

London N. Breed
MAYOR



Miguel Bustos
CHAIR

Mara Rosales
VICE-CHAIR

Sally Oerth
INTERIM EXECUTIVE DIRECTOR

Bivett Brackett
Dr. Carolyn Ransom-Scott
COMMISSIONERS

**MINUTES OF A REGULAR MEETING OF THE
COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE
OF THE CITY AND COUNTY OF SAN FRANCISCO HELD ON THE
18TH DAY OF JANUARY 2022**

The members of the Commission on Community Investment and Infrastructure of the City and County of San Francisco met in a regular meeting via teleconference at 1:00 p.m. on the 18th day of January 2022. The public was invited to watch the meeting live on SFGOVTV: <https://sfgovtv.org/ccii>

PUBLIC COMMENT CALL-IN: 1-415-655-0001 **ACCESS CODE:** 2483 655 4943

In accordance with Governor Gavin Newsom's statewide order for all residents to "Stay at Home" - and the numerous preceding local and state proclamations, orders and supplemental directions - aggressive directives were issued to slow down and reduce the spread of the COVID-19 virus. Individuals were encouraged to participate in the meetings remotely by calling in during the public comment section of the meeting.

REGULAR MEETING AGENDA

1. Recognition of a Quorum

Meeting was called to order at 1:00 p.m. by Chair Bustos. Roll call was taken.

Commissioner Brackett - absent
Commissioner Scott - present
Vice-Chair Rosales - present
Chair Bustos - present

Commissioner Brackett arrived late; all other Commissioners were present.

2. Announcements

- a) The next regularly scheduled Commission meeting will be held on Tuesday, February 1, 2022 at 1:00 pm.
- b) Announcement of Time Allotment for Public Comments from participants dialing in:

Please be advised 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. Please note that during the public comment period, all dial-in participants from the public will be instructed to call a toll-free number and use their touch-tone phones to register any desire to provide public comment. Comments will be taken in the order that it was received. Audio prompts will signal to dial-in participants when their audio input has been enabled for commenting.

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Secretary Cruz read 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 December 7 and December 21, 2021

PUBLIC COMMENT - None

Commissioner Scott motioned to move Item 5(a) and Commissioner Brackett seconded that motion.

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

Commissioner Brackett - absent

Commissioner Scott - yes

Vice-Chair Rosales - yes

Chair Bustos - yes

ADOPTION: IT WAS VOTED BY THREE COMMISSIONERS WITH ONE ABSENCE THAT APPROVAL OF MINUTES FOR REGULAR MEETINGS OF DECEMBER 7 AND DECEMBER 21, 2021, BE ADOPTED.

REGULAR AGENDA

b) Authorizing a nonbinding Term Sheet for Operations Agreement with the Transbay Joint Powers Authority and the East Cut Community Benefits District for the development of the Under Ramp Park project; Transbay Redevelopment Project Area (Discussion and Action) (Resolution No. 02-2022)

Presenters: Sally Oerth, Interim Executive Director; Benjamin Brandin, Transbay (TB) Project Manager; John Updike, Transbay Joint Powers Authority (TJPA); Andrew Robinson, Executive Director, East Cut CBD

PUBLIC COMMENT – None

Commissioner Scott thanked Mr. Brandin for the thorough presentation.

Vice-Chair Rosales referred to the estimated timing of next steps and inquired about whether the schedule provided in the presentation was the same schedule as was provided all along for this project.

Mr. Brandin responded in the negative and stated that the project had been delayed. He explained that, as mentioned, in 2018 they had completed a schematic design for the project and were hoping at that time to bring it before Commissioners for approval. At the same time they were also working on the draft operations budget, which revealed a possible operating deficit for the project. OCII staff presented both the draft operations budget in conjunction with the schematic design to the TJPA for its review. When the TJPA understood the potential of an operating deficit for the park, they asked OCII to delay in taking the schematic design ahead for approval consideration until 1) the TJPA could identify an operator for the park and 2) the TJPA could work with that operator to establish an operations plan that would allow for the successful, cashflow positive operation of the park. Mr.

Brandin reported that the project was consequently behind schedule, but the Term Sheet being presented to the Commission was the first step in moving the project forward.

Commissioner Brackett referred to the \$3 million shortfall on this project and noted that they had a robust campaign to raise the money to cover it. She referred to the statement that they were generating some revenues from the beer garden and other sources and inquired about how much they were generating in revenue right now as well as what the expectation was to increase that and also inquired about what percentage of the shortfall they were aiming to cover.

Mr. Brandin clarified that the park was still in the pre-development stage and all operations budgets prepared to date had been based on consultant estimates of what they anticipated the revenue to be from both the beer garden and pavilion building kiosk leases. He explained that they would not have a clear sense of how much those income-producing elements would generate until the park opened and was operating. He reported that when they put together the original operations budget, it was done in conjunction with two financial consulting firms, which helped them put together both the expense and income sides of the pro forma and that they had taken a conservative approach to that budget. Mr. Brandin informed Commissioners that the \$3 million East Cut Community Benefits District (CBD) planned to raise was intended to cover the shortfall for the park for the first five years of its operation, which would give the CBD time to understand the operations. Then in 2030, when the CBD will be up for its renewal, the CBD would not only be seeking renewal but also to the increase of property assessments so that there would be a dedicated funding stream to fully cover the parks operations.

Commissioner Brackett stated that because they were talking about this being a five-year plan and knowing that the cost of any maintenance for parks would become exponentially higher after the first five years, inquired about whether they had any concerns about this, given that any new assessments could also continue to show some shortfalls.

Mr. Brandin responded that, in putting together the term sheet with the CBD, the TJPA had required that the CBD update the operations plan and its budget. So, the CBD will be charged both with raising the \$3 million operations backstop and also refining the initial operations budget and working with a consultant if needed to ensure that it was current and up-to-date. Mr. Brandin explained that this was because the TJPA was looking to the CBD to be the sole operator of Under Ramp Park, so that the TJPA would not be financially responsible for park operations. He deferred to Mr. Updike of the TJPA for more details.

Mr. Updike responded that part of the budget reworked by the CBD would include the concept of a capital reserve, which needed to be established so that as warranties for certain items began expiring, the CBD would be ready and capable of addressing capital renewals and replacements, as they were required over time. He explained that this would factor into what the revised assessment figures would be when the CBD sought renewal. Mr. Updike reported that this was the expectation of the TJPA in order to ensure long-term financial viability of the facility.

Commissioner Brackett referred to the format dealing with public/private partnerships and ensuring that their parks and public spaces were properly maintained and cleaned over a long period of time. However, she also noted that certain community benefit districts tended to need additional funding in the future and inquired about whether they foresaw that they would need additional funding from district supervisors or others to maintain the parks in the future.

Mr. Brandin deferred to Mr. Robinson for more information.

Mr. Robinson responded that when the CBD was formed in 2015, there was an under-estimation of what park costs would be. He explained that they had gained a great deal of experience since then. He reported that they were looking forward to renewal in 2030 with the experience they had gained in the neighborhood managing park spaces as well as studying the Mission Bay (MB) and Yerba Buena park systems and validating what they thought would be their future costs.

Commissioner Brackett thanked staff and presenters for their input. She stated that it was very exciting that this project was finally coming to fruition since the community was growing and parks would be very welcome in this area.

Commissioner Scott motioned to move Item 5(b) and Commissioner Brackett seconded that motion.

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

Commissioner Brackett - yes

Commissioner Scott - yes

Vice-Chair Rosales - yes

Chair Bustos - yes

ADOPTION: IT WAS VOTED BY FOUR COMMISSIONERS THAT RESOLUTION NO. 02-2022, AUTHORIZING A NONBINDING TERM SHEET FOR OPERATIONS AGREEMENT WITH THE TRANSBAY JOINT POWERS AUTHORITY AND THE EAST CUT COMMUNITY BENEFITS DISTRICT FOR THE DEVELOPMENT OF THE UNDER RAMP PARK PROJECT; TRANSBAY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- c) Workshop on Annual Certificate of Preference Marketing and Outreach Report Fiscal Year 2020-2021 from the Mayor's Office of Housing and Community Development (Discussion)

Presenters: Sally Oerth, Interim Executive Director; Eric Shaw, Director, Mayor's Office of Housing and Community Development (MOHCD); Maria Benjamin, Deputy Director, Home Ownership & Below Market Rate Programs, MOHCD; Pam Sims, Senior Development Specialist

PUBLIC COMMENT - None

Commissioner Scott thanked the committee for their report. She stated that she received calls and questions all the time regarding the Certificate of Preference (COP) program and many people had told her that they had tried to get a certificate but their records were not found. Dr. Scott reported that there were many people who were ready and waiting to return to the City but needed more help. She inquired about what the new tools and new approach would be to find these people.

Commissioner Brackett thanked MOHCD for the presentation. She requested clarification that the COP committee had been created to have community input on various COP issues, not just expansion of the program and would continue to meet moving forward on some issues, such as new 21st century tools, genealogy or other forms to find people, upgraded online search tools, etc. in coordination with another community group who would be doing some of the work. Ms. Brackett requested in addition that MOHCD present quarterly COP information workshops much like the current workshops on how to be a first-time home buyer, where they could discuss how they qualify and what documentation they needed to submit, etc., which could not be discussed in the general housing workshops. Ms. Brackett also noted from the presentation that 51% of the participants who applied for COP housing did not respond to the agent or ultimate contact and asked for clarification as to what the process was for a participant to respond and follow-up. She mentioned that she often went to the workshops to learn what people were experiencing and learning and wanted clarification on this point.

Ms. Benjamin responded that their leasing agents were required to respond first by email, then by phone, then by text and then by regular mail. She reported that now the applicants were also able to add an alternate contact on the application. However, the statistic in question demonstrated that after the developer had tried all four of those ways to reach the applicant as well as contacting the alternate, they still did not respond. So MOHCD discovered that the lack of response from applicants was usually intentional.

Commissioner Brackett inquired about whether there were statistics on the over-income and under-income applicants and whether this was based on the properties and their thresholds.

Ms. Benjamin responded in the affirmative, that they did have the data and that it was based on the property being applied for. She stated that, for example, at Transbay (TB) Block 9 there was only one person under income who did not receive a subsidy, because there was an age requirement and she did not qualify for the senior subsidy. Ms. Benjamin stressed that MOHCD did prioritize COP holders when they were distributing rental assistance but it depended on the project. She explained that some of the available rental assistance was for certain populations and if the applicant did not fall into that population, then they did not qualify.

Commissioner Brackett referred to the economic challenges for COP holders to either pay for the deposit or pay their portion of the rent. She inquired about whether OCII should address that issue for COP holder groups such as teachers, the elderly, law enforcement, etc.

Mr. Shaw responded that there were many programs that invested in populations based on income, location or other needs. He explained that they worked closely with their community stabilization and housing stabilization teams, the Department of Homelessness and Supportive Housing (HSH), the Department of Public Health, and the Housing Authority in order to assess the resources that they had and to connect COP holders with existing programs. In response he stated that going forward this was already happening but would be worth revisiting in the future.

Commissioner Brackett referred to language in the beginning of the presentation which stated that AB 1584 would only apply to OCII properties. She pointed out that in the 2008 resolution all the COP participants were supposed to be eligible for all MOHCD properties, not just OCII properties. She requested clarification.

Mr. Shaw responded that they were working with a consultant this year to understand the breadth of eligibility for COP holders under that legislation and that there were a few things that were happening on the MOHCD side: they were receiving properties from OCII, integrating the development timeline for the new projects coming online and coordinating with Ms. Benjamin's team regarding turnover and requirements for units. They were also working closely with OCII to understand the supply and demand as that related to the preferences and to their programs. Mr. Shaw explained that they were looking at the impact on the MOHCD pipeline and the existing 23,000 units that they had and then trying to line that up with what the findings were from this study. Mr. Shaw stated that they were trying to organize the implementation of this, the scope and breadth of those eligible and how to align those two.

Vice-Chair Rosales referred to the DAHLIA partners and assumed that this portal tool would have the ability to draw analytics from it. For instance, from 123,000 applications there were only 68 COP holders. Ms. Rosales referred to marketing specifically and inquired about how COP holders would learn about DAHLIA and the lottery system available to them, especially since many people did not even know about the COP program.

Ms. Benjamin responded that the portal has been online for over a year and they had been able to draw analytics from it. She reported that besides the post cards containing the DAHLIA information that the 889 COP holders had received, the most useful tools had become the outreach campaigns, housing counseling agencies, case managers, working with HSH and with all the other City agencies to make sure there were resources and availability to help people work through this. She mentioned that the libraries were a huge partner as well as OEWD and their computer lab. Ms. Benjamin reported that DAHLIA was now also accessible by phone and not just by computer or laptop.

Mr. Shaw stated that they had found that generally COP holders did not apply multiple times. He explained that they had been working on shifting the language of how MOHCD responded to applicants in order to be more pro-active and culturally competent. So MOHCD is working on not

just the interface but on the response as well and being more customer service oriented with those who wanted to engage in housing opportunities through DAHLIA.

Vice-Chair Rosales stated that, based on her own experience, there were many people who were aware of this program and DAHLIA and then on the other side, there were those who had never heard of DAHLIA, did not know how to access it or were not getting any help with the application and could not get in for an appointment. She explained that those were the barriers she was hearing about now. Her concern was with the messaging of DAHLIA regarding the units coming online, especially those with homeownership opportunities, and COP holders, and that with so many issues going on that they were spreading the word as broadly as possible so that everyone knew about it. Ms. Rosales inquired about how the waitlist process worked.

Ms. Benjamin responded that a COP holder could present themselves to any former Redevelopment Agency developed building or OCII-developed building and request to be put at the top of the waitlist if the waitlist was closed. If the waitlist was open and applications were being accepted, COP holders would get put on the top of the list. She added that they were currently generating a list of all those buildings. She reported that Sonia McDaniel, MOHCD COP program coordinator, was working with the Dr. George W. Davis Senior Center, to provide extensive outreach to COP holders because that was a very popular building for them. She reported that the nine people mentioned during the presentation were housed there, in the past year, and at other senior properties.

Commissioner Scott has heard some people say that they had done everything they could to get into housing but were told they did not qualify because they did not make enough. However, she stressed, affordable housing was supposed to be for those who did not make enough, but still did not qualify for the housing. Or they made too much. Dr. Scott reported that this has created a sense of hopelessness and helplessness among applicants and people were becoming overwhelmed. She inquired about what were applicants supposed to do after this kind of rejection. She had found this to be especially difficult for the homeless.

Chair Bustos reminded everyone that the displaced had not been displaced during redevelopment because of their income or their credit score, but rather because of the color of their skin by a racist planning director and redevelopment director. He recalled that intergenerational wealth had been taken from families who owned the buildings. Mr. Bustos stated that he personally knew a person whose grandmother was given \$6,000 for a 60-unit building and inquired about what that building would be worth today in San Francisco. He inquired about how you distinguish the so-called “over-income” applicant from the value of what was taken from them during redevelopment. He stressed the importance of reducing the barriers for these people. Mr. Bustos stated that this must be thought of as an issue of justice and reparations. He pointed out that it was no coincidence that the population of SF had dramatically shifted since the time of redevelopment and not in the right way because the City lost so many people of color. Mr. Bustos felt strongly that this was an urgent matter and something had to be done. He agreed with creating COP workshops, having regular quarterly COP updates but also looking at how to reduce the barriers and even open up more opportunities for COP holders to consider other properties that perhaps were not OCII or redevelopment properties. Mr. Bustos thanked everyone for their presentation but urged them to do more.

- d) Workshop on the Recognized Obligation Payment Schedule for July 1, 2022 to June 30, 2023 (ROPS 22-23) (Discussion)

Presenters: Sally Oerth, Interim Executive Director; Mina Yu, Budget and Project Finance Manager; Elizabeth Colomello, Housing Project Manager; Marc Slutzkin, Mission Bay (MB) Project Manager; Benjamin Brandin, Transbay (TB) Project Manager; Lila Hussain, Senior Project Manager, Hunters Point Shipyard/Candlestick Point (HPS/CP); Aaron Foxworthy, Interim Real Estate and Development Services Manager; Raymond Lee, Contract Compliance Supervisor; Monica Davis Stean, Human Resources and Administrative Services Manager

PUBLIC COMMENT – None

Commissioner Scott thanked staff for the comprehensive presentation. She referred to the fact that there was no budget for affordable housing and inquired about why that was or whether she just did not see it.

Ms. Yu responded that they had \$272.8 million dedicated for affordable housing as was displayed in the slide with uses.

Vice-Chair Rosales followed up to Chair Bustos' statement during the last session regarding exploring current legal limitations that excluded COP holders, in particular, who were considered to be over-income, from housing opportunities. Ms. Rosales assumed that within their professional services budget for legal/general counsel or the City attorney MOU there was enough funding so that if they needed a legal opinion or legal guidance on that question, there would be enough budget for it.

Ms. Yu responded that they had about \$250,000 in legal services imbedded in their operating budget, which was for any legal question that might come up. She reported that they also had legal budgets completely imbedded in each project area which had their own separate line item. So the \$250,000 was separate from what was dedicated to project areas.

6. Public Comment on Non-Agenda Items – None

7. Report of the Chair

Chair Bustos reported that the federal government was now providing COVID19 tests free for everyone. He advised everyone go to www.covidtests.gov to sign up to have tests delivered to your home. Mr. Bustos advised everyone to get vaccinated, get boosted and get tested so that one day Commissioners could all meet in person again.

8. Report of the Executive Director

Interim Executive Director Oerth stated that she had no report.

9. Commissioners Questions and Matters - None

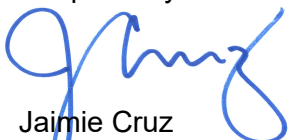
10. Closed Session - None

11. Adjournment

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

Chair Bustos adjourned the meeting at 2:56 p.m.

Respectfully submitted,



Jaimie Cruz
Commission Secretary