

Edwin M. Lee
MAYOR



Marilyn Mondejar
CHAIR

Miguel Bustos
VICE-CHAIR

Leah Pimentel
Mara Rosales
Darshan Singh
COMMISSIONERS

Nadia Sesay
INTERIM EXECUTIVE DIRECTOR

**MINUTES OF A REGULAR MEETING OF THE
COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE
OF THE CITY AND COUNTY OF SAN FRANCISCO HELD ON THE
2nd DAY OF MAY 2017**

The members of the Commission on Community Investment and Infrastructure of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 1:00 p.m. on the 2nd day of May 2017, 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 1:04 p.m. Roll call was taken.

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

Vice-Chair Bustos was absent. All other Commission members were present.

2. Announcements

A. The next scheduled Commission meeting will be a regular meeting held on Tuesday, May 16, 2017 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 April 4, 2017

PUBLIC COMMENT - None

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

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

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

ADOPTION: IT WAS VOTED BY FOUR COMMISSIONERS WITH ONE ABSENCE THAT APPROVAL OF MINUTES FOR THE REGULAR MEETING HELD ON APRIL 4, 2017, BE ADOPTED.

REGULAR AGENDA

- b) Approving a Budget for the Period July 1, 2017 through June 30, 2018 and authorizing the Executive Director to submit the Budget and Interim Budget to the Mayor's Office and the Board of Supervisors (Discussion and Action) (Resolution No. 17-2017)

Presenters: Nadia Sesay, Interim Executive Director; Bree Mawhorter, Deputy Director, Finance & Administration; Maria Benjamin, Director, Home Ownership & Below Market Rate Programs, MOHCD; Barry Roeder, Strategic Initiatives, MOHCD; Sally Oerth, Deputy Director

Commissioner Pimentel inquired about whether an applicant would need to re-register for another listing on DAHLIA if they had previously applied for affordable housing, had been put on a list and had received a number.

Mr. Roeder responded in the negative. He explained that this went listing by listing, like a new housing opportunity. In the case of BMR's there was no waiting list and if an opportunity came up, they had units to fill and if that involved a prior process, that would have been completed. Mr. Roeder added that they would be adding more information like this for analysis but that it would not be on DAHLIA. One exception, however, would involve a multi-family listing, which did have a waiting list, and all the applicants on the waiting list would be migrated into DAHLIA for tracking. In that case, he explained, the past process would be shown on DAHLIA.

Commissioner Singh inquired about whether there was a sample of the application so they could see it; inquired about how long it took to respond to applications submitted online.

Mr. Roeder responded in the affirmative. He reported that there were two ways to access the short form application. One was in paper form and the other online. He explained that they had worked with community partners to figure out how much information they really needed for the application and then shortened it to four pages. Mr. Roeder stated that he would provide Commissioner Singh with an application but indicated that he could also see it online. Mr. Roeder responded that turnaround was pretty fast. He explained that the applicants can never check to see if they've won or not. Lotteries can only indicate an applicant's raw (general) rank, and their rank within any housing preferences for which they qualified. Those rankings can give someone a general indication of their likelihood of placement, but given unit placement requires full applicant screening, we're not able to necessarily indicate whether a lottery participant will be placed or not.

Commissioner Rosales inquired about how many years had they used the [illegible].

Ms. Benjamin responded since at least 1992.

Commissioner Rosales stated that because of that history, during one of the first years of OCII's existence, they had suggested that there had to be a better way to complete this process. She congratulated Maria and her team on the progress made so far.

PUBLIC COMMENT

Speaker: Francisco Da Costa, Director, EJA

Mr. Da Costa stated that the presentation was too long and had too much information to be able to respond to everything in it within three minutes. He suggested that the presentation be divided into two parts. He stated that it took Commissioners a long time to understand ROPS and only those in the Controller's office or with an education in finance could actually understand it. Mr. Da Costa felt that these matters were being addressed superficially because Ms. Mawhorter had realized that OCII would not get some funding where it was presupposed that they would be getting that money. He also spoke about DAHLIA and stated that it should be available more quickly.

Commissioner Pimentel referred to Slide 4 and to Community-based Organization (CBO) grants. She inquired about how many CBO's there were and how much money would be going to them; inquired about whether the Legacy Foundation made the decision about which CBO's would be receiving the money.

Ms. Mawhorter responded that the majority of the funds came from Shipyard/Candlestick developer payments that had been pre-negotiated in the DDA and which were administered by the Legacy Foundation. She explained that OCII held those funds in escrow and was acting as administrator of the dollars. Ms. Mawhorter added that the Legacy Foundation strategic plan contained a road map for how those dollars would be distributed. She deferred to Ms. Oerth for more information.

Ms. Oerth responded that the Legacy Foundation five-year strategic plan laid out categories and goals for how funds for the Shipyard/Candlestick project would be spent. She explained that OCII was the fiscal agent for the funds and reviewed and approved all contracts, so that any solicitations or RFPs would be done according to OCII contracting policy. Those contracts would then be brought before Commissioners for their review and approval.

Commissioner Pimentel inquired about how the outreach would be conducted, so that the CBO's knew about the contracts and could bid on them. She listed a number of mediums that could help distribute that information to those CBO's that might not be aware of the funding but were qualified for it; inquired about who would be involved in the outreach program.

Ms. Oerth responded that now that the strategic plan had been adopted, the outreach part of the plan needed to be worked on and implemented. She stated that OCII would encourage a very robust outreach to a variety of organizations that might be interested in receiving those funds. Ms. Oerth responded that there were different funding categories, such as education and job training, among others, so different decisions would have to be made according to the activity which would determine the type of outreach to be conducted and what the initial disbursements would be for.

Chair Mondejar inquired about the Yerba Buena Garden (YBG) grant; asked for confirmation that YBG funds were on the OCII budget but eventually would be transferred over the City.

Ms. Oerth responded that there was a set of agreements between the parties involved in YBG and that those revenues were restricted. She explained that OCII has provided grants for those organizations over the years and that they were a standard line item in their budget. Ms. Oerth confirmed that YBG funds were on the OCII budget but eventually would be transferred over the City.

Commissioner Singh inquired about the interest rate on the debt service; inquired about the interest rate for a tax-exempt bond.

Ms. Mawhorter responded that it depended on the bond issuance. The interest rate for each issuance was set at the time that the bond were sold and certain factors determined the interest rate, such as whether the bonds were taxable or tax-exempt, status of market conditions at the time of issuance, whether a portion of the bonds had been refunded and debt service was decreased, etc. Ms. Mawhorter further explained that OCII's projections use a 5-5.5% interest rate for tax-exempt bonds, but added that the last issuance was closer to 4%.

Chair Mondejar referred to page 24 and the OCII pipeline and inquired about how many more units were left for OCII to fulfill their housing obligation under the Mayor's plan.

Ms. Mawhorter deferred to Ms. Oerth for this answer.

Ms. Oerth responded that the Mayor's goal for 2020 was 30,000 housing units, of which 1/3 or 10,000 were to be affordable BMR housing units. Of the 10,000 set for the City, 1/3 or 3,429 were for OCII. She reported that some of those units had already been delivered through projects that had recently been constructed and some would be coming online soon. Others were in different implementation stages. She indicated that there was a housing pipeline in the annual housing report that would provide more information if necessary. Ms. Oerth added that there were a variety of programs working toward the 10,000 housing unit goal.

Chair Mondejar thanked Ms. Mawhorter for her exciting presentation on the budget.

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

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

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

ADOPTION: IT WAS VOTED BY FOUR COMMISSIONERS WITH ONE ABSENCE THAT RESOLUTION NO. 17-2017, APPROVING A BUDGET FOR THE PERIOD JULY 1, 2017 THROUGH JUNE 30, 2018 AND AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT THE BUDGET AND INTERIM BUDGET TO THE MAYOR'S OFFICE AND THE BOARD OF SUPERVISORS, BE ADOPTED.

Public Comment on Non-Agenda Items

Speaker: Francisco Da Costa, Director, EJA

Mr. Da Costa spoke about the history of the land being developed in the City, especially in contaminated areas such as the Shipyard and Candlestick Point and Hunters Point (HP), which was a Superfund site, where people were suffering from respiratory diseases, cancer, stillborn births, etc. Mr. Da Costa spoke against those making the decisions who bypassed those findings. He referred to Barbara Grassia and Thomas Orgone to discuss these matters and inquired about whether the city had a toxicologist who could support the findings. He stated that he was always hearing about grants and loans being made but did not hear about the risks that people would be taking to live in these toxic areas. He was in favor of building more housing but wanted to make sure that it was being built on non-contaminated land.

7. Report of the Chair

Chair Mondejar stated that she had no report.

8. Report of the Interim Executive Director

- a) Informational Memorandum on Pacific Pointe (350 Friedell Street, also known as Hunters Point Shipyard Block 49) Marketing Outcomes Project Report; Hunters Point Shipyard Project Area (Discussion)

Interim Executive Director Sesay announced there was an informational memo in the Commissioners packets that offered a brief overview of the process. Ms. Sesay reported that the process qualified the MOU which allowed MOHCD to provide certain services to OCII. She stated that the packet also contained the marketing outcome report related to Shipyard Block 49, a 59-unit apartment with manager unit and stated that Pamela Sims Senior Development Specialist, Housing Division, OCII could provide additional information.

PUBLIC COMMENT - None

Commissioner Rosales thanked Executive Director Sesay and staff for the report because it contained all relevant points in a very straightforward fashion. She pointed out that the total number of Certificate of Preference holder (COP) applicants was 26 vs. the number of COP applicants actually housed (12) and asked for clarification on this item.

Ms. Benjamin provided a power presentation for clarification. She reported that leasing had finished up on September 30 and there had been four lottery preferences: COP first, with first preference to Hunters Point COP applicants and then Western Addition COP applicants, then Rent Burden preference (which meant that more than 50% of monthly income went toward rent), then San Francisco residents and then the general population. Ms. Benjamin explained that there were 2,460 paper applications, none online, so their leasing agent had to enter every application onto a spreadsheet. Ms. Benjamin pointed out that there were three times the amount of applicants who checked the box for Rent Burden, but they had not asked for proof on this, which meant that the leasing agent had to investigate to find out who had truly met that threshold. As a result, there were 346 Rent Burden qualified applicants, 2,229 San Francisco resident applicants and 381 general population applicants. She announced that 12 COP holders, 33 Rent Burden and 14 San Francisco residents had ultimately signed leases. Ms. Benjamin explained that of the 26 COP holders, five had decided not to move, five were over the income limit, three households were no-shows or stopped responding and one household was declined for negative credit issues. There were four other COP holders denied for being under income but MOHCD had worked with the Q Foundation to get rental subsidies and were able to help those applicants get units at Pacific Point. Another COP holder was denied but received help from the Bayview Multipurpose Senior Center and that person was also able to get housing at Pacific Point. Ms. Benjamin displayed demographic information including race and ethnicity. Of those who signed leases at Pacific Point, 42% were African American, 20% Asian American, 16% declined to state, and 15% were Hispanic.

Ms. Benjamin reported that applicants came from all over the City with a huge showing from D10 (45%). Many applicants came from overcrowded living situations and many were initial disbelievers who had been living with relatives. Ages included 55 children and 14 households had seniors. The rent at Pacific Point had been set at 50% AMI and from the rent chart a good number of people were at that income level, so this was very affordable for them. People in the 40% AMI would be paying more in their housing costs because their income was lower. Applicants below 30% AMI received a housing subsidy to be able to afford the rent. Overall, Ms. Benjamin felt that this had been a very successful experience for both the applicants and staff working on the program. Ms. Benjamin felt that the best result, however, was that people were beginning to realize that the different entities creating this housing were coming together with more transparency and were trying to screen people in rather than screen them out, were able to provide more answers to questions, and to truly provide help to those seeking housing.

Ms. Benjamin praised Ms. Sims for her efforts in bringing together OCII and MOHCD. She had two feel-good stories. One was about a senior COP holder who had been living in her car with two

adult daughters. She had applied for Dr. Davis housing and then had to withdraw because she didn't want to live without her daughters. When MOHCD contacted her, she applied to Pacific Point and she got in. Another was a homeless COP holder who had left many blanks on her application including that she was a COP holder. During the screening process, that fact became known and with two units left, she was able to get one of them to move into with her daughters. Ms. Benjamin also thanked Brooke Barber for her efforts in the process.

Ms. Sims added that the applicant who had been denied for credit issues reapplied at for a unit at the Mission Bay Blvd North site. This person had mitigating circumstances and the leasing agent saw that she was making payments to pay back her debt and ultimately she was able to obtain housing. Ms. Sims added that they are now able to track the COP households and the over-income households. The over-income applicants were encouraged to apply at 360 Barry and three of the households applied and were being considered.

Commissioner Singh inquired about income levels, especially low income levels; inquired about the lottery system.

Ms. Benjamin responded that Bay Area medium income went up 6.9% in 2016. She reported that 50% AMI for a family of four was \$115,300. For one person at 50% AMI the medium income was \$40,350 and at 100% AMI was \$80,700. She responded that the lottery was completely open to the public and that it was quite a show. First they explained how the electronic lottery worked, showed everyone the applicant list, then had someone from the community come up and push the button and then the results were displayed. They sorted the list into preferences and then results. Then it all went online and they could log onto DAHLIA for results.

Chair Mondejar clarified that applicants do not have to physically show up for the lottery.

Ms. Benjamin confirmed that but stated that some people like to show up for it anyway.

Commissioner Pimentel inquired about when the next lottery would be held.

Ms. Benjamin responded that she did know the date for the next lottery but indicated that all the properties included were listed on DAHLIA.

Commissioner Rosales inquired about the Q Foundation.

Ms. Benjamin deferred to Ms. Sims for more detail.

Ms. Sims responded that the Q Foundation was an offshoot of the San Francisco Housing Alliance. She explained that its Executive Director, Brian Bassinger, first started the Q Foundation to house individuals with HIV and AIDS and then, because of the housing crisis in San Francisco, decided to expand the program for seniors and those with disabilities. She added that every year he had a few subsidies for their lower income COP holders.

Commissioner Rosales wanted it stated for the record that there were three COP holders, two from Oakland and one from Hayward, who had returned to San Francisco.

Ms. Benjamin responded that the next lottery would be on May 9 at 308 Turk, an inclusionary BMR housing unit and invited all Commissioners to attend.

Chair Mondejar inquired about how they let everyone know about the lottery; clarified that the notice went to the applicants for that particular property, not the entire list.

Ms. Benjamin responded that notices went out to everyone on the email list and on DAHLIA with information regarding the lottery; she responded that the notice went to everyone on the housing email alert system that contained 32,000 people.

Commissioner Singh inquired about whether OCII could be informed about when the lottery would be held.

Ms. Oerth clarified about whether Commissioner Singh wanted to be included on all affordable housing lotteries or just OCII projects.

Commissioner Singh responded on all lotteries.

Commissioner Pimentel thanked Ms. Benjamin for her presentation and reported that she had come in contact with someone who put themselves on the list and got a number. She was very pleased to hear about people returning to the City and about having a phone app to apply for affordable housing.

Chair Mondejar thanked Ms. Benjamin for her presentation.

9. Commissioners' Questions and Matters

10. Closed Session

CONFERENCE WITH LABOR NEGOTIATORS, pursuant to Government Code § 54957.6, to confer with its designated representatives regarding negotiations with two employee organizations: (1) the International Federation of Professional and Technical Engineers (IFPTE) Local 21 representing the Local 21 bargaining unit; and (2) the Service Employees International Union (SEIU) Local 1021 representing the Local 1021 bargaining unit. The OCII representatives are: Nadia Sesay, Jim Morales, Bree Mawhorter, Monica Davis Stean, and April Ward

CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION.

- a) Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9 of the California Government Code: Patricia Lovelock v. City and County of San Francisco, Title VIII Case No.: 09-17-7400-8 (complaint filed with U.S. Dept. of Housing and Urban Development)

Chair Mondejar requested that anyone not involved with Closed Session to please leave the room.

After Closed Session, Chair Mondejar stated that there was nothing to report.

11. Adjournment

The meeting was adjourned by Chair Mondejar at 3:37 p.m.

Respectfully submitted,



Interim Commission Secretary