

**MINUTES OF A REGULAR MEETING OF THE
COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE
OF THE CITY AND COUNTY OF SAN FRANCISCO HELD ON THE
21ST DAY OF OCTOBER 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 21st day of October 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 1:07 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, November 4, 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: Special Meeting of September 12, 2014.

PUBLIC COMMENT – None

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

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

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

ADOPTION: IT WAS VOTED BY 4 COMMISSIONERS THAT THE MINUTES OF THE SPECIAL MEETING OF SEPTEMBER 12, 2014, BE ADOPTED.

- b) Authorizing a Fifth Amendment to the Legal Services Contract with Shute, Mihaly & Weinberger LLP, a Limited Liability Partnership, to increase the contract amount by \$350,000, for a total aggregate amount not to exceed \$1,600,000, to provide specialized legal services related to public trust and state park issues for the Candlestick Point and Hunters Point Shipyard Phase 2 project; Hunters Point Shipyard and Bayview Hunters Point Redevelopment Project Areas. (Action) (Resolution No. 85-2014)

PUBLIC COMMENT

Speakers: Dr. Espinola Jackson, Bayview Hunters Point (BVHP) resident

Dr. Jackson was against this item. She suggested that the OCII get the minutes from the time when the project was presented. Dr. Jackson stated that Bayview was never included as being part of the redevelopment area and that when redevelopment began, it included Hunters Point only. She was on the Shipyard RAB at that time because the HP Shipyard was in her community and stressed that it was a superfund site. She added that Bayview was never approved by the former Redevelopment Agency and referred to the \$30 million obtained from HUD to work on that area. Dr. Jackson was very concerned about the toxicity of the Bayview landfill and stressed that people moving in there would continue to become sick because of the chemicals that still existed in the area. She added that people had to wear masks to be there and was concerned about the workers coming in to work in that area becoming sick as well. She pointed out that the developer would not be living there. Dr. Jackson requested that the Commission stop and obtain information about the number of stillborn births there have been in the Alice Griffith area. She commented on Olson Lee's MIA and stated that everything he had done so far he was against the people and requested that a criminal investigation be filed on the issues dealing with the southeast sector of San Francisco. Dr. Jackson requested that the OCII not vote on this issue that day and to wait until all the information was in.

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

Secretary Nguyen called for a voice vote on Items 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. 85-2014, AUTHORIZING A FIFTH AMENDMENT TO THE LEGAL SERVICES CONTRACT WITH SHUTE, MIHALY & WEINBERGER LLP, A LIMITED LIABILITY PARTNERSHIP, TO INCREASE THE CONTRACT AMOUNT BY \$350,000, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$1,600,000, TO PROVIDE SPECIALIZED LEGAL SERVICES RELATED TO PUBLIC TRUST AND STATE PARK ISSUES FOR THE CANDLESTICK POINT AND HUNTERS POINT SHIPYARD PHASE 2 PROJECT; HUNTERS POINT SHIPYARD AND BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREAS, BE ADOPTED.

REGULAR AGENDA

- c) Authorizing a Master Development Agreement with Double Rock Ventures LLC, the San Francisco Housing Authority, and CP Development Co., LP, for the development of 256 public housing replacement units and 248 additional units of low-income family rental housing, incorporating future acceptance of related assignments of deed of trust and promissory notes, Alice Griffith Public Housing Site, 211 Cameron Way; and adopting environmental findings pursuant to the California Environmental Quality Act; Bayview Hunters Point Redevelopment Project Area. (Discussion and Action) (Resolution No. 86-2014)

Presenters: Tiffany Bohee, Executive Director; Elizabeth Colomello, Development Specialist, Housing Division

PUBLIC COMMENT

Speakers: Dr. Espinola Jackson, BVHP resident; Ace Washington, community activist; Dorris Vincent, BVHP resident and Chair, Shipyard CAC

Dr. Jackson was against this item. She stated that she had been a resident of BVHP since 1948 and recalled that in 1992, then Vice President Dan Quayle came to BVHP for a project started by tenants called Resident Management Council, where the tenants were to be trained to run and operate the public housing themselves. She recalled that there were 20 tenants trained as managers; 12 of whom were hired for the project. Dr. Jackson stated that when Lennar came into the area through the mayor in 1996, the program that was set up for the tenants was disbanded. Dr. Jackson felt that this was not right and that the tenants should have a say. She stressed that the area needed to be looked at again because of its toxicity and urged the OCII to not support this item because they would be building on top of toxic sites. She recalled the buildings that were constructed in 1962 in the Alice Griffith area that were torn down because of flooding and rot due to the landfill which allowed water to come in and expressed concern about what would happen in the event of an earthquake there.

Mr. Washington stated in response to Dr. Jackson's comments that the train was moving and that it could not be stopped but stressed that everything must be documented. He stated that he did not see the residents of the areas under question present at the meeting, who should be there speaking out but were not. Mr. Washington spoke about leaders undermining the community and stated that the mayor must be responsible for his actions and for not taking care of the people of the community not only in BVHP but in the Western Addition as well. He announced his new publication, which was going to be called "Washington's Post", where he would document everything going on in the City.

Ms. Vincent urged the Commission to approve Items 85-2014, 86-2014, 87-2014 and 88-2014, because as far as she knew from the meetings that she had attended in the community, all the issues in question had been vetted and the community had approved them all. She agreed that this was a superfund site but stressed that there were remedies for that and appropriate remedies had been put in place in order for them to move forward.

Commissioner Bustos recalled being a Commissioner on the former Redevelopment Agency when this issue first appeared and remembered that there was lots of public comment on this issue. He stated that their goal had always been to do the right thing for the people of the southeast sector of San Francisco, an area that had historically been ignored and neglected. He stated that now was the time to fulfill the promises that had been made to the residents so long ago. Mr. Bustos was concerned about the need to keep the community involved and the opportunities for the residents to help build their own community by way of enforcing the local hire program. He recalled that his father had worked on the Bank of America and Transamerica Pyramid buildings in the City. Mr. Bustos stressed that providing jobs so that people would be able to stay in the City was his concern in this issue.

Commissioner Singh inquired about whether they had a list of the residents who would be moving in when the units were completed.

Ms. Colomello responded that each phase had a combination of public housing replacement units and additional affordable units and added that about 60% would be public housing replacement. That portion would consist of existing residents at Alice Griffith, who would be moving into those units. Ms. Colomello reported that the marketing plan would be completed early next year for the remainder of the units and that the actual marketing and outreach usually started about 6 months before construction is completed. She stated that they are expecting completion for the first two phases in July 2016.

Commissioner Mondejar asked for confirmation that the residents would not be displaced and inquired as to whether the current residents would still be there during construction; referred to the workforce MOU on page 16 of the presentation and inquired as to who would be in charge to make sure that the plan was implemented; inquired as to whether there was currently a plan in place for this; inquired as to whether OCII would be receiving updates on this issue.

To the first question, Ms. Colomello responded that the current housing site was adjacent to where the first three phases were being built, so that nobody would have to move. However, she added, if there were residents who did not want to live near a construction site, the OCII had opportunities working with the Housing Authority to move them via subsidy. Ms. Colomello stated that it was fortunate that they would not have to do any onsite relocation, so there would be minimal disruption to current residents. She confirmed that once the new homes were built, the current residences would be demolished. To the second question, Ms. Colomello responded that the OCII was responsible for gathering all of the information, but the MOU put the responsibility on all parties to meet the goals and requirements stated therein. To the question regarding a plan, Ms. Colomello responded that there was a plan, some of which was documented in the MOU, and that they had been meeting as a group with contractors and developers for several months on a monthly basis to make sure they were prepared for any infrastructure and vertical opportunities that might arise. To the last question, Ms. Colomello responded that they would come before the Commission to present regular updates as the phases progressed.

Chair Rosales inquired about the relocation of the service providers, some of whom would be temporarily displaced and others permanently displaced; inquired about the police station;

inquired about the murals; inquired about how the residents of Alice Griffith were being incentivized or informed to become candidates for referral; inquired about the overall funding for the project and commitments from their partners.

Ms. Colomello responded that one of the service providers had been temporarily moved to two of the existing Alice Griffith units and onsite at the existing Housing Authority sites that were vacant. She explained that Lennar had paid for those units to be remodeled so they could work as services, because in the adjacent land there was one non-residential structure that housed the provider. The other non-residential relocation was the community garden which had been relocated temporarily onsite, but they had worked out an agreement with the school district to have the permanent community garden placed behind Bret Harte School, which was right across the street from the development. Ms. Colomello added that Lennar had paid for the initial relocation and would be paying for the permanent relocation. She explained that Lennar had been working with the HOPE SF services team and OCII to work out the planning and OCII had been working with the residents to make sure the relocation plan would be agreeable to everyone. Regarding the police station, Ms. Colomello stated that this was slated for a later phase and there was no plan in place for it yet. Regarding the mural, Ms. Colomello responded that there had been a lot of discussion about how to save it and that the mural was definitely part of the plan. To the referral question, Ms. Colomello responded that many of their onsite services were focused on getting the residents prepared for referrals, coordinating with CityBuild to hook residents up with them and sharing information regarding the schedule so that everyone would be aware of when the opportunities would be coming and when people need to be trained and prepared for them. Regarding the funding, Ms. Colomello responded that the loans that the OCII approved in July 2014 included OCII funds and subsidy from the master developer. She added that the DDA required that the subsidy be provided by Lennar by the close of the construction finance phase in January and that the loan was contingent upon that requirement being fulfilled.

Commissioner Bustos referred to previous discussions about opportunities to name the streets after leaders in the community and stated that this was something that would provide long-time families and leaders an opportunity to stake their claim by having a street named after them. He inquired about whether the OCII would be involved with that issue.

Executive Director Bohee responded that the developer Lennar was responsible for building new streets and new infrastructure. She explained that there would be a Board of Supervisors acceptance process regarding the streets and the naming of the streets would be done at that time. However, Ms. Bohee added that the OCII could make a recommendation together with the community that could potentially be included as part of the City's acceptance of these new streets.

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

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

Commissioner Bustos - yes

Commissioner Mondejar - yes

Commissioner Singh - yes

Chair Rosales - yes

ADOPTION: IT WAS VOTED BY 4 COMMISSIONERS THAT RESOLUTION NO. 86-2014, AUTHORIZING A MASTER DEVELOPMENT AGREEMENT WITH DOUBLE ROCK

VENTURES LLC, THE SAN FRANCISCO HOUSING AUTHORITY, AND CP DEVELOPMENT CO., LP, FOR THE DEVELOPMENT OF 256 PUBLIC HOUSING REPLACEMENT UNITS AND 248 ADDITIONAL UNITS OF LOW-INCOME FAMILY RENTAL HOUSING, INCORPORATING FUTURE ACCEPTANCE OF RELATED ASSIGNMENTS OF DEED OF TRUST AND PROMISSORY NOTES, ALICE GRIFFITH PUBLIC HOUSING SITE, 211 CAMERON WAY; AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, BE ADOPTED.

(Items 5 (d) and 5 (e) will be presented together but acted on separately)

- d) Adopting environmental review findings pursuant to the California Environmental Quality Act and approving an amendment to the Block 52 Major Phase Application to increase the number of Inclusionary Units by one for a revised total of nine Inclusionary Units on Block 52 at the Hunters Point Shipyard Phase 1; Hunters Point Shipyard Project Area. (Discussion and Action) (Resolution No. 87-2014)

- e) Adopting environmental review findings pursuant to the California Environmental Quality Act, and conditionally approving a Major Phase Application for a residential project on Block 55 East and West with HPS Development Co. LP., generally bounded by Hudson Avenue on the eastern boundary and by Kirkwood Avenue on the western boundary of Hilltop Sub-phase area, for 66 housing units at 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) the Vertical Disposition and Development Agreement; Hunters Point Shipyard Project Area. (Discussion and Action) (Resolution No. 88-2014)

Presenters: Tiffany Bohee, Executive Director; Thor Kaslofsky, Project Manager, Hunters Point Shipyard; Russ Naylor, Partner, NC2 Architects; Maria Benjamin, Director, Home Ownership & Below Market Rate Programs, Mayor's Office of Housing and Community Development (MOHCD); Aissia Ashoori, MOHCD; Nashilu Mouen, Housing Market, Lennar Urban

PUBLIC COMMENT

Speakers: Linda Richardson, Bayview resident; Ace Washington, community activist; Oscar James, BVHP native resident

Ms. Richardson stated that as a long-time resident of BVHP and after ongoing meetings every day with the community and the CAC, they were looking to the OCII to move this project forward. Ms. Richardson explained that they had been working on the environmental findings and the amendments for Blocks 52 and 55 for a long time and that it was finally time to approve this project. She added that the residents trusted that the OCII would do the right thing. Ms. Richardson stated that no other development project in the City had generated as much documentation and materials and that they had made great progress in terms of the workforce, contracting and goal-setting. She asked the Commissioners to remember that the economic situation of the community was very poor and requested that there be no further delays and move this project forward.

Mr. Washington stated that he was in support of this project and that he was there as a representative of the people. He stated that he had the moral obligation to make sure that all the people of the City were participants in these types of projects. Mr. Washington stressed that the

OCII had an obligation to City residents to do the right thing because they had a clearer idea of what the future might hold.

Mr. James welcomed Commissioner Bustos back to the OCII. He recalled that when Lennar first came into the community, he was totally against them. Today, however, he supported them 100%. He commended their commitment to the community which had been beyond what anybody could have asked for. Mr. James explained that Lennar had hired contractors who were born and raised in the community and they are making sure that African Americans and other native residents of BVHP, including Mexicans, Chinese, and Filipinos were participating in the jobs and business opportunities. He talked about the serpentine rock and asbestos in the area and the fact that they had been around it all their lives and also about the dangers of the toxic elements in that area. However, he stressed that somebody would be living there eventually and he wanted to make sure that the native residents were able to live there and have business opportunities there as well. He urged the OCII to move this item forward.

Commissioner Singh stated that he was pleased with the project and liked the color combination. He inquired about the chemicals and toxic elements that Dr. Jackson and others had mentioned were still lingering in this project area. Mr. Singh stated that he was happy that each unit had two garages.

Mr. Kaslofsky responded that Parcel A was transferred to the former Redevelopment Agency in 2005 and was deemed clean through a finding of suitability to transfer required by the Navy and federal law and had been deemed safe for transfer by the Navy. He added that there would be an update presentation later in the year on the environmental clean-up of each shipyard parcel. Mr. Kaslofsky indicated that this project was being developed consistently with all the required documents.

Commissioner Bustos recalled discussions about this project from years ago and one of the critical points that had been brought up was that one would not be able to distinguish between a market rate and an affordable rate unit. He stressed that just because a unit was deemed low income did not mean that it didn't deserve the same quality as a higher income unit and that it was important to make sure people had dignity in this regard. He inquired about whether the architects had acknowledged this point.

Mr. Naylor confirmed that there was no difference between any of the units in that regard.

Commissioner Bustos referred to the Certificate of Preference holders and the affordable rate units. He stated that the Ellis Act was a more recent issue dealing with the Mission, but that he would love to have the old families from the Western Addition be able to come back to the City and that it would be worth it to try to find them and/or their grandchildren. Mr. Bustos explained that the original certificate holders may have passed away after 40 years but that their grandchildren might like to come back to San Francisco. Mr. Bustos commended staff on the workforce and business numbers and indicated that they were exceeding what they had ever hoped for and that this was phenomenal success. He mentioned that many of the small businesses on Third Street had suffered a great deal due to the construction going on in that area and it was important to make sure they had an opportunity to benefit from this. He inquired as to whether these certificate holders were the same people that had lived in the Western Addition and who would be allowed to return.

Mr. Kaslofsky responded in the affirmative. He stated that the vertical DDA for Phase I had preferences for certificate holders from the old Hunters Point developed in the 1960's and for the

Western Addition. He added that there were other more newly instituted preferences such as Ellis Act, Rent Burden, etc. but the first two groups of Certificate Holders had first priority.

Commissioner Mondejar inquired about whether staff would be coming back to the Commissioners to report on the list of Conditions of Approval for Block 55. She commented that she missed the color purple related to Block 52.

Mr. Kaslofsky responded that typically they do not report back on the progress as long as the progress was consistent with the Conditions of Approval. He explained that the expectation was that the conditions would be met through staff work and the approval of the Executive Director.

Chair Rosales asked for confirmation on the number of applications and inquired as to when the lottery would be held. She inquired as to whether they knew how the applications were breaking out.

Ms. Ashoori responded that there were 45 applications; one of which was a Certificate of Preference holder, one was an Ellis Act housing preference holder and one was Rent Burden. She added that there were two from zip code 94124, seven from 94134, and one from 94107.

Mr. Kaslofsky added that the importance of the zip codes was that they represented the project impact areas as defined in the DDA.

Chair Rosales asked for clarification again and inquired whether this was usual.

Ms. Benjamin responded in the affirmative and added that actually for home ownership units, this was typical and better. She reminded Commissioners that the units were not yet built and that during the next phases they anticipated that people would get excited about these opportunities once they saw the units.

Chair Rosales inquired about what the price point was.

Ms. Ashoori responded that 80% of median income was the target income level for these housing opportunities.

Chair Rosales responded that this number was for eligibility but then inquired about the purchase price for the below market and market rate

Ms. Ashoori responded that it ranged from \$165,654 - \$245,785.

Ms. Mouen responded that at market rate the prices for a one-bedroom was in the high \$400,000's; for a 2-bedroom in the mid-500,000's; for a 3-bedroom in the \$600,000's and up to \$800,000 for townhomes.

Chair Rosales responded that this sounded reasonable.

Ms. Mouen agreed and added that they had done quite a bit of work on the outreach already. She explained that normally they had one mailer for Certificate of Preference holders, but this time they were scheduling two mailers--one which would go out 60 days before the units went to market and another 180 days before, which was according to the vertical DDA. Ms. Mouen indicated that they would be starting the mailings for Blocks 53 & 54 in November, because those homes would be ready between February and July 2015 and, subsequently, the lottery would be

held in April. She reported that between March and August they had run a space in the Sun Reporter which had specific wording for Certificate of Preference holders and had held workshops at SFHDC with every mailer destined for Certificate of Preference holders to encourage the children or grandchildren of the original holders and to find out if there might be some interest generated from them. She added that they wanted to get some feedback this round in order to reach more Certificate of Preference holders as well as community members for the next round.

Ms. Benjamin added that there had been an increase in interest since this marketing period had begun. She indicated that more people, both community members as well as Certificate of Preference holders, had been contacting their office, people who might not be ready to purchase right now but who were getting ready. She anticipated that there would be more people interested in the future.

Commissioner Bustos asked for clarification again on the numbers; he inquired about who the other 42 applicants were besides the three who were Certificate of Preference, Ellis Act and Rent Burden applicants.

Ms. Ashoori responded that they were all San Francisco residents with the exception of two of them.

Commissioner Bustos replied that the Certificate of Preference program was very important to him, especially for the people in the Western Addition and stressed that they needed to discuss how to reach out to these people and families.

Ms. Benjamin added that there were more than just three people from the targeted zip codes.

Ms. Ashoori responded that they were holding the lottery the next day and had done a preliminary screening and had gathered the basic information but would have more data after the lottery and would be happy to report back to the Commission later.

Commissioner Bustos replied that there were many paths and groups that they could reach out to in order to find the Certificate of Preference holders and again stressed how important it was to try to bring these people back to the City.

Ms. Mouen responded that they had had about 5 individuals come to the workshops and open houses who were Certificate of Preference holders. She explained that these people had been referred to SFHDC for individual and personal follow-up so that if they were not ready to apply this time, they hopefully would be ready by the next round. Ms. Mouen then reviewed the outreach actions they had accomplished so far, indicating that on every mailer they had included specific wording for Certificate of Preference holders as approved by MOHCD. She reported that the first mailer went out in April, the second one in July and that they had run ads in the Sun Reporter between March and August. As part of the official affirmative marketing campaign they had run ads in 9 publications in the Bay Area as written in under the vertical DDA, which had a specific call to action for Certificate of Preference holders. She reported that they had conducted two workshops in July and September which were focused on pricing and opportunity for the lottery this October. They had also held two open houses on a Thursday and a Saturday for working and non-working people, which had resulted in 25 and 55 attendees respectively. Ms. Mouen added that they had performed an email blast thru MOH and an email blast with the materials via email to 18 community based organizations in the Bayview, as well as in-person deliveries of materials to 15 CBO's, outside of what was required by the vertical DDA. She

explained that by working with Lennar's in-house community affairs department, they were figuring out what other key organizations might have effective reach within the area.

Commissioner Bustos mentioned that there may be some additional data because Mayor Newsom had given the former San Francisco Redevelopment Agency (SFRA) some money to hire an investigator whose sole job was to go out and try to locate the families in question.

Ms. Benjamin interjected that this had happened and that they had received the list, which turned up a significant number of potential Certificate of Preference holders, about 4 months ago and that they had recently started to reach out to the people on the list. She stated that the Certificate of Preference mailings that Ms. Mouen was referring to had been sent directly to confirmed Certificate of Preference holders. Ms. Benjamin added that they were still trying to locate other possible certificate holders as well.

Commissioner Bustos offered to phone the people on the list himself if there were phone numbers available to let them know what a great opportunity this presented to be able to move back into the City.

Chair Rosales inquired about the mailings and what kind of information was being given through them.

Ms. Mouen responded that the first mailer, which was sent 180 days before, was broader in scope and focused more on preparation, provided general information about the project and the amount of homes that would be available. She indicated that as they got closer to the date, there would be specific information about pricing, pre-approvals, and information about workshops. Lastly, she reported that the packets distributed throughout the community would include the actual applications as well as information about workshops, lenders, prices, and homes. Ms. Mouen added that they had tried to be as comprehensive as possible.

Chair Rosales stated that the more information provided the better and added that many people who were not homeowners wouldn't think they could be a homeowner, especially with respect to coming back to their own home. She added that at these prices, it would be well worth making that effort.

Commissioner Bustos suggested using postcards with the basic information, contact number or online information because they might be easier to read than sorting through a packet of information.

Commissioner Mondejar inquired about how many more lotteries were they planning after this first one coming up.

Ms. Mouen responded that this lottery would be for the first nine homes in Blocks 50 & 51. She explained that the lottery for blocks 53 & 54, which was comprised of 16 homes, was scheduled for April. She reported that they would schedule another lottery before the end of next year for blocks 56 & 57, when they had a clearer timeline and then would work their way back in time to take into consideration the marketing period. In summary, right now they had one scheduled for April, and one before the end of next year for blocks 56 & 57.

Commissioner Mondejar inquired about how the lottery would work and who would be picked; asked for clarification about whether applicants who did not qualify could come back and re-

qualify. She recalled a discussion about streamlining the process so applicants would not have to keep re-applying and inquired as to whether this was in place.

Ms. Benjamin responded that they would draw all 41 names in the lottery starting at number one and go down the list, seeking qualifications of all the applicants until they filled all nine homes. She explained that the people that did not get in could reapply in April for other opportunities. Regarding the process, Ms. Benjamin responded that they were putting that process into place but that it was taking a long time. She reported on a new database called DAHLIA, database of affordable housing listings, information, and applications, through which applicants would be able to set up an account, input all their information and then be able to make application through their account in the system. The good news was that if applicants were re-applying, they would only need to adjust and update the information already in the system and not have to start all over again. She was hoping that by the end of the year the system would be fully functional.

Commissioner Mondejar stated that this was a major improvement over the old system and recalled that there was funding specifically allotted for this purpose and that she was pleased to hear that the money was being put to good use.

Commissioner Singh inquired about the list of Certificate of Preference holders and about how many there were.

Executive Director Bohee responded that there was a list of the Certificate of Preference holders put together through the efforts of the former SFRA, which has been provided to Ms. Benjamin and her team at MOHCD to find all the eligible certificate holders. She deferred to Ms. Benjamin for more detail.

Ms. Benjamin responded that currently there were almost 700 active Certificate of Preference holders. She explained that these were individuals who had come to the MOHCD, applied for the certificate and obtained one, and have used the certificate to apply for opportunities available to them. She indicated that originally there were thousands of names that MOHCD had to contact and work to verify their eligibility for certificates. Ms. Benjamin reported that they were receiving applications for certificates steadily every month from people who may not have even realized that they had qualified for certificates and were finding out that they did.

Commissioner Bustos commented that it was great that they have the list but the sad thing was that all of these people had been kicked out of the City and stressed that whatever they could do to bring these individuals back to the City would be greatly appreciated.

Commissioner Singh 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 BY 4 COMMISSIONERS THAT RESOLUTION NO. 87-2014, ADOPTING ENVIRONMENTAL REVIEW FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND APPROVING AN AMENDMENT

TO THE BLOCK 52 MAJOR PHASE APPLICATION TO INCREASE THE NUMBER OF INCLUSIONARY UNITS BY ONE FOR A REVISED TOTAL OF NINE INCLUSIONARY UNITS ON BLOCK 52 AT THE HUNTERS POINT SHIPYARD PHASE 1; HUNTERS POINT SHIPYARD PROJECT AREA, BE ADOPTED.

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

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

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

ADOPTION: IT WAS VOTED BY 4 COMMISSIONERS THAT RESOLUTION NO. 88-2014, ADOPTING ENVIRONMENTAL REVIEW FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, AND CONDITIONALLY APPROVING A MAJOR PHASE APPLICATION FOR A RESIDENTIAL PROJECT ON BLOCK 55 EAST AND WEST WITH HPS DEVELOPMENT CO. LP., GENERALLY BOUNDED BY HUDSON AVENUE ON THE EASTERN BOUNDARY AND BY KIRKWOOD AVENUE ON THE WESTERN BOUNDARY OF HILLTOP SUB-PHASE AREA, FOR 66 HOUSING UNITS AT 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) THE VERTICAL DISPOSITION AND DEVELOPMENT AGREEMENT; HUNTERS POINT SHIPYARD PROJECT AREA, BE ADOPTED.

- f) Approving the Selection of Piper Jaffray & Company as Underwriter and Stifel Nicolaus & Company, Inc. and Stinson Securities, LLC as Co-Managers for the Negotiated Sale of Series 2014B Taxable Refunding Tax Allocation Revenue Bonds and Backstrom McCarley Berry & Company, LLC as Underwriter and Stifel Nicolaus & Company, Inc. and Blaylock Beal Van, LLC as Co-Managers for the Negotiated Sale of the Series 2014C Refunding Tax Allocation Revenue Bonds. (Discussion and Action) (Resolution No. 89-2014)

Chair Rosales recused herself from this item because the company Backstrom McCarley Berry has been a source of income to her law firm, Rosales Law Partners, and would transfer chair duties to Commissioner Mondejar. Chair Rosales then left the room on advice of counsel.

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

PUBLIC COMMENT - None

Commissioner Singh inquired about the experience of the companies involved in this company; inquired about the interest rate on the taxable bond; asked for confirmation that this was a taxable bond; inquired how many bonds would be taxable and how many would be tax-exempt; inquired about why they were using taxable bonds when usually the OCII floated the bond which would make it tax-exempt.

Mr. Daigle responded that the OCII had worked with most of the companies involved. He reported that they had done a substantial amount of work with both Stifel and Backstrom McCarley and that they had been involved with all the OCII deals over the past five years and

that these companies were very knowledgeable with OCII's credit and bonds. Mr. Daigle indicated that Backstrom was leading one of the deals and that Stifel was involved with both deals. He indicated that Piper Jaffray had done over 10 separate bond deals with the OCII over the past few years. He confirmed that these companies were familiar with OCII and indicated that this had been one of the criteria in choosing them. Mr. Daigle indicated that they had not worked with the other co-managers, Stinson and Blaylock Beal, but that by bringing them on, they were accommodating the OCII policy to reach out and give first consideration to SBE firms in their work. Mr. Daigle responded that the rate on the taxable bonds was in the range of 5% on the longer end and for tax-exempt bonds was in the range of 4%. He responded that this would be a taxable bond and that there would be two bonds, one taxable and one tax-exempt. To the question regarding how many bonds there would be, Mr. Daigle responded that this would depend on how many would be refunded because in current market conditions, they would not be refunding all \$300 million. He explained that they reviewed each bond as rates go up and down and that some become viable and some drop out and estimated that the split was roughly \$200 million on the tax-exempt and \$100 million on the taxable. Mr. Daigle responded that, because of the types of projects funded by the OCII with their housing money and the limitations on the use of tax-exempt bonds, probably 2/3 of their issuance in the last five to six years had been taxable. He explained that the bulk of their issuances had been housing and which would be taxable because those were not subject to the usage restrictions that the IRS imposed on tax exempt bonds.

Commissioner Bustos 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 - yes
Interim Chair Mondejar – yes
Commissioner Singh – yes
Chair Rosales – recused

ADOPTION: IT WAS VOTED BY 3 COMMISSIONERS WITH ONE RECUSAL THAT RESOLUTION NO. 89-2014, APPROVING THE SELECTION OF PIPER JAFFRAY & COMPANY AS UNDERWRITER AND STIFEL NICOLAUS & COMPANY, INC. AND STINSON SECURITIES, LLC AS CO-MANAGERS FOR THE NEGOTIATED SALE OF SERIES 2014B TAXABLE REFUNDING TAX ALLOCATION REVENUE BONDS AND BACKSTROM MCCARLEY BERRY & COMPANY, LLC AS UNDERWRITER AND STIFEL NICOLAUS & COMPANY, INC. AND BLAYLOCK BEAL VAN, LLC AS CO-MANAGERS FOR THE NEGOTIATED SALE OF THE SERIES 2014C REFUNDING TAX ALLOCATION REVENUE BONDS, BE ADOPTED.

6. Public Comment on Non-agenda Items

Speakers: Oscar James, BVHP native resident; Dorris Vincent, BVHP resident and Chair, Shipyard CAC; Ace Washington, community activist

Mr. James stated that he was a certificate holder and that he had received a letter about new affordable housing opportunities at 2175 Market Street. He reported that it was typical to request a credit reference but was concerned that on this particular application, they were requesting criminal background checks. Mr. James indicated that he was totally against criminal background checks on any affordable housing backed by the government, because it held back too many people. He recalled that when he was growing up in the 50's, many men were laid off from the HP Shipyard and the

mothers had to go on welfare and the fathers were denied participation in the housing projects. Mr. James recalled that before that incident, there was prosperity in the community with lots of job opportunities, but when the men lost their jobs and were not allowed in the projects, they became alcoholics. He believed that criminal background checks would have the same result and keep people from applying for these opportunities now available to them.

Mr. James also stated that he was on the Commission on Joint Housing with Julia Cuomo in 1968 and that was involved in writing the Certificate of Preference holder guidelines. He stated that while going through his papers, he had recently found a paper from 1968, which happened to be the first Certificate of Preference issued in the City. Mr. James indicated that it gave each person from the age of 18 up \$4500 and a certificate. If there was a child that was born within the month and was on the lease, they received a certificate. Mr. James had found an item on the original certificate that stated that a director of the Joint Housing Committee or WayPac could make an amendment to this clause that would give certificates to the grandchildren of the holders. Mr. James recalled that the Commission had been trying to change certain things in the certificate program for many years but it was never accomplished. He stated that he was going to give the original certificate to Supervisor London Breed first to look at and then bring it into the OCII to review, so that they would be able to amend the certificates to include grandchildren. Mr. James requested that the OCII look into getting certificates for the people who were displaced from the Yerba Buena Center area when it was created because he stressed that those people were entitled to certificates as well.

Ms. Vincent stated that grandchildren were eligible for certificates of preference and that this had been done by London Breed under her administration before she left.

Mr. Washington welcomed back Commissioner Bustos. He also commended Tracie Reynolds for her help and information and for coming out to the Western Addition to speak to the community. Mr. Washington requested that a regular or special meeting be held in the Western Addition to speak about Yoshi's and about what had been going on with the Fillmore. He stated that it would reassure the community if someone came out to talk about the construction and future plans for the area. Mr. Washington proudly announced that he had accepted the position as the Fillmore Corridor Ambassador and was going to work with the community to make changes there and was meeting with Supervisor London Breed on that subject in the future.

7. Report of the Chair - None

8. Report of the Executive Director

- a) Informing the Commission of the proposed disposition of the Moscone Convention Center North to the City and County of San Francisco pursuant to the 1988 Project Lease, an enforceable obligation, upon payment of the outstanding bonds and deferred rental payments as required by the 1988 Project Lease; the former Yerba Buena Center Redevelopment Project Area. (Discussion)

Executive Director Bohee stated that there was an informational memorandum in the Commissioner packets regarding this issue. She explained that the entire Yerba Buena center area including Moscone North and South had been financed by the former SFRA through the issuance of bonds. The bonds for Moscone North has been paid off under the terms with the City in order to create a convention space for the City and the City had paid for it by paying down the debt on the bonds from 1988. She added that there were deferred rental payments that had gone into the Gardens account for operations, maintenance, security and other capital, pursuant to the underlying HUD agreements that covered all the Yerba Buena properties. Ms. Bohee indicated

that because of the construction work that would be starting underground soon, the City wanted sole control of the Moscone North site and had agreed to make the last of the deferred rental payments by the fall of 2014. She reported that this was an informational item only for the OCII. The City was honoring its obligations and paying the last of its payments as part of the Property Management Plan. She reminded Commissioners that under dissolution law, once the OCII completed their projects (buildings, housing, parks, and cultural facilities), they must then be transferred either to the City or to another third party. The Oversight Board would have to approve the transfer even though this was required by the bond documents and agreements with the City but she indicated that the State Department of Finance (DOF) liked to keep control of these items, so this item would be going to the Oversight Board for action during their next meeting. Ms. Bohee acknowledged that Denise Zermani, Senior Development Specialist, Real Estate Division, was present and available for questions on this item.

PUBLIC COMMENT - None

Chair Rosales asked for confirmation that the Moscone issue would not come back to the OCII.

Executive Director Bohee confirmed that the Moscone North matter would not return to the OCII; however, she reported that there would be a permit to enter for certain improvements scheduled for OCII-owned property while they were still owner for the next year and that this matter would be coming back to the Commission. Ms. Bohee stated that the Planning Commission had taken a variety of actions for improvements to the broader Moscone project. Ms. Bohee deferred to Ms. Zermani to provide details on this matter.

Ms. Zermani further explained that the improvements included everything that the OCII still currently owned, with the exception of the premises of Moscone North and South. The permit to enter would involve the Children's Garden and announced that a new tot lot would be created through the Moscone expansion project. As this was part of the OCII property improvements, it would therefore require Commissioners approval.

9. Commissioners' Questions and Matters – None

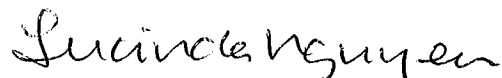
10. Closed Session – None

11. Adjournment

Commissioner Singh motioned to adjourn and Commissioner Bustos seconded that motion.

The meeting was adjourned by Chair Rosales at 3:17 p.m.

Respectfully submitted,



Lucinda Nguyen, Interim Commission Secretary