,000,000, approving preliminary and final official statements and a continuing disclosure certificate, and approval of other related documents and actions, various project areas. (Discussion and Action) (Resolution No. 96-2014)

Presenters: Tiffany Bohee, Executive Director; John Daigle, Senior Financial Analyst

Chair Rosales requested clarification on procedure dealing with the announcement of the agenda for the Redevelopment Financing Authority (RFA).

Robert Bryan, City Attorney, responded that after they heard Item c) the Commissioners would recess and then convene the RFA meeting, proceed with that agenda, then adjourn and come back to the OCII meeting.

PUBLIC COMMENT

Speakers: Francisco Da Costa, Director, EJA; Dr. Espinola Jackson, Bayview Hunters Point (BVHP) resident

Mr. Da Costa stated that he had been watching the deliberations of the OCII very carefully since it was on TV. He referred to Mr. Daigle's presentation as very convoluted and he doubted that anyone understood much of what Mr. Daigle said. He recalled that Gov. Jerry Brown signed into legislation the demise of the San Francisco Redevelopment Agency (SFRA) and the option was to either hand everything back to the State or create the successor agency office. He spoke about the Southeast sector of the City and referred to Dr. Jackson's comments. Mr. Da Costa felt that the Commission ignored her comments because they did not know the history of the Southeast sector and stated that they needed someone from the Southeast sector to represent that area. He stressed that the only people that were native residents of the City of San Francisco were members of the Ohlone tribe and those chosen by tribal members to represent them and the only people qualified to do that were Dr. Jackson and himself.

Dr. Jackson stated that Lilly Lee had been appointed as the new head of the EPA and she suggested that the Commission contact Ms. Lee to learn what was going on in the Southeast sector of the City. Dr. Jackson reiterated the problems that continued in BVHP and felt the OCII was not aware of the toxicity in that area yet they continued to vote like a rubber stamp for things to take place there. She referred to a map of the area that had been redone and described the parameters of that map which were referred to as Sections A and B. Dr. Jackson stated that everybody in the Southeast sector knew about the severity of the toxicity of the Shipyard except the Commissioners. She referred to a 19-month old baby who now had cancer due to the toxicity there and that the Commission would be responsible for the impending deaths in the area. Dr. Jackson stressed that this area could not be cleaned up and more people would die. She suggested they also go online and look up information regarding the area.

Commissioner Mondejar inquired about who the bond trustees were and how they were selected.

Mr. Daigle responded that what he referred to during his presentation were the escrow trustees and in this case they were the current trustees for the bonds to be refunded, so that for all the bonds being refunded, the trustees would be either Bank of New York or US Bank. He explained that in order to minimize any possibility of error, they would keep the same trustees for the escrow during the refunding. He added that these escrows would be very short-lived and that they would be calling the bonds by February 1, 2015.

Chair Rosales stated that this was a significant refinancing measure with savings and stated that she believed it prudent to move forward with it.

Commissioner Bustos motioned to move Item 5(c) and Commissioner Mondejar seconded that motion.

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

Commissioner Bustos - yes

Commissioner Mondejar - yes

Commissioner Singh - absent

Chair Rosales - yes

ADOPTION: IT WAS VOTED BY 3 COMMISSIONERS WITH ONE ABSENCE THAT RESOLUTION NO. 96-2014, CONFIRMING, SUBJECT TO APPROVAL BY THE DEPARTMENT OF FINANCE, THE ISSUANCE AND SALE OF SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO TAXABLE AND TAX-EXEMPT REFUNDING TAX ALLOCATION BONDS IN A COMBINED AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$300,000,000, APPROVING PRELIMINARY AND FINAL OFFICIAL STATEMENTS AND A CONTINUING DISCLOSURE CERTIFICATE, AND APPROVAL OF OTHER RELATED DOCUMENTS AND ACTIONS, VARIOUS PROJECT AREAS, BE ADOPTED.

Chair Rosales announced that the OCII meeting would be recessed at 1:32 p.m., that there was no need for anyone to leave the room and that the meeting of the Redevelopment Financing Authority would be convened.

Executive Director Bohee announced that outside bond counsel, Jones Hall, would serve as counsel for the Redevelopment Financing Authority meeting.

The meeting for the OCII was reconvened at 1:48 p.m. Mr. Bryan was called back and Commissioner Singh returned.

- d) Authorizing an Exclusive Negotiations Agreement, and a Predevelopment Loan Agreement in an Amount Not to Exceed \$2,500,000, with 1300 4th Street Associates, L.P., a California limited partnership, for the development of 135 affordable family rental housing units at 1300 4th Street, also known as Mission Bay South Block 6 East, and adopting environmental findings pursuant to the California Environmental Quality Act; Mission Bay South Redevelopment Project Area. (Discussion and Action) (Resolution No. 97-2014)

Presenters: Tiffany Bohee, Executive Director; Pamela Sims, Development Specialist, Housing Division; Jeff White, Housing Program Manager

PUBLIC COMMENT

Speakers: Donna Dell'Era, Mission Bay CAC; Dr. Espinola Jackson, BVHP resident; Francisco Da Costa, Director, EJA; Don Falk, Executive Director of the Tenderloin Neighborhood Development Corporation (TNDC)

Ms. Dell'Era endorsed this item and stated that they had looked at this project very carefully and that it had met all the requirements. She stressed that she was very fond of the idea of the 826 Valencia after-school program for older students. Ms. Dell'Era also liked the inclusion of five parking spots for the retail tenants and remarked that this was the only building that she had seen with parking earmarked for the retail tenants and was very happy that they had considered this. She stated that this would be a very welcome addition to the neighborhood, which she lived in.

Dr. Jackson stated that she had a concern regarding the AMI and not been able to find out who had put together the AMI for the San Francisco residents. She indicated that she had gone before the Board of Supervisors and asked them to call a hearing regarding this issue. She recalled former Mayor Willie Brown stating that if you did not make \$100,000/year, you would not be able to live in San Francisco. Dr. Jackson stated that she had reviewed the AMI and wanted to know how many working and retired San Francisco residents could afford to live there. She recalled a group put together called the 8, which was comprised of black ministers. If the developer did not want to build low income housing, then 25%

of those funds would go to them for housing and the developers would build low income housing on top of toxic dumps and it was very sad. Dr. Jackson stated that ten to twelve people a week were dying in that area and more were continuing to get sick. She wanted clarification on what the income level really was in San Francisco and especially in the areas of 4, 5, 6, 10, and 11. She stated that what the OCII was doing was wrong and something needed to be done about it.

Mr. Da Costa stated that he observed that they all wanted to know who would be getting those units and how could they get into those units since there were less than 150 units. He suggested that someone, perhaps the Director of Planning, John Rahaim, should conduct a workshop to find out why and how the Academy of Art University was able to take away so many rental units and convert them into dormitories for foreign students to live in. Mr. Da Costa indicated that every time a developer builds housing units no one really knew who would be eligible for those units. He believed that it depended on how much you were willing to pay and who you knew and indicated that the system was corrupt. He was concerned that over 10,000 families have left the City over the past five years. He stated that San Francisco was the land of the Ohlone and that it was stolen from them through 18 treaties between the Ohlone tribe and the U.S. government.

Mr. Falk expressed his gratitude to the CAC and to the OCII staff for being able to be part of the project and how much they were looking forward to becoming part of the Mission Bay community. He commended Jeff White and Pam Sims for their hard work and other folks working on this project, such as Maura Abernathy from Studio VARA, Anne Torney from Mithun Solomon and Aidan Poile from TNDC.

Commissioner Singh inquired about who would be in charge of how people get into the homes and inquired about whether the OCII would have anything to say about who got into the units.

Ms. Sims responded that the process would follow the OCII procedures for outreach, marketing and for lease-up in unison with the Mayor's Office of Housing and Community Development (MOHCD) and that it was a very transparent process. She stated that they would be able to present that process to the OCII when they returned for the GAP financing, if desired. Ms. Sims explained that Maria Benjamin's team along with the developer and herself would be running the program.

Executive Director Bohee responded that the policy had been set in the Mission Bay agreements among others in establishing a preference for certificate holders and the former agency put great effort in reviewing and expanding that list. She explained that staff had been working with MOHCD to administer that program and the priority order in terms of marketing would be the certificate holders first, then Ellis Act holders on a project by project basis, San Francisco workers and residents, and then general population. Ms. Bohee added that they were working on certain refinements to make it easier for people to apply such as through the portal, although that wasn't completely ready yet. She stated that they would have an updated report in the new year on Hunters Point for the unrestricted middle income housing at BMR 80% and some at 50% of AMI.

Commissioner Bustos pointed out that there would be 41 off-street parking spaces, 34 for residents, 5 commercial tenants and two car share spaces. He inquired why the two car share spaces would not be given to the commercial tenants.

Ms. Sims responded that when the developer presented their proposal, there was high demand for car share in Mission Bay and other areas, especially if they were not providing 1:1 parking. She explained that families would need car share for grocery shopping on rainy day or for taking sick children to the doctor, etc. and the thought was that car share would be the best use for those spaces.

Commissioner Bustos responded that he had some reservations about that idea and thought those spaces should go for residents or for commercial tenants.

Ms. Sims replied that they would take that under consideration.

Chair Rosales asked for clarification regarding how the AMI was established.

Mr. White responded that in order to obtain tax credits through the low income housing tax credit program, the Area Median Income had to be set at 60% or less. Historically in San Francisco, without being able to identify who had originally set the policy, the SFRA had set the AMI at 50% or less on their funded projects. Mr. White explained that the thinking might have been that at 50% AMI, people would have fewer housing options than those at higher income. He continued to say that they had precedent in setting up the AMI in a tiered fashion, whereby half the building would be at 60% AMI or less and another building might be set at 50% AMI or less within the same project to provide some flexibility. It was typical SFRA and MOHCD practice to set the AMI at 50% or less. Mr. White indicated that were acutely aware of the lottery issue where out of 3,000 people, the person selected might be at 51% AMI would not be eligible. However, even if they set the AMI at 60%, the same issue would arise with a selected household at 61%. He stated that for a family of four at 50% AMI, the rent would be \$1,100 and at 60%, the rent would be \$1,300. Since the market rent for a two-bedroom can be over \$4,000, the relative below market rent between 50% and 60% is not very great. Mr. White explained that for this project they were open to any tiering and for the RFP they had set it at 50% for 80% of the units and the other 20% was for formerly homeless households. He added that going forward they would consider a tiering approach. He gave other examples of precedent, such as Block 7 West in Mission Bay where the AMI was set at 60% and 474 Natoma where some units were set at 60%.

Chair Rosales inquired as to what those percentages were set against and asked again for any data points regarding the income levels of target populations. She stated that there was need for housing at every income level besides market rate. Ms. Rosales inquired about what the target population was at the affordable levels, how many people were at the 20%-60% AMI; whether they knew where the greatest need was; inquired whether there was more need at the 20% level vs at 50% or the reverse. She stressed that unless they have this data, the information was arbitrary.

Mr. White responded that they had the data but it was not available at that time. He explained that the entire affordable housing industry existed primarily because of the tax credit program and it was set at 60% AMI. He stated that at some point in time the industry had set those parameters but he was not aware of why or how they were set.

Chair Rosales requested more detail regarding demographics regarding population in need by income, ethnicity, family size, etc. in order to set the AMI on a fair and equal basis.

Commissioner Mondejar stated that she had been asked to explain the AMI and how it was set and felt that she needed more information to be able to respond to that question. She requested a presentation/workshop on this topic, including who set AMI, when it was put out annually; how the percentage rate was arrived at; when would it apply with respect to the application process. Ms. Mondejar requested that this information be made available to the public as well and to have it put on the website. She stated that these are all questions that are continually being raised to the Commissioners and they needed to have the answers.

Mr. White responded that they would put that together for the Commissioners.

Chair Rosales requested more information about the non-profit 826 Valencia organization. She commented that it demonstrated pro-active thinking to include it in the presentation.

Commissioner Singh referred to the parking and inquired that with 135 units, why there were only 34 parking spaces and where were people supposed to park. He stressed that they needed more parking spots because most people in San Francisco had a car.

Ms. Sims responded that the people without parking spots could park in a different lot, use other transit options, and emphasized that there would be bike access as well. She stated that they would revisit the parking ratio and the reasoning for having different parking for different populations. She stated that they would take that under consideration.

Commissioner Bustos stated that many people had issues with public transit and bike options. He stressed that families usually had cars and that they needed the parking spaces for those cars. Mr. Bustos acknowledged that there was a bigger issue that they needed to take up with the MTA Commission and the City because the trend now was to take away parking in San Francisco and have people consider other options besides driving. He stated that the Commission needed to have a conversation with the MTA about the parking issue and not penalize people for having a car.

Commissioner Mondejar stated that one of the issues the OCII was dealing with was how to retain families in the City. She pointed out that it made no sense to provide families with housing and then not provide them with parking as well.

Commissioner Bustos stated the Commission was doing very well in providing housing with two- or three-bedroom units and units with multiple bedrooms but now the issue was about providing more user-friendly parking for families.

Commissioner Mondejar motioned to move Item 5(d) and Commissioner Bustos seconded that motion.

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

Commissioner Bustos - yes
Commissioner Mondejar - yes
Commissioner Singh - yes
Chair Rosales - yes

ADOPTION: IT WAS VOTED UNANIMOUSLY BY 4 COMMISSIONERS THAT RESOLUTION NO. 97-2014, AUTHORIZING AN EXCLUSIVE NEGOTIATIONS AGREEMENT, AND A PREDEVELOPMENT LOAN AGREEMENT IN AN AMOUNT NOT TO EXCEED \$2,500,000, WITH 1300 4TH STREET ASSOCIATES, L.P., A CALIFORNIA LIMITED PARTNERSHIP, FOR THE DEVELOPMENT OF 135 AFFORDABLE FAMILY RENTAL HOUSING UNITS AT 1300 4TH STREET, ALSO KNOWN AS MISSION BAY SOUTH BLOCK 6 EAST, AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- e) Adopting environmental review findings pursuant to the California Environmental Quality Act, conditionally approving a Major Phase Application Amendment for a residential project on Blocks 56 and 57, generally bounded by Coleman Street on the western boundary, Hill Drive on the northern boundary and Hilltop park in the eastern boundary, with HPS Development Co. LP., granting a density bonus and requiring three additional below market rate housing units on-site for a total of 132 housing units at Blocks 56 and 57, the Hunters Point Shipyard Phase 1, together with 1) a report on the Schedule

of Performance, 2) a Major Phase and Project Housing Data Table, 3) a combined Basic Conceptual and Schematic Designs, and 4) a form Vertical Disposition and Development Agreement; Hunters Point Shipyard Project Area. (Discussion and Action) (Resolution No. 98-2014)

Presenters: Tiffany Bohee, Executive Director; Thor Kaslofsky, Project Manager, Hunters Point Shipyard; Anye Spivey, Development Manager for Blocks 56/57 project, Lennar; Ian Burchall, Ian Burchall & Associates

Commissioner Mondejar inquired about what had happened to the biking spaces and whether bikes could be loaded into the elevators.

Mr. Burchall responded that the bike spaces were still there in the basement. He explained that they were building the garage as a concrete box with the residences on top of that. There were still 1:1 parking spots with self-park stackers for the cars and required spaces for the bikes in the parking garage. He stated that they had also added a trash chute to each building so people would not have to store trash in their units. Mr. Burchall added that being able to put bikes in the elevators was a code requirement.

Chair Rosales reminded Commissioners that questions could not be asked and exchanges could not be held until after Public Comment was completed.

Mr. Burchall apologized for not knowing the rules.

PUBLIC COMMENT

Speakers: Dr. Espinola Jackson, BVHP resident; Francisco Da Costa, Director, EJA

Dr. Jackson announced that Ms. Lilly Lee's phone number was 947-4187 and reminded the OCII that not one City department out of 17 in San Francisco had a state or federal certified compliance officer to make sure that San Francisco residents were being employed. She referred to an NBC investigation conducted by investigative journalists Liz Wagner, phone number 408 432-4735 and Vica Nguyen, phone number 408 432-4584 and suggested that the Commissioners contact these people to learn about what was going on at the Hunters Point Shipyard. Dr. Jackson stated that these two journalists had been at her home to talk to Dr. Jackson about the Area Phase 1 DDA, which had been ruled by a judge as unclean after a lawsuit was brought about it. Dr. Jackson asked people to call her at 415 467-0535 so she could give them the judge's information about the report. Dr. Jackson displayed her ID on the overhead which proved she was a member and representative of the Ohlone tribe.

Mr. Da Costa referred to a former SFRA employee from the Bayview who had spoken to the OCII during a recent meeting and who had referred to clementine rock. Mr. Da Costa stated that there was no such thing as clementine rock but rather Serpentinite rock, the natural rock of California, which when crushed released asbestos structures. He suggested the OCII Commissioners start to receive reports on the level of asbestos being released into the air at Hunters Point, which he himself received. He stated that Lennar received these reports; however, they continued to put people in danger by making them work with asbestos and that those people would die from contamination. Mr. Da Costa stressed that nothing good would ever come at Hunters Point because of the asbestos contamination there and that the OCII needed to pay attention to the asbestos reports that come out every second day and especially when the levels were very high.

Commissioner Singh inquired about the difference between what the previous development was and what was being proposed now; inquired what the reason was for the change; inquired when the ground-breaking would be set.

Mr. Kaslofsky responded that the previous development was proposed to be 98 units, 15 of which were at 80% and 50% AMI and now what was being proposed were 132 units with the same but at 80% at AMI. He referred to Mr. Spivey's comments and responded that they changed it because they had been building a building that was smaller than they were allowed to build. Mr. Kaslofsky stated they wanted to build the maximum amount that could be produced and not leave any units out. He explained that more housing was needed and the Shipyard was expensive to develop because of the infrastructure that Lennar needed to include, so they wanted to maximize the building. Mr. Kaslofsky responded that ground breaking would take place in February 2015 and anticipated two years for completion, which would be in November 2017.

Chair Rosales referred to page 7 of the Executive Director Report to the Commission, which displayed an increment between 2013-2014 between one- and two-bedroom units but only 1 increment in three-bedroom units. She referred to a discussion she had had with Supervisor Yee about family housing and what the OCII policies were with regard to keeping families in the City. Ms. Rosales inquired about why the number of three-bedroom units had not been increased.

Mr. Spivey responded that the information was not correct in the report and that the number of three-bedroom units had been increased to 11 from 6. He added that at least two of those larger three-bedrooms were BMR units that would be affordable. Mr. Spivey stated that the notion of providing more family housing was not lost on Lennar and they needed to balance that out with the need to provide more bedroom unit homes per building to make things economically feasible.

Mr. Burchall amended his original comment that originally there were four three-bedrooms in the original design, then it was changed to 0 and now they had 11 three-bedroom units.

Mr. Kaslofsky suggested that they adjust the table and review the data to make sure the correct information was being presented to the Commission.

Mr. Spivey explained that the design that was ultimately permitted had no three-bedrooms and there were some in the initial design but because of layout issues, what they were really doing was shoehorning the three-bedrooms into what was really a two-bedroom square footage. So they went back to two-bedrooms plus den and in the new design by going to an extra floor they were able to incorporate the 11 three-bedroom units, which were true 3-bedroom homes of the greater than 1300 sq. feet.

Executive Director Bohee stated that there appeared to be a discrepancy between what was approved by the Commission in the schematic design and the permitting process but promised they would send a follow up informational memo with the accurate updated information.

Mr. Kaslofsky reminded Commissioners that what they were deciding today was to waive two requirements: one to not require the model be redone to show the extra floor and then at the construction document stage, which was much more detailed than design development, they wanted to waive the requirement to come back with the design development document, because it would be construction documents from this point forward. Mr. Kaslofsky pointed out that the model was from the last presentation and had not been remade.

Chair Rosales commented on the SBE and MBE participation report and commended Lennar on the 92% compliance, which showed them coming out with five stars in the last annual report.

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

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

Commissioner Bustos - absent
Commissioner Mondejar – yes
Commissioner Singh – yes
Chair Rosales – yes

ADOPTION: IT WAS VOTED BY 3 COMMISSIONERS WITH ONE ABSENCE THAT RESOLUTION NO. 98-2014, ADOPTING ENVIRONMENTAL REVIEW FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, CONDITIONALLY APPROVING A MAJOR PHASE APPLICATION AMENDMENT FOR A RESIDENTIAL PROJECT ON BLOCKS 56 AND 57, GENERALLY BOUNDED BY COLEMAN STREET ON THE WESTERN BOUNDARY, HILL DRIVE ON THE NORTHERN BOUNDARY AND HILLTOP PARK IN THE EASTERN BOUNDARY, WITH HPS DEVELOPMENT CO. LP., GRANTING A DENSITY BONUS AND REQUIRING THREE ADDITIONAL BELOW MARKET RATE HOUSING UNITS ON-SITE FOR A TOTAL OF 132 HOUSING UNITS AT BLOCKS 56 AND 57, THE HUNTERS POINT SHIPYARD PHASE 1, TOGETHER WITH 1) A REPORT ON THE SCHEDULE OF PERFORMANCE, 2) A MAJOR PHASE AND PROJECT HOUSING DATA TABLE, 3) A COMBINED BASIC CONCEPTUAL AND SCHEMATIC DESIGNS, AND 4) A FORM VERTICAL DISPOSITION AND DEVELOPMENT AGREEMENT; HUNTERS POINT SHIPYARD PROJECT AREA, BE ADOPTED.

- f) Authorizing the Executive Director to enter into a Memorandum of Understanding with the City and County of San Francisco Department of Public Works for use of \$75,000 Tax-Exempt Bond Proceeds for SOMA Alleyway Improvements per Recognized Obligations Payment Schedule Item 384, subject to Oversight Board and Department of Finance Approval. (Discussion and Action) (Resolution No. 99-2014)

Presenters: Tiffany Bohee, Executive Director; Leo Levenson, Deputy Director, Finance & Administration; Frank Felice, San Francisco Department of Public Works

PUBLIC COMMENT – None

Chair Rosales inquired whether a project like this was awarded under the City's local business program and procurement processes, given the diversity and variety of funding sources; inquired whether this came under the Federal Department of Transportation.

Mr. Felice responded that this project came under the federal program because there was federal funding involved. He explained that it was 18% contribution or DBE's so the goal was different but tried to achieve the same bottom line. Mr. Felice responded in the affirmative through FHWA and that they were trying to create more liveable streets and balance the car issue with pedestrian and bike safety.

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

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

Commissioner Bustos - absent
Commissioner Mondejar – yes
Commissioner Singh – yes
Chair Rosales – yes

ADOPTION: IT WAS VOTED UNANIMOUSLY BY 3 COMMISSIONERS WITH ONE ABSENCE THAT RESOLUTION NO. 99-2014, AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH THE CITY AND COUNTY OF SAN FRANCISCO DEPARTMENT OF PUBLIC WORKS FOR USE OF \$75,000 TAX-EXEMPT BOND PROCEEDS FOR SOMA ALLEYWAY IMPROVEMENTS PER RECOGNIZED OBLIGATIONS PAYMENT SCHEDULE ITEM 384, SUBJECT TO OVERSIGHT BOARD AND DEPARTMENT OF FINANCE APPROVAL, BE ADOPTED.

6. Public Comment on Non-agenda Items

Dr. Jackson stepped up to the podium earlier during the meeting to report that she had received a letter from Olson Lee stating that her certificate would expire in 2016 and wondered who had given him that authority.

7. Report of the Chair

Chair Rosales stated that she had no report.

8. Report of the Executive Director

- a) Informing the Commission of the issuance of Office of Community Investment and Infrastructure audited Annual Financial Report for the year ended June 30, 2014. (Discussion)

Executive Director Bohee stated that this was a truly significant operation which represented the core purpose of the Commission to be able to physically transform certain areas of the City and be able to offer vast public benefits such as parks, public housing and liveable streets. She reported that they had completed the Annual Financial Report and commended the Finance staff, including Deputy Director Leo Levenson and Rosa Torres, Accounting Supervisor. Ms. Bohee pointed out that since dissolution there had been 7-8 audits or due diligence reviews, which created a tremendous amount of work and she acknowledged the accounting staff in this great effort. Ms. Bohee pointed out the overview of significant accomplishments over the past year at the beginning of the report, which included the physical catalyzation of each of the following project areas: Hunters Point: the creation of several hundred below market and middle income rate homes, including, parks, artist replacement centers, etc.; Mission Bay: after years of planning, even in the face of dissolution, they were continuing to move forward with the realization of 1,500 homes, either under construction or in planning and development, including affordable housing sites, parks and advancement of a potential event center for the Warriors; Transbay: significant disposition of the public parcels, public development, parks, and new roadways. Ms. Bohee stated that all of this was a great testament to the work of the OCII staff and thanked them for this accomplishment. She added that they had also been able to set the bar very high with respect to job creation goals through professional services, construction contracts and permanent workforce.

PUBLIC COMMENT – None

Commissioner Singh commended staff for doing an excellent job.

Commissioner Mondejar thanked Executive Director Bohee for this comprehensive report and congratulated Ms. Bohee and staff on the remarkable work they had done.

Chair Rosales was reminded about the amount of results they had been able to accomplish in two years with a staff of only 42 filled positions and described that as amazing.

- b) Availability of the Notice of Preparation of an Environmental Impact Report for the Golden State Warriors Event Center and Mixed-Use Development at Mission Bay Blocks 29-32, bounded by Third Street, South Street, 16th Street and future planned realigned Terry Francois Boulevard in the Mission Bay South Redevelopment Project Area. (Discussion)

Executive Director Bohee reported that the first step in the environmental review process was the issuance of the above-mentioned Notice. She recalled when the Warriors and their President Rick Welsh had come before the OCII in April to introduce the team and describe their intent. Ms. Bohee announced that at the next meeting on December 16 they anticipated bringing a comprehensive proposal on the event center and the office development and retail, proposed for review and consideration. She indicated that the Planning Commission would also hear this proposal. Ms. Bohee reported that since May 2014 the Warriors had been out in the community, at CAC meetings and Saturday workshops and that more meetings were scheduled over the next few weeks as the team prepared the environmental review document, which the OCII would certify.

PUBLIC COMMENT – None

Commissioner Bustos inquired whether they could get a list of the dates that Executive Director Bohee had mentioned.

Executive Director Bohee responded that there was an initial list of dates in their informational memorandum. She stated that the initial site concept designs and event transportation management would be presented on December 16 and Planning was a few days later. She announced that various other approvals would come before the Commission in the spring.

9. Commissioners' Questions and Matters

Commissioner Mondejar referred to a discussion at the last meeting regarding community open spaces available to the public and requested a list of them from Executive Director Bohee, as well as information regarding how they could be accessed, how they were made available, who used them, etc.

Executive Director Bohee responded that they did not have that information gathered in one spot but they could create a database or list and make it available to the public as well.

Commissioner Bustos referred to the church issue brought up earlier by Dr. Jackson. He stated that he was under the impression that money had been allocated a long time ago by the SFRA to fix the flooding problem at the church site and inquired about whether they could help fix the problem now.

Executive Director Bohee responded in the affirmative and stated that, even though this issue was not calendared, the former SFRA had approved public improvements dollars to make certain improvements along the public right of way in front of the church. Her understanding was that those dollars had been approved and expended; however, this had not helped the private property issues which the pastor and Dr. Jackson had raised regarding functional issues about the building meeting the street grade. Ms. Bohee stressed that they had limited ability to help unless they had entered into a contract since dissolution and

that unless it involved tax exempt bond proceeds, they would be unable to enter into new agreements to make additional improvements. She explained that since part of their charge was to facilitate this project, they had worked with the DPW who had sent out engineers to review the issue to see what could be done on the City side as part of its own public improvement program. Ms. Bohee stated that there may be certain improvements that the City would not be able to do but that the church would have to do itself. She added that the Commission's role was limited due to dissolution law. She stated that they would follow up with an informational memorandum

Commissioner Bustos requested information about whether the City or the OCII had actually caused this problem and, if so, stressed that they still needed to fix the problem even if it was on private property.

Executive Director Bohee clarified that the former SFRA had not caused the problem.

Commissioner Bustos responded that what they were hearing was different and that if the SFRA had actually caused the problem, then they needed to follow up and help the church resolve the problem. At the least, he added, they needed to figure out who or what had caused the problem and if the church need help raising some money, perhaps they could help them out with that as well.

10. Closed Session – None

- a) CONFERENCE WITH LABOR NEGOTIATORS, pursuant to Government Code § 54957.6, to confer with its designated representatives.

OCII representatives: Tiffany Bohee, Jim Morales, Leo Levenson, Geoff Rothman, Jeff Sloan, Charles Sakai and April Ward.

Employee organizations:

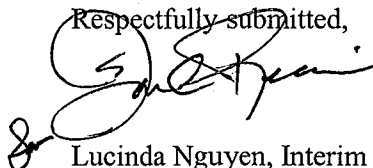
- (1) the International Federation of Professional and Technical Engineers (IFPTE) Local 21 representing the Engineers and Architects bargaining unit, the Management/Supervisory bargaining unit, and the Professional/ Technical bargaining unit; and
- (2) the Service Employees International Union (SEIU) Local 1021 representing a miscellaneous employees bargaining unit.

Chair Rosales announced that the OCII would go into Closed Session to confer with labor negotiators pursuant to Government Code § 54957.6. She clarified that OCII representatives would be Tiffany Bohee, Jim Morales, Leo Levenson, Jeff Rothman, Jonathan Holzman, Charles Sakai and April Ward. She asked the public to leave the room for this session.

11. Adjournment

The meeting was adjourned by Chair Rosales at 4:12 p.m.

Respectfully submitted,



Lucinda Nguyen, Interim Commission Secretary