

**MINUTES OF A REGULAR MEETING OF THE
COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE
OF THE CITY AND COUNTY OF SAN FRANCISCO HELD ON THE
20th DAY OF OCTOBER 2015**

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 20th day of October 2015, 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 1:15 p.m. Roll call was taken.

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

Commissioner Mondejar was absent; all other Commission members were present.

2. Announcements

A. The next scheduled Commission meeting will be a special meeting held on Tuesday, November 3, 2015 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 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 August 4, 2015.
- b) Authorizing Second Amendments to two Personal Services Contracts with Hawk Engineers, Inc., a California Corporation, to provide infrastructure technical support services: 1) under the Hunters Point Shipyard Phase 1 Disposition and Development Agreement (“HPS Phase 1”) in the additional amount of \$134,000 for a total contract amount not to exceed \$234,000; and 2) under the Candlestick Point and Hunters Point Shipyard Phase 2 Disposition and Development Agreement (“HPS Phase 2”) in the additional amount of \$166,000 for a total contract amount not to exceed \$290,000; Hunters Point Shipyard Redevelopment Project Area and Bayview Hunters Point Redevelopment Project Area (Action) (Resolution No. 61-2015)

PUBLIC COMMENT

Speaker: Ace Washington, Community Activist

Mr. Washington welcomed Commissioner Pimentel to the Agency, who he stated he had known for several years.

Commissioner Bustos motioned to move Items 5a) and 5b) and Commissioner Singh seconded that motion.

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

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

ADOPTION: IT WAS VOTED BY FOUR COMMISSIONERS WITH ONE ABSENCE THAT THE MINUTES FOR THE REGULAR MEETING OF AUGUST 4, 2015, BE ADOPTED.

ADOPTION: IT WAS VOTED BY FOUR COMMISSIONERS WITH ONE ABSENCE THAT RESOLUTION NO. 61-2015, AUTHORIZING SECOND AMENDMENTS TO TWO PERSONAL SERVICES CONTRACTS WITH HAWK ENGINEERS, INC., A CALIFORNIA CORPORATION, TO PROVIDE INFRASTRUCTURE TECHNICAL SUPPORT SERVICES: 1) UNDER THE HUNTERS POINT SHIPYARD PHASE 1 DISPOSITION AND DEVELOPMENT AGREEMENT (“HPS PHASE 1”) IN THE ADDITIONAL AMOUNT OF \$134,000 FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$234,000; AND 2) UNDER THE CANDLESTICK POINT AND HUNTERS POINT SHIPYARD PHASE 2 DISPOSITION AND DEVELOPMENT AGREEMENT (“HPS PHASE 2”) IN THE ADDITIONAL AMOUNT OF \$166,000 FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$290,000; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA AND BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, BE ADOPTED.

REGULAR AGENDA

Chair Rosales requested that the Regular Agenda items be taken out of order and start with Item 5(i).

- i) Approving a Resolution of Intention to Approve a Contract between the California Public Employees' Retirement System (CalPERS) and the Successor Agency (Resolution No. 68-2015)
Presenters: Sally Oerth, Deputy Director; Bree Mawhorter, Deputy Director, Finance & Administration

PUBLIC COMMENT – None

Commissioner Singh inquired about whether OCII was a member of CalPERS; inquired about whether Ms. Mawhorter was a member of the City retirement system; inquired whether any other person at OCII was a member of SPERS; inquired about other City employees.

Ms. Mawhorter responded that the San Francisco Redevelopment Agency (SFRA) was a member of PERS and all employees received benefits through PERS. She explained that since dissolution, OCII has continued to pay the annual supplement to PERS to fund future retirement costs, but the actual contract with PERS still displayed the name SFRA and PERS wanted a contract displaying the Successor Agency to the SFRA as the contract holder. The content and cost of the benefits as well as the benefits themselves provided to employees would remain the same; only the contract name would be changed. Ms. Mawhorter responded that she was a former City employee and as such, she was a member of SFERS (San Francisco Employees Retirement System). She responded that any City employee that had transferred to OCII would be a member of SFERS and all OCII employees who were doing work under work orders with the General Services Agency would also be members of SFERS. Ms. Mawhorter responded that all OCII employees were members of PERS. She responded that all City department employees were members of SFERS with the exception of some safety members who were members of PERS. She added that employees with more seniority were members of PERS but following pension reform in the 1990's, new safety employees were now members of SFERS.

Commissioner Bustos motioned to move Items 5(i) and Commissioner Pimentel seconded that motion.

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

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

ADOPTION: IT WAS VOTED BY FOUR COMMISSIONERS WITH ONE ABSENCE THAT RESOLUTION NO 68-2015, APPROVING A RESOLUTION OF INTENTION TO APPROVE A CONTRACT BETWEEN THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CALPERS) AND THE SUCCESSOR AGENCY, BE ADOPTED.

Items 5(c), 5(d), 5(e) and 5(f) relating to Mission Bay Bond Allocations were heard together but acted on separately

- a) Approving an Amended Budget for the period July 1, 2015 through June 30, 2016, to increase, by an amount not to exceed \$135,000,000, Bond Proceeds to be received by the Successor Agency and to Increase its expenditure Authority by \$135,000,000 and Authorizing the Executive Director to submit the Budget to the Mayor's Office and the Board of Supervisors (Resolution 62-2015) (Action and Discussion) (Resolution No. 62-2015)
- b) Authorizing the Issuance of Tax Allocation Refunding Bonds in an Aggregate Principal Amount Not to Exceed \$125,000,000, and Approving and Directing the Execution of an Indenture of Trust, a Bond Purchase Contract and Redemption Agreements, and Approval of Other Related Documents and Actions; Mission Bay North Project Area (Action and Discussion) (Resolution No. 63-2015)
- c) Authorizing the Issuance of New Money and Refunding Tax Allocation Bonds for the Mission Bay South Redevelopment Project Area in Aggregate Principal Amounts Not to Exceed \$45,000,000 and \$115,000,000, Respectively, and Approving and Directing the Execution of a First Supplemental Indenture of Trust, A Bond Purchase Contract and Redemption Agreements, and Approval of Other Related Documents and Actions; Mission Bay South Redevelopment Project Area (Action and Discussion) (Resolution No. 64-2015)
- d) Authorizing the Issuance of Tax Allocation Bonds for the Mission Bay South Redevelopment Project Area in an Aggregate Principal Amount Not to Exceed \$90,000,000, and Approving and Directing the Execution of an Indenture of Trust and a Bond Purchase Contract, and Approval of Other Related Documents and Actions; Mission Bay South Redevelopment Project Area (Action and Discussion) (Resolution No. 65-2015)

Presenters: Sally Oerth, Deputy Director; John Daigle, Senior Financial Analyst; Bree Mawhorter, Deputy Director, Finance & Administration

PUBLIC COMMENT

Speakers: Tom Lippe, representing Mission Bay (MB) Alliance; Ace Washington, Community Activist

Mr. Lippe stated the Mission Bay Alliance was concerned about the impact of the Warriors Arena project on the environment in Mission Bay South. He had observed that the justification for not conducting CEQA review of the decisions OCII had taken on Items 5(c) – 5(f) was not an action by OCII which would change the physical environment. He stated this conclusion was not correct because OCII would be approving the raising of money that would be spent to build infrastructure which would change the environment and this would be one step in a process leading to that result. Mr. Lippe indicated that Commissioners needed to have staff determine how OCII would comply with CEQA by applying the law rather than stating that the law did not apply to OCII. He referred to the staff memo which stated that the refunding bonds as well as the new money bonds did not constitute an action that would change the environment and noted all proposed resolutions invoked that same rationale for both refunding and new money bonds. Mr. Lippe pointed out that OCII's budget approval would authorize expenditure of these money and resolutions would authorize the raising of the money, so there were two related actions that would lead to changes in the physical environment. Mr. Lippe stressed OCII's legal reasoning for not applying CEQA did not pass muster. His client requested that OCII actually apply the CEQA law and determine whether these measures would have impacts that would have to be mitigated. Mr. Lippe noted that the Mission Bay South Redevelopment Plan was closely tied to the Warrior Arena project, which created concern for his clients because much of the infrastructure served the other development in

Mission Bay South as well as the Warriors project. Mr. Lippe noted there was a change since the 1990 EIR from separate waste water and storm water sewer system to a combined one leading to increased flows which the EIR for the Warriors project stated would exceed the capacity of the Mariposa pump station. He pointed out that some of the infrastructure which would be paid for was triggered by the development of the Warriors arena and the construction of the Bayfront Park and the realignment of the Terry Francois Blvd. Mr. Lippe distributed copies of his earlier email to the Commission for all Commissioners.

Mr. Washington spoke about the history of Mission Bay and wanted some recognition for Mr. Jim Jefferson and other African Americans involved with the creation of Mission Bay. He wanted to bring attention to what was going on in the City. He called it a state of emergency and stated that he was recording everything that was happening to bring that information to his people. Mr. Washington proposed some kind of marker or memorial showing that African Americans had something to do with the creation and development of Mission Bay, especially Mr. Jim Jefferson.

Commissioner Singh inquired about whether the bond was tax-exempt; inquired about the bond interest rate; inquired about whether the underwriters involved were new to OCII; inquired about how much in bonds they had floating so far; inquired about when they were due.

Mr. Daigle responded that all the bonds were tax-exempt. He responded that if the bond was due that day, the interest rate would be less than 4.2% for the new bonds. He responded that Citibank was a new underwriter, at least to him, but all the others had worked with OCII before. Mr. Daigle responded that the balance after the payments made in August 2015 for the tax increment bonds totaled \$797 million. Without the entire amortization schedule in front of him, he responded that the oldest bonds were for Mission Bay North, which would be due in 2024-25, 2026, 2033 and 2043.

Chair Rosales inquired about the CEQA question since it had been raised for the record.

Ms. Mawhorter responded that she wanted to separate the financing issue from the CEQA issue. She explained that the issue before OCII today was how to raise the capital necessary to finance the project. She indicated that about 50% of the new monies, most of which had already been expended by the developer, would go toward reimbursing the developer for infrastructure which was already in place. Furthermore, she added that the OPA obligated all tax-increment dollars in the project area to the developer, which meant that all property tax above the base level for property tax in the redevelopment area by legal right belonged to the developer and OCII was pass-through for that. Thirdly, Ms. Mawhorter pointed out that the OPA obligated OCII to issue debt at the request of the developer. She emphasized that this was really a question about financing and not a question of actual production of the infrastructure which would be more related to the CEQA question.

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

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

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

ADOPTION: IT WAS VOTED BY FOUR COMMISSIONERS WITH ONE ABSENCE THAT RESOLUTION NO 62-2015, APPROVING AN AMENDED BUDGET FOR THE PERIOD JULY 1, 2015 THROUGH JUNE 30, 2016, TO INCREASE, BY AN AMOUNT NOT TO EXCEED \$135,000,000, BOND PROCEEDS TO BE RECEIVED BY THE SUCCESSOR AGENCY AND TO INCREASE ITS EXPENDITURE AUTHORITY BY \$135,000,000 AND AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT THE BUDGET TO THE MAYOR'S OFFICE AND THE BOARD OF SUPERVISORS, BE ADOPTED.

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

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

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

ADOPTION: IT WAS VOTED BY FOUR COMMISSIONERS WITH ONE ABSENCE THAT RESOLUTION NO 63-2015, AUTHORIZING THE ISSUANCE OF TAX ALLOCATION REFUNDING BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$125,000,000, AND APPROVING AND DIRECTING THE EXECUTION OF AN INDENTURE OF TRUST, A BOND PURCHASE CONTRACT AND REDEMPTION AGREEMENTS, AND APPROVAL OF OTHER RELATED DOCUMENTS AND ACTIONS; MISSION BAY NORTH PROJECT AREA, BE ADOPTED.

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

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

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

ADOPTION: IT WAS VOTED BY FOUR COMMISSIONERS WITH ONE ABSENCE THAT RESOLUTION NO 64-2015, AUTHORIZING THE ISSUANCE OF NEW MONEY AND REFUNDING TAX ALLOCATION BONDS FOR THE MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA IN AGGREGATE PRINCIPAL AMOUNTS NOT TO EXCEED \$45,000,000 AND \$115,000,000, RESPECTIVELY, AND APPROVING AND DIRECTING THE EXECUTION OF A FIRST SUPPLEMENTAL INDENTURE OF TRUST, A BOND PURCHASE CONTRACT AND REDEMPTION AGREEMENTS, AND APPROVAL OF OTHER RELATED DOCUMENTS AND ACTIONS; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Commissioner Bustos motioned to move Item 5(f) and Commissioner Pimentel seconded that motion.

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

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

ADOPTION: IT WAS VOTED BY FOUR COMMISSIONERS WITH ONE ABSENCE THAT RESOLUTION NO 65-2015, AUTHORIZING THE ISSUANCE OF TAX ALLOCATION BONDS FOR THE MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$90,000,000, AND APPROVING AND DIRECTING THE EXECUTION OF AN INDENTURE OF TRUST AND A BOND PURCHASE CONTRACT, AND APPROVAL OF OTHER RELATED DOCUMENTS AND ACTIONS; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Items 5(g) and 5(h) relating to Transbay Implementation Agreement were heard together but acted on separately

Chair Rosales recused herself from the next two items on advice of counsel because SFMTA was a source of income to her business. She directed Commissioner Bustos to act as Chair for the duration of this discussion and left the room.

- g) Approving pursuant to the Transbay Implementation Agreement, a second amendment to the contract with Conger Moss Guillard Landscape Architecture to complete Design and Construction Administration for the Folsom Streetscape Improvements and Under- Ramp Park by increasing the not-to-exceed amount by \$147,808, for a total maximum aggregate amount of \$3,752,137; Transbay Redevelopment Project Area (Action and Discussion) (Resolution No. 66-2015)
- h) Approving a Memorandum of Understanding with the San Francisco Municipal Transportation Agency, for reimbursement of design service fees for three transit boarding islands for the Folsom Streetscape Improvement Project in an amount not-to- exceed \$99,750; Transbay Redevelopment Project Area (Action and Discussion) (Resolution No. 67-2015)

Presenters: Tiffany Bohee, Executive Director; Kevin Masuda, Senior Civil Engineer, OCII; Greg Riessen, SFMTA Project Manager for the Folsom Streetscape Project

PUBLIC COMMENT

Commissioner Bustos inquired about how many parking spots would be removed along Folsom Street.

Mr. Masuda responded it would be about 10% but was not completely sure and deferred to Mr. Riessen to respond to this question.

Mr. Riessen stated he was responsible for the design on Folsom Street and had been working closely with OCII and the Department of Public Works (DPW) on the design. He responded they were working on this issue with the Fire Department because the Fire Department was becoming more concerned about the width of the street. Mr. Riessen indicated that originally they thought the number of parking spots would remain the same. However, he added that this might end up being curbside loading instead of parking, given the high density of the area.

Commissioner Bustos reminded Mr. Riessen that parking was a big issue and that the SFMTA had been whittling away parking spots in the City. He hoped that they would be able to keep the parking because people were still driving in the City.

Commissioner Pimentel stated she agreed with Commissioner Bustos and added that many San Francisco residents were still driving. She inquired about Community Investment on the project and what feedback they had heard from community members. Ms. Pimentel stated that as a parent and a third generation resident of San Francisco that driving was a part of her life. She remarked that it was difficult to see parking spaces being eliminated and also stated that it resulted in decreased investment in the community because if people were not able to park, they would not be able to spend any money there.

Mr. Riessen responded they had been working with OCII, Transbay and the Community Advisory Council and had met with them periodically for updates on the design. He reported they had recently held a public meeting with DPW to discuss design updates as well. Mr. Riessen indicated that once they received more information from the Fire Department regarding options, they would be able to provide more exact numbers. He added that the overall supply of parking spaces along Folsom Street resulting from the project would increase, even if the on-street parking availability decreased.

Commissioner Singh motioned to move Item 5(g) and Commissioner Pimentel seconded that motion.

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

Commissioner Bustos - yes
Commissioner Mondejar - absent
Commissioner Pimentel - yes
Commissioner Singh - yes
Chair Rosales - recused

ADOPTION: IT WAS VOTED BY THREE COMMISSIONERS WITH ONE ABSENCE AND ONE RECUSAL THAT RESOLUTION NO 66-2015, APPROVING PURSUANT TO THE TRANSBAY IMPLEMENTATION AGREEMENT, A SECOND AMENDMENT TO THE CONTRACT WITH CONGER MOSS GUILLARD LANDSCAPE ARCHITECTURE TO COMPLETE DESIGN AND CONSTRUCTION ADMINISTRATION FOR THE FOLSOM STREETScape IMPROVEMENTS AND UNDER- RAMP PARK BY INCREASING THE NOT-TO-EXCEED AMOUNT BY \$147,808, FOR A TOTAL MAXIMUM AGGREGATE AMOUNT OF \$3,752,137; TRANSBAY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Commissioner Singh motioned to move Item 5(h) and Commissioner Pimentel seconded that motion.

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

Commissioner Bustos - yes
Commissioner Mondejar - absent
Commissioner Pimentel - yes
Commissioner Singh - yes
Chair Rosales - recused

ADOPTION: IT WAS VOTED BY THREE COMMISSIONERS WITH ONE ABSENCE AND ONE RECUSAL THAT RESOLUTION NO 67-2015, APPROVING A MEMORANDUM OF UNDERSTANDING WITH THE SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY, FOR REIMBURSEMENT OF DESIGN SERVICE FEES FOR THREE TRANSIT BOARDING ISLANDS FOR THE FOLSOM STREETScape IMPROVEMENT PROJECT IN AN AMOUNT NOT-TO-EXCEED \$99,750; TRANSBAY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

6. Public Comment on Non-agenda Items

Speaker: Al Norman, Bayview Hunters Point Merchants Association

Mr. Norman reported on a recent meeting between contractors and Lennar which had been conducted to iron out problems between those two entities, the main one being the financing of community contractors under the DDA. Mr. Norman's association was requesting that Lennar take money from the Community Builders Program and transfer it over to create a lending program for community contractors so that local contractors could participate in the projects and not have to depend on the general contractors or the developers to carry them. He indicated there used to be such a program but it was not sufficient to cover all the local contractors. Mr. Norman hoped OCII would support this effort to create lending program.

7. Report of the Chair

Chair Rosales stated that she did not have a report.

8. Report of the Executive Director

Executive Director Bohee announced the upcoming special meeting on November 3, 2015 and noted the start time of 10 a.m. She commented OCII did not have too many meetings left for the year and expected to have a full calendar for each meeting.

9. Commissioners' Questions and Matters - None

10. Closed Session - None

11. Adjournment

The meeting was adjourned by Chair Rosales at 2:17 p.m.

Respectfully submitted,


Claudia Guerra, Commission Secretary