

London N. Breed
MAYOR



Miguel Bustos
CHAIR

Mara Rosales
VICE-CHAIR

Bivett Brackett
Dr. Carolyn Ransom-Scott
COMMISSIONERS

Nadia Sesay
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
7th DAY OF APRIL 2020**

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 7th day of April 2020. The public was invited to watch the meeting live on SFGOVTV: <https://sfgovtv.org/ccii> (The video stream was live approximately 15 minutes before the scheduled meeting start time.)

PUBLIC COMMENT CALL-IN: 1(888)557-8511 Access Code: 7500645

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 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 Vice-Chair Rosales. Roll call was taken.

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

Chair Bustos arrived late. All other Commissioners were present.

2. Announcements

- A. 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 for 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 to the public for calling 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 - None

REGULAR AGENDA

a) Authorizing an Exclusive Negotiations Agreement and a Predevelopment Loan Agreement in an amount not to exceed \$3,500,000, with 350 China Basin Partners, LLC, a California limited liability company, for the development of approximately 140 affordable for-sale housing units at Mission Bay South 9a, providing notice that this approval is within the scope of the Mission Bay Redevelopment Project approved under the Mission Bay Final Subsequent Environmental Impact Report, a program EIR, and adopting environmental findings pursuant to the California Environmental Quality Act; Mission Bay South Redevelopment Project Area (Discussion and Action)(Resolution No. 01-2020)

Presenters: Nadia Sesay, Executive Director; Annie Wong, Development Specialist, Affordable Housing; Maria Benjamin, Deputy Director, Home Ownership & Below Market Rate Programs, Mayor's Office of Housing and Community Development (MOHCD); Pamela Sims, Senior Development Specialist, Housing Division

PUBLIC COMMENT

Speaker: Oscar James, native resident Bayview Hunters Point (BVHP)

Mr. James stated that he was in favor of this project. He requested that some of these units be offered at below market rate so that individuals from his community might be able to purchase these properties.

Commissioner Scott thanked staff for the thorough report and stated that she was pleased that building was being done in such a crowded area with amenities so that residents would not have to travel very far. She inquired about how they performed the outreach.

Ms. Wong asked for clarification as to whether Commissioner Scott was referring to outreach to potential homebuyers or to applications in response to the RFP to be a developer.

Ms. Scott responded that she was referring to potential homebuyers.

Ms. Wong stated that this project was still in predevelopment phase. She explained that a key component of this project would be a robust outreach and marketing plan. Ms. Wong reported that the developer had discussed including post card distribution, early meetings, flyers and home-ownership classes in the outreach plan. She added that the early outreach plan was due in 30 days after construction started and the full-on marketing plan was due to OCII for review 12 months before achieving certificate of occupancy.

Ms. Benjamin responded that they were very excited about this project. She explained that when they get to the active marketing phase, they would send out an email housing alert notice to perspective homebuyers, who were individuals looking for homes like these within their price range. She reported that they anticipated sending out about 45,000 notices throughout the city. At that time their home ownership housing counseling agency would start working with potential homebuyers to help them prepare for home ownership. Ms. Benjamin added that they did not anticipate any shortage of applicants for these units with so many amenities and the wonderful views.

Commissioner Scott commended the SBE's included in this project.

Commissioner Brackett recalled their discussion of last year regarding a more robust outreach to Certificate of Preference (COP) holders. She inquired whether this project included those efforts or not. Ms. Brackett noted that units were scheduled for 80-110% AMI and inquired about whether there would be additional programs, such as the down-payment assistance program, for individuals falling within the 70-75% AMI to be eligible for this project.

Ms. Sims responded in the affirmative. She reported that before the shelter in place, she had been working with MOHCD staff and San Francisco Housing Development (SFHDC) staff on the COP Holders Club, which will get interested COP holders together on a monthly and quarterly basis to work on various items, such as working on tax returns. Ms. Sims explained that this was in an effort to let them know that they were not alone and to secure more information on their housing needs. Then they worked with COP holders throughout the process to make sure they attended the classes and got the certificates they needed to apply and be able to submit successful applications. In addition, Ms. Sims reported that she had been working with Sonia McDaniel (COP Specialist, MOHCD) to track COP holders who had applied for recent rental projects and who were over-income. As it turned out, there were many COP holders in this circumstance and they decided to hold a targeted outreach to them by way of special handwritten notes and also call them to see if they were interested in home-ownership and to invite them to participate in the COP Holders Club.

Ms. Wong responded that this project would be priced by setting the sales price a bit lower by creating a band of affordability at each income tier, so sales prices would be calculated to those first meeting the 75%, 85%, 95% and 110% of AMI. She added that the City also had various down payment assistance programs.

Ms. Benjamin responded that in addition to the affordability bands, the City had a pool of funding just for the purpose of down payment assistance to be able to serve individuals down to 70% AMI or lower.

Commissioner Brackett commended the City for working with some of their long-time City partners and using District 10 community groups and non-profits to reach out to potential homebuyers in this process.

Vice-Chair Rosales inquired about the actual pricing of the units and what affordable pricing would be; she inquired about how the down payment assistance program worked; referred to the staff memo regarding a market study which was commissioned and shared with OCII and inquired about whether that would come to OCII for informational purposes or not.

Ms. Wong responded that the hard cost price was different from what the offer price would be. She explained that construction costs were very high, which would require pre-subsidies from both OCII and federal grants. However, she reported, unfortunately these were not available for home ownership as they would be for rental units. The other issue was affordability and these units would be sold at a price based off the AMI calculation. Ms. Wong then displayed the sample sales price slide as well as the 2019 Area Median Income slide to display how they would price the units today.

To the down payment question, Ms. Benjamin responded that there was a cap at 15% of the purchase price but added that they had some flexibility, so that if the homebuyer needed 17-20%, they could be flexible with that.

Ms. Wong clarified that the market study was not the same as the marketing plan but was more an area study regarding absorption rate and what the demand was and what would be required as far as a budget for their marketing and outreach team. She offered to provide an informational memo once this plan took place.

Commissioner Brackett referred to parking because according to the presentation there would be 34 spots for 140 units and inquired about whether this number was in alignment with SFMTA, and if not, how they derived that number. If parking was unbundled, she inquired about whether it be part of the loan or part of the HOA dues. Ms. Brackett added that the issue should not be that tenants could not get parking because it was too much per month to additionally rent a parking spot. She inquired about whether it would be possible to bundle this into the loan package.

Ms. Wong responded that they tried to go to a lower parking level because they want to encourage using public transportation as the primary mode of transit. She explained that this area was amenity rich as well as located very close to various public transit offerings, so they had anticipated a lower parking need. However, they wanted to ensure that larger family units would have parking opportunities. To that end, it was decided that parking would be unbundled from the housing units and would be managed by the overall HOA of the property and would be part of the HOA dues. Parking would be offered to larger housing units first, but details would be worked out during the pre-development period once parking counts were finalized. Ms. Wong explained that the process would prioritize larger family units. If they wished to rent a parking spot, those fees would due to the HOA and would be used to reduce the overall HOA budget prior to assessing fees to the entire development on a per unit basis. Ms. Wong responded that bundling parking into the loan package was not the current approach, but they could look at it further.

Ms. Benjamin responded that they had put the parking pricing on a scale which was in the affordability range of the lower income or below market rate units. She explained that the BMR owner usually did not pay the same amount as a MR homeowner for a parking space.

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

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

Commissioner Brackett – yes
Commissioner Scott - yes
Vice-Chair Rosales - yes
Chair Bustos – absent

ADOPTION: IT WAS VOTED BY THREE COMMISSIONERS THAT RESOLUTION NO. 01-2020, AUTHORIZING AN EXCLUSIVE NEGOTIATIONS AGREEMENT AND A PREDEVELOPMENT LOAN AGREEMENT IN AN AMOUNT NOT TO EXCEED \$3,500,000, WITH 350 CHINA BASIN PARTNERS, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, FOR THE DEVELOPMENT OF APPROXIMATELY 140 AFFORDABLE FOR-SALE HOUSING UNITS AT MISSION BAY SOUTH 9A, PROVIDING NOTICE THAT THIS APPROVAL IS WITHIN THE SCOPE OF THE MISSION BAY REDEVELOPMENT PROJECT APPROVED UNDER THE MISSION BAY FINAL SUBSEQUENT ENVIRONMENTAL IMPACT REPORT, A PROGRAM EIR, AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- b) Authorizing a Ground Lease and Amended and Restated Loan Agreement with Mission Bay 9 LP, for total aggregate loan amount of \$37,245,760 for the development of 141-unit affordable rental housing project serving formerly homeless households (including one manager's unit) at 410 China Basin Street (Mission Bay South Block 9), providing notice that this approval is within the scope of the Mission Bay redevelopment project approved under the Mission Bay Final Subsequent Environmental Impact Report, a program EIR, and adopting environmental findings pursuant to the California Environmental Quality Act; Mission Bay South Redevelopment Project Area (Discussion and Action)(Resolution No. 02-2020)

Presenters: Nadia Sesay, Executive Director; Kimberly Obstfeld, Development Specialist, Housing Division

PUBLIC COMMENT

Speaker: Oscar James, native resident, BVHP

Mr. James stated that this project was part of the Model Cities area and inquired about whether Young Community Developers as well as Mission Hiring Hall could be part of the development team because they came into creation as a result of the Model Cities program. Mr. James requested that members of the community be trained to become property managers of this project.

Commissioner Scott commented that she was in favor of this project and was pleased about the humanitarian act of building housing for formerly homeless and vets. She referred to the supportive services and inquired about whether this just included childcare or whether any wrap around services would be included as well.

Ms. Obstfeld responded that there would be no children on this site. She explained that the supportive services would be provided by Community Housing Partnership and would include case management services, including employment training, substance abuse programs, behavioral health, and those types of services meant to help people get back on their feet and become independent and focus on keeping them housed.

Chair Bustos echoed Commissioner Scott's comments regarding this project and was very pleased with it.

Commissioner Brackett inquired about whether the units would be ADA compliant.

Ms. Obstfeld responded in the affirmative and reported that they had anticipated there would be mobility needs, so a portion of the units would be supplied with grab bars under ADA standards and other features would be built for high degree of limited mobility, disabilities and challenges.

Vice-Chair Rosales referred to the modular construction and the statement that 70% of construction work would be completed onsite. She inquired about what onsite meant; inquired about what group of workers would be building the modules; inquired about whether they would be constructed in California.

Ms. Obstfeld responded that 70% or more of the actual construction work would take place at Block 9 at the physical construction site and the remainder would be at the factory where they were building the modular units, which would then be shipped to the site. She explained that once the modules were put into place for the upper floors, they would be bound together and all the utilities put into place. Ms. Obstfeld responded that Cahill would select who was working on site. She reported that the modules would be built through a supply agreement by factory workers at the factory where they would be manufactured much like they would be supplying windows. The factory was located in Vallejo, California and staffed by a local carpenters union.

Commissioner Scott motioned to move Item (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 UNANIMOUSLY BY FOUR COMMISSIONERS THAT RESOLUTION NO. 02-2020, AUTHORIZING A GROUND LEASE AND AMENDED AND RESTATED LOAN AGREEMENT WITH MISSION BAY 9 LP, FOR TOTAL AGGREGATE LOAN AMOUNT OF \$37,245,760 FOR THE DEVELOPMENT OF 141-UNIT AFFORDABLE RENTAL HOUSING PROJECT SERVING FORMERLY HOMELESS HOUSEHOLDS (INCLUDING ONE MANAGER'S UNIT) AT 410 CHINA BASIN STREET (MISSION BAY SOUTH BLOCK 9), PROVIDING NOTICE THAT THIS APPROVAL IS WITHIN THE SCOPE OF THE MISSION BAY REDEVELOPMENT PROJECT APPROVED UNDER THE MISSION BAY FINAL SUBSEQUENT ENVIRONMENTAL IMPACT REPORT, A PROGRAM EIR, AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Chair Bustos had arrived by this time and took over the proceedings of the meeting.

- c) Authorizing an Exclusive Negotiations Agreement and a Predevelopment Loan Agreement in an amount not to exceed \$3,500,000, with Hunters Point Block 56, L.P., a California limited partnership, for the development of approximately 73 affordable family rental housing units (including one manager's unit) at 11 Innes Court (Hunters Point Shipyard Phase 1 Block 56), and providing notice that this approval is within the scope of the Hunters Point Shipyard Phase 1 Reuse Final Environmental Impact Report, a Program EIR; and adopting environmental review findings pursuant to the California Environmental Quality Act; Hunters Point Shipyard Redevelopment Project Area (Discussion and Action)(Resolution No. 03-2020)

Presenters: Nadia Sesay, Executive Director; Elizabeth Collomello, Senior Development Specialist, Housing Division; Pamela Sims, Senior Development Specialist, Housing Division

PUBLIC COMMENT

Speaker: Oscar James, native resident BVHP

Mr. James stated that he was in favor of this project. He requested that City teachers be added to the list of preference individuals for this project.

Commissioner Scott stated she was very pleased with the items offered including the services being provided for children and the elderly. She commended SFHD for bringing families into housing they could afford.

Vice-Chair Rosales was excited about the family housing units which would be provided by this project. She inquired about the unit mix and why there was just one five-bedroom unit and two four-bedroom units in light of the amount of large families who might be interested in these units; inquired about whether they had individuals in their database, perhaps a COP holder, who would be a match for the larger units.

Ms. Collomello responded that the five- and four-bedroom units were technically considered replacement units from the Alice Griffith development. She explained that even though they replaced all the units at Alice Griffith, the unit mix of residents did not match the unit mix that they were required to replace so they had been sprinkling some of the four and five bedroom units into other projects. Ms. Collomello reported that this was a small site and incorporating them would be more difficult financially and added that two- and three-bedroom units had displayed a higher amount of need. She responded that they would conduct early outreach and target the COP holders and find out if there were larger COP families on the list.

Ms. Sims responded that their COP households tended to be 1-3 individual households, but she stated that they would look over the application list again to see if there would be a suitable match here.

Chair Bustos was pleased to see the two- and three-bedroom units because in previous years these kinds of projects had included pretty much only one and two-bedrooms. He was pleased to see the inclusion of the needs of larger families.

Vice-Chair Rosales motioned to move Item (c) and Commissioner Scott seconded that motion.

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

Commissioner Brackett – yes
Commissioner Scott - yes
Vice-Chair Rosales - yes
Chair Bustos – yes

ADOPTION: IT WAS VOTED UNANIMOUSLY BY FOUR COMMISSIONERS THAT RESOLUTION NO. 03-2020, AUTHORIZING AN EXCLUSIVE NEGOTIATIONS AGREEMENT AND A PREDEVELOPMENT LOAN AGREEMENT IN AN AMOUNT NOT TO EXCEED \$3,500,000, WITH HUNTERS POINT BLOCK 56, L.P., A CALIFORNIA LIMITED PARTNERSHIP, FOR THE DEVELOPMENT OF APPROXIMATELY 73 AFFORDABLE FAMILY RENTAL HOUSING UNITS (INCLUDING ONE MANAGER'S UNIT) AT 11 INNES COURT (HUNTERS POINT SHIPYARD PHASE 1 BLOCK 56), AND PROVIDING NOTICE THAT THIS APPROVAL IS WITHIN THE SCOPE OF THE HUNTERS POINT SHIPYARD PHASE 1 REUSE FINAL ENVIRONMENTAL IMPACT REPORT, A PROGRAM EIR; AND ADOPTING ENVIRONMENTAL REVIEW FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

d) Revoking the project approval authorized under Resolution No. 42-2016 and Conditionally approving the schematic design of a six-story, mixed-use building comprised of eight units, including one affordable unit, and ground floor commercial, at 4128 Third Street, and making environmental findings pursuant to the California Environmental Quality Act; Bayview Industrial Triangle Redevelopment Project Area (Discussion and Action)(Resolution No. 04-2020)b

Chair Bustos announced that Commissioner Scott was recusing herself from Item d).

Presenters: Nadia Sesay, Executive Director; Alok Vyas, Associate Planner and Urban Designer; Kodor Baalbaki, Kodorski Design

PUBLIC COMMENT

Speaker: Oscar James, native resident BVHP

Mr. James stated he was very familiar with this project and was in favor of it even though he could not clearly see the schematics under the current situation. He requested that he be allowed to see the schematics.

Commissioner Brackett stated that she was very excited about this project because she has known Mr. McAfee for a long time and supported this project along with CAC members.

Vice-Chair Rosales thanked staff for the presentation.

Vice-Chair Rosales motioned to move Item (d) and Commissioner Brackett seconded that motion.

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

Commissioner Brackett – yes
Commissioner Scott - recused
Vice-Chair Rosales - yes
Chair Bustos – yes

ADOPTION: IT WAS VOTED BY THREE COMMISSIONERS WITH ONE RECUSAL THAT RESOLUTION NO. 04-2020, REVOKING THE PROJECT APPROVAL AUTHORIZED UNDER RESOLUTION NO. 42-2016 AND CONDITIONALLY APPROVING THE SCHEMATIC DESIGN OF A SIX-STORY, MIXED-USE BUILDING COMPRISED OF EIGHT UNITS, INCLUDING ONE AFFORDABLE UNIT, AND GROUND FLOOR COMMERCIAL, AT 4128 THIRD STREET, AND MAKING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; BAYVIEW INDUSTRIAL TRIANGLE REDEVELOPMENT PROJECT AREA, BE ADOPTED.

6. Public Comment on Non-Agenda Items

Speaker: Oscar James, native resident BVHP

Mr. James was pleased to know that all the Commissioners were there and well and wished everyone well until they could all get together the next time.

7. Report of the Chair

Chair Bustos announced that he spoke on behalf of the Commissioners in expressing gratitude to be able to meet in this way and vote on these important items. He thanked the Mayor and the Board of Supervisors which allowed them to hold this meeting. He thanked staff for quickly rallying to be able to hold this meeting. Mr. Bustos acknowledged that this was a difficult time for everyone, both for those sheltered in place and for those who had no place to go. He read to the Commission and to the public a piece called "In a Time of Pandemic". Mr. Bustos stated that in these difficult times, the best came out in everyone and acknowledged how important this work was to the community.

8. Report of the Executive Director

Executive Director Sesay expressed gratitude to Chair Bustos for his comments. She expressed her gratitude to the team for coming together to get this done and for their commitment to do what was necessary to deliver these items to the community. Ms. Sesay thanked their city partners who helped accomplish this meeting. She personally thanked the administrative team for their hard work in making this meeting happen. Ms. Sesay hoped everyone stayed healthy and looked forward to seeing everyone again soon.

9. Commissioners' Questions and Matters

Commissioner Scott thanked Chair Bustos for his reading and stated that recently she has been thinking more globally than just locally. She stated that together they would all get through this pandemic and be stronger at the end than when they started as a more united and caring people.


10. Closed Session – None

11. Adjournment

Commissioner Scott motioned to adjourn and Commissioner Brackett seconded that motion.

Chair Bustos thanked Vice-Chair for her help at the beginning of the meeting and adjourned the meeting at 3:18 p.m.

Respectfully submitted,



Jaimie Cruz
Commission Secretary