

London N. Breed
MAYOR



Miguel Bustos
CHAIR

Mara Rosales
VICE-CHAIR

Bivett Brackett
Efrem Bycer
Dr. Carolyn Ransom-Scott
COMMISSIONERS

Sally Oerth
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
5TH DAY OF OCTOBER 2021**

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 5th day of October 2021. The public was invited to watch the meeting live on SFGOVTV: <https://sfgovtv.org/ccii>

PUBLIC COMMENT CALL-IN: 1-415-655-0001 ACCESS CODE: 2482 190 7334

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

REGULAR MEETING AGENDA

1. Recognition of a Quorum

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

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

Commissioner Brackett was absent; all other Commissioners were present.

2. Announcements

- a) The next regularly scheduled Commission meeting will be held remotely on Tuesday, October 19, 2021 at 1:00 pm.
- b) Announcement of Time Allotment for Public Comments from participants dialing in: Please be advised a member of the public has up to three minutes to make pertinent public comments on each agenda item unless the Commission adopts a shorter period on any item. Please note that during the public comment period, all dial-in participants from the public will be instructed to call a toll-free number and use their touch-tone phones to register any desire 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 for the public to call in.

3. Report on actions taken at previous Closed Session meeting - None

4. Matters of Unfinished Business - None

5. Matters of New Business:

CONSENT AGENDA - None

REGULAR AGENDA

a) Authorizing teleconferenced meetings and making findings in support thereof under California Government Code Section 54953(e) (Discussion and Action) (Resolution No. 34-2021)

Presenters: Sally Oerth, Interim Executive Director; Jim Morales, Agency General Counsel and Deputy Director

PUBLIC COMMENT – None

Chair Bustos thanked the City government for helping to keep safe the Agency members as well as the public and thanked Mr. Morales and staff for keeping OCII compliant.

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

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

Commissioner Brackett - absent

Commissioner Bycer - yes

Commissioner Scott - yes

Vice-Chair Rosales - yes

Chair Bustos – yes

ADOPTION: IT WAS VOTED BY FOUR COMMISSIONERS WITH ONE ABSENCE THAT RESOLUTION NO. 34-2021, AUTHORIZING TELECONFERENCED MEETINGS AND MAKING FINDINGS IN SUPPORT THEREOF UNDER CALIFORNIA GOVERNMENT CODE SECTION 54953(E), BE ADOPTED.

b) Amending the Office of Community Investment and Infrastructure's Debt Policy to respond to legislative changes, more thoroughly explain existing practice and document Debt Management Improvements (Discussion and Action) (Resolution No. 32-2021)

Presenters: Sally Oerth, Interim Executive Director; Bree Mawhorter, Deputy Director of Finance and Administration; Juan Galvan, Bond Counsel, Jones Hall

PUBLIC COMMENT – None

Commissioner Scott thanked Ms. Mawhorter for her presentation and for working so diligently toward increasing affordable housing in the City.

Commissioner Bycer stated that he was grateful to staff for working so hard on the details of this complicated material.

Vice-Chair Rosales referred to the cost of environmental review and inquired about whether that included legal fees.

Ms. Mawhorter responded that for every issuance OCII hires bond counsel and the bond team goes over the sources and uses of funds as part of the issuance process. Ms. Mawhorter confirmed that bond proceeds can fund EIR costs, but deferred to Mr. Galvan for more details on whether or not bond proceeds can fund legal fees.

Mr. Galvan confirmed that bond funds can finance legal fees related to the cost of issuing the bonds. He asked if Vice-Chair Rosales was referring to other legal fees as well.

Vice-Chair Rosales responded yes that she was referring to such issues as land use attorneys to review the environmental impact reports, for compliance, defensibility.

Mr. Galvan responded in the affirmative and added that the ability to use bond funds to pay legal fees depends on the specifics of the legal fees and the projects and whether legal fees can be capitalized into the project. Mr. Galvan stated that there are additional nuances depending on the taxability of the bonds. He explained that it was really a question of whether they issued tax-exempt versus taxable bonds, but generally speaking the answer was yes.

Chair Bustos thanked Ms. Mawhorter for the presentation and for making sure City resources were being maximized.

Commissioner Scott motioned to move Item 5(b) and Vice-Chair Rosales seconded that motion.

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

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

ADOPTION: IT WAS VOTED BY FOUR COMMISSIONERS WITH ONE ABSENCE THAT RESOLUTION NO. 32-2021, AMENDING THE OFFICE OF COMMUNITY INVESTMENT AND INFRASTRUCTURE'S DEBT POLICY TO RESPOND TO LEGISLATIVE CHANGES, MORE THOROUGHLY EXPLAIN EXISTING PRACTICE AND DOCUMENT DEBT MANAGEMENT IMPROVEMENTS, BE ADOPTED.

c) Confirming the issuance of new money tax allocation bonds as permitted in sections 34177.7(a)(1)(A) of the California Health and Safety Code to finance affordable housing obligations in an aggregate principal amount not to exceed \$130,400,000 and approving preliminary and final official statements, a continuing disclosure certificate and other related documents and actions (Discussion and Action) (Resolution No. 33-2021)

Presenters: Sally Oerth, Interim Executive Director; John Daigle, Debt Manager

PUBLIC COMMENT – None

Commissioner Scott thanked Mr. Daigle for his presentation and thanked him for his hard work in working toward providing more affordable housing in San Francisco.

Commissioner Bycer stated that there was a lot of talk about debt, but that it was a real testament to the OCII team that they could maintain their credit rating and the ability to continue building affordable housing.

Vice-Chair Rosales requested more information on the social bond and inquired about whether this was a new product/offering in the market and whether they would continue using it in the future.

Mr. Daigle responded that OCII was an early adopter of the social bond. He explained that it did not require OCII to do anything differently with their bonds and it had no costs to OCII and it made it clear to the marketplace that these bonds were consistent with the values and goals of OCII. He stated that there was no reason to not continue to use these bonds. He deferred to Ms. Mawhorter for more information.

Ms. Mawhorter responded that social bonds are a somewhat new product, but not cutting edge, like in a market-risky derivative kind of way. She explained that OCII is following the City's path and that the City had already issued social bonds using the same process that OCII intends to use. She also noted that the Public Utilities Commission (PUC) has issued green bonds, which like social bonds, fall under the larger umbrella of Socially Responsible Investing (SRI) umbrella. Ms. Mawhorter reported that the PUC had a lot of success in issuing green bonds, which are bonds whose proceeds are used to fund projects with an environmental purpose. Ms. Mawhorter explained that the PUC started issuing green bonds about three years ago. She noted an instance when PUC issued two similar bonds at the same time, one a green bond and the other a standard tax-exempt bond and found that, because of the interest in SRI, the green bond was three times over-subscribed relative to the tax-exempt bond and that market demand actually pushed the PUC's cost of borrowing lower than it would have been if the bonds had not been green bonds. Ms. Mawhorter added that over time the PUC had become known as a green market issuer and a leader in this type of issuance. Therefore, in talking with the financing team and the underwriter, OCII is hopeful that, by being an early adopter, OCII would be creating a name for themselves in this space and investors would be looking to OCII as an issuer for socially responsible bonds and that sometime in the future, it would result in lower costs.

Vice-Chair Rosales was very pleased with that explanation, because this aligned with OCII's values and also sent a message to other City agencies to follow in their footsteps. She thanked the staff and team on the preliminary official statement and for the amount of due diligence done in this matter.

Chair Bustos commended the entire team for this presentation and all this good work to make our communities better.

Vice-Chair Rosales motioned to move Item 5(c) and Commissioner Scott seconded that motion.

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

Commissioner Brackett - absent

Commissioner Bycer - yes

Commissioner Scott - yes

Vice-Chair Rosales - yes

Chair Bustos - yes

ADOPTION: IT WAS VOTED BY FOUR COMMISSIONERS WITH ONE ABSENCE THAT RESOLUTION NO. 33-2021, CONFIRMING THE ISSUANCE OF NEW MONEY TAX ALLOCATION BONDS AS PERMITTED IN SECTIONS 34177.7(A)(1)(A) OF THE CALIFORNIA HEALTH AND SAFETY CODE TO FINANCE AFFORDABLE HOUSING OBLIGATIONS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$130,400,000 AND APPROVING PRELIMINARY AND FINAL OFFICIAL STATEMENTS, A CONTINUING DISCLOSURE CERTIFICATE AND OTHER RELATED DOCUMENTS AND ACTIONS, BE ADOPTED.

6. Public Comment on Non-Agenda Items – None

7. Report of the Chair

Chair Bustos thanked Commissioner Bycer for working on a committee and representing OCII to install new art work in Mission Bay close to where he lived.

Chair Bustos thanked Commissioners Brackett and Scott and Vice-Chair Rosales for the work with then Assembly member David Chu on the Certificate of Preference (COP) program. He explained that the Western Addition was completely destroyed under urban renewal due to Justin Hermann and the Redevelopment Agency. Families were given COP's to come back; however, that wait time turned out to be about 40 years. Many of those who possessed the original certificates had passed away and many of their children had moved away. So, now they were finding that the grandchildren of the original holders wanted to return to the City. Chair Bustos announced that last week, due to the work of the Commissioners and David Chu and the state legislature, Governor Newsom had signed legislation to extend the COP program to all descendants. Mr. Bustos stated that this was a huge step in righting the wrongs of the past and for all the City residents who had lost everything during redevelopment to be able to return to San Francisco.

8. Report of the Executive Director

Interim Executive Director Oerth reminded Commissioners and staff about the event the coming week at 11:00am at the East Cut opening ceremony for the interim activation of the former Transbay temporary terminal site. She hoped everyone would attend.

9. Commissioners' Questions and Matters

Commissioner Scott was very pleased to hear Chair Bustos' announcement regarding the COP program, which she stated was historic news. She thanked the Commissioners involved as well as Assemblyman Chu for all their hard work on this great success.

Chair Bustos also announced that this week the Governor had signed legislation to give back beachfront property in Los Angeles that had belonged to a black family and which the city had taken away. He explained that after 100 years, the family was getting back their land. Mr. Bustos hoped that everyone would realize that life was not a zero sum game, that there was enough for everyone and that there was hope for everyone.

Vice-Chair Rosales wanted to give special thanks to Commissioner Brackett for her role in driving the COP issue and for pushing forward with this policy. She explained that there had been some question about whether it would be approved by the legislature, and it finally was. She suggested they announce this on the OCII website.

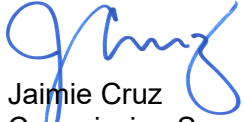
10. Closed Session - None

11. Adjournment

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

Chair Bustos adjourned the meeting at 1:58 p.m.

Respectfully submitted,



Jaimie Cruz
Commission Secretary