

**MINUTES OF A REGULAR MEETING OF THE
COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE
OF THE CITY AND COUNTY OF SAN FRANCISCO HELD ON THE
19th DAY OF NOVEMBER 2013**

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 19th day of November 2013, 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 1:10 p.m. Roll call was taken.

Commissioner Ellington – present
Commissioner Mondejar – present/late
Vice-Chair Rosales – present
Commissioner Singh – present
Chair Johnson – present

Commissioner Mondejar arrived at 1:30 p.m.

2. Announcements

A. The next regularly scheduled Commission meeting will be held on Tuesday, December 3, 2013 at 1:00 pm (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, if any – None.

4. Matters of Unfinished Business – None.

5. Matters of New Business:

CONSENT AGENDA

a) Approval of Minutes: Regular Meeting of October 15, 2013

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

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

Commissioner Ellington – yes
Vice-Chair Rosales - yes
Commissioner Singh – yes
Chair Johnson – yes

ADOPTION: IT WAS VOTED BY 4 COMMISSIONERS WITH ONE ABSENCE THAT APPROVAL OF THE MINUTES FOR THE REGULAR MEETING OF OCTOBER 15, 2013, BE ADOPTED.

REGULAR AGENDA

- b) Recommending approval to the Oversight Board of the Successor Agency's Long-Range Property Management Plan ("PMP") governing the disposition of real property under Redevelopment Dissolution Law. (Discussion and Action) (Resolution No. 53-2013)

Presenters: Tiffany Bohee, Executive Director; Tracie Reynolds, Real Estate and Development Services Manager

PUBLIC COMMENT

Speakers: Rick Smith, Yerba Buena resident and member of Friends of Annie Alley; Victor M. Marquez, Jazz Heritage Center (JHC); Christine Harris, Board Chair, JHC; Corinne Woods, Chair, Mission Bay CAC; Mars Breslow, Special Projects Director, JHC; Peter Fitzsimmons, Founding Executive Director, JHC; Evelyn Kelsey, Board member, JHC; Catherine Cusic, member of Harvey Milk Club; Helen Sause, Yerba Buena Alliance; Wilfred Ussery, resident of Western Addition and member of Trustee Board of Bethel Ame Church; Charlie Walker, San Francisco resident; Virginia Grandi, Yerba Buena Alliance; Marti McKee, member of the Shipyard Trust for the Arts; Linda Lucero, Executive and Artistic Director, Yerba Buena Gardens Festival; Deborah Cullinan, Executive Director, Yerba Buena Center for the Arts; Ross Portugess, San Francisco resident; Agonafer Shiferaw, San Francisco resident; Jackie Wright, Wright Enterprises; Archbishop King, St. John Coltrane Church; Randall Evans, San Francisco resident; Ken Johnson, Fillmore resident; Daniel Landry, San Francisco resident; Marguerite Browne, Hunters Point artist; Gregory Richardson, San Francisco resident

Mr. Smith spoke in support of the principles of the Yerba Buena Alliance and requested that they be included with submission of the PMP to the State.

Mr. Marquez stated that he was there as pro bono legal counsel for the JHC and together with Ms. Harris was in support of the OCII's recommendation to transfer the property management to the City with the following caveat: that the JHC be preserved and assisted to become a self-sustaining community asset comprised of the Lushlife Gallery, an intimate theatre space and programming for the lobby area adjacent to Yoshi's and near 1300 Fillmore Restaurant. Mr. Marquez stated that in order for the City to be able to recover its investment and repay the HUD obligations and for the project investors to be able to make a modest profit, it was crucial that proceeds be reinvested into the community.

Ms. Harris thanked all the people who were present at the meeting in support of the JHC. She recalled that in 2008 the JHC opened to rave reviews; however, they never had a lease. Ms. Harris stated that since that time, many people have visited the JHC and there have been numerous exhibits, programs and public receptions at the Lushlife Gallery, the Koret Heritage lobby and the theatre. Ms. Harris urged the Commission to preserve this valuable asset located in the Fillmore.

Ms. Woods spoke about the Mission Bay parks and was grateful to the OCII staff for their solution which was to hold on to all the park parcels in Mission Bay until they were all developed and then transfer them. Ms. Woods stated that this would provide an opportunity to think about the future and figure out a way to create a coherent park system that would use the CFD funds efficiently to fund ongoing maintenance of the parks. She stated that she looked forward to having the principles outlined by the Yerba Buena Alliance applied also to Mission Bay so that there would be transparency, openness and involvement of this new neighborhood community.

Mr. Breslow spoke about how the JHC was an integral part of the community and a great source of pride. He reminded Commissioners that the point of the JHC was to restore pride in the Fillmore community and to inform and educate the youth and adults about how the JHC served the community. The Fillmore district was known as the Harlem of the West where famous musicians played in the 24 clubs after their downtown gigs and the neighborhood and people from all over the Bay Area would come to see them. Mr. Breslow spoke about the workshops and educational programs that the JHC sponsored to serve the community.

Mr. Fitzsimmons spoke about the institutionalized racism that had existed in the Fillmore but with the hard work of Wilbur Hamilton, Dianne Feinstein, Leroy King and others to preserve the Fillmore Jazz Preservation District, that racism had been reversed. He stated that he believed the JHC should revert back to the City, but maintained with special considerations to make sure that it endured for many years to come.

Ms. Kelsey spoke about the work of volunteers to preserve a cultural history of African-Americans, Japanese-Americans and Jews who came together in the Fillmore during the Harlem of the West epoch, which she referred to it as the redemption of the destruction of the Fillmore years ago. Ms. Kelsey urged that the JHC be preserved with the City.

Ms. Cusic stated that she had lived in the Mission since 1978 and requested that the Commission not let the Fillmore experience what had happened in the Mission, when 80,000 black people were moved out of the Mission and moved to East Palo Alto. Ms. Cusic stated that the JHC was a reminder of some of the proudest moments in San Francisco history, which really deserved to be preserved.

Ms. Sause spoke in the support of the Yerba Buena Gardens transfer. She reiterated her support of the Yerba Buena Alliance principles and the importance of continuing oversight for all the Gardens' uses. She spoke about the 3 types of oversight models suggested by OCII staff. The first was a model that the Board of Supervisors had just approved for the San Francisco Wholesale Produce Market, where the city had ownership of the property and had formed a non-profit board made up of merchants and policy-makers to oversee it. The second model was based on Pike's Market in Seattle, where the City owned the land and there was a non-profit group that operated it and the third would have the Gardens operated by City agencies. Ms. Sause urged the OCII to consider the first two models where there would be City oversight and guidance but in which local people would stay involved in the operations.

Mr. Ussery stated that he was in support of Ms. Harris' remarks and reminded the Commission that they were in a very unique position to demonstrate their support of programs that can make the black community come back together as a whole. He stated that the Commission needed to take a very solid stand in support of critical institutions left in the City such as the JHC.

Ms. Grandi stated that she wanted to echo the comments of Ms. Sause regarding the Yerba Buena Gardens. She asked that everyone present at the meeting in support of the YB Gardens to raise their hand. Ms. Grandi informed that they had collected 75 signatures in favor of the principles provided by the Alliance and hoped the Commission would seriously consider them. She reiterated their desire to install a non-profit entity to preserve, manage and maintain the Gardens for the long-term.

Ms. McKee stated that she and other members present at the meeting strongly encouraged support of the OCII plan for Hunters Point. She reminded the Commission that the Hunters Point artists group was the largest and oldest artist community in the country and this plan was the best way to ensure that not only the 300 artists there now would be able to stay but more importantly, that artists of the future would have a place to go. Ms. McKee thanked the OCII for their hard work to support the situation and urged that the Commission follow the plan.

Ms. Lucero urged the Commission to help preserve the successful and thriving urban environment established at the Yerba Buena Gardens for the citizens of San Francisco by including the Yerba Buena Alliance principles in the PMP.

Ms. Cullinan stated that she commended the process of how things were moving forward with the Yerba Buena Gardens and stated that they were very interested in remaining present in the process as plans were being developed. She echoed Ms. Sause's comments about supporting the first two management models and not the third. She announced that the Center was working with the OCII staff to set up regular meetings to continue the conversation. Ms. Cullinan also supported Ms. McKee's efforts to preserve the artists community at Hunters Point.

Mr. Portugess spoke in support of the things that make San Francisco one of the great cities, such as the arts and supported the preservation of the Yerba Buena Center, the artists in Hunters Point and the Fillmore JHC. He recalled memories of the Fillmore of the past during the 50's and 60's and regretted seeing it in its present state of decline. Mr. Portugess stated that the Fillmore JHC was critical not only for San Francisco residents and for tourism, but for the preservation of the Fillmore district and its recognition worldwide.

Mr. Shiferaw stated his support of Ms. Harris' comments and stated that the Fillmore JHC needed to be seen for its importance in the overall investment for the area. He reminded the Commission that when ex-Mayor Frank Jordan made the commitment to create African-American economic empowerment in the Fillmore, it came with some financial investment and the \$30-40 million that went into Yoshi's was supposed to financially empower the Fillmore residents as well. Mr. Shiferaw stated that the community had to get involved to prioritize and reprogram re-investment considerations. He urged OCII staff and developers to work together to return the money and the institution back into the community and to represent the genuine interest of the community by not letting the money go somewhere else.

Ms. Wright read a statement of support of the JHC by the people listed and signed to the document, which talked about their concern of African-Americans in San Francisco and the lack of strong support in the City of their institutions. She asked the City to ensure that the JHC be kept in

its present location or if moved, then moved to a more viable location. She reminded Commissioners that the JHC was of service to all people of San Francisco and to please not sell it.

Rev. King talked about the importance of listening to jazz and the preservation of cultural institutions that recognize and support African-Americans in San Francisco and the JHC in particular. He quoted Ross Mirkarimi's statement about the three cultural institutions that were located on Fillmore Street: the Marcus Bookstore, the JHC and the John Coltrane Church. He echoed Mr. Shiferaw's comments about how the JHC was designed to revitalize and empower the African-American community.

Mr. Evans stated that he was very upset because over \$90 million had been spent to revitalize the Fillmore community and Center but at the end of the day there would be nothing left for the black community.

Mr. Johnson stated that the Fillmore used to be crowded with black businesses and urged the Commission to let community members submit some ideas to hire their own to run the Fillmore businesses. He stated that people were angry because so much money had been spent there and the community would be left with nothing.

Mr. Landry stated that a community meeting had been conducted a few days previously about the status of closing the JHC and this had been critical because it was the birthright of the black people in San Francisco to be involved with that decision.

Ms. Browne stated that she was at the meeting as an artist with a studio at Hunters Point and had also worked with the JHC. She stated that she had exhibits at the Lushlife Gallery and that the gallery and space were important because they brought outside artists to a place where artists were actually making a living from their art. Ms. Browne warned that if rents get raised when the new building was completed, it would bring about the destruction of the artist community at Hunters Point.

Mr. Richardson talked about seniors being able to go somewhere to be entertained and about senior facilities being used at little or no cost.

Chair Johnson reminded listeners that the long-range PMP was a disposition plan, the purpose of which was to decide the disposition of all of the assets of which the OCII still had control, which would be to sell, transfer to the government or to keep for completion or for other enforceable obligations and that further action would be taken from that point. She stated that there was no final plan once properties get transferred to the City either through an enforceable obligation or through governmental purpose because that would be set via collaboration between the OCII and the City departments or other authorities to which those assets would be transferred.

Commissioner Singh stated that he believed all the communities should be involved in the transfers discussed, especially in the Western Addition. Mr. Singh asked about the proceeds of the air rights of the Contemporary Jewish Museum and who they were sold to.

Ms. Reynolds responded that the estimated value was zero and the reason was because when the Contemporary Jewish Museum was built, the development rights above the building were sold as part of the construction financing, so there would be no development rights above the museum and the parcel below was not accessible and could only be used for storage. Ms. Reynolds responded that there was an exchange while the museum was being built and the air rights were sold to help finance the construction.

Vice-Chair Rosales requested more information about the Western Addition meeting held on November 9, such as what topics were covered, the course of the conversation and any conclusions reached. Ms. Rosales stated that it seemed there were two different issues being discussed during public comment: one was the disposition of actual property that the OCII had jurisdiction over and the other concerned the historical issues and their current impacts on the ability of African-American businesses to continue retaining their presence in the district. She stated that she saw these as two separate but inter-related issues and wanted to be able to respond to these questions for the community.

Ms. Reynolds responded that Daniel Landry had called and organized the November 9 meeting, a two-hour meeting, which had a broad agenda to discuss African-American businesses in the Fillmore in general, in part to have a better understanding of the disposition plan for the garage in the Fillmore Heritage commercial parcel. She explained that representatives from the SBA were present as well as from Supervisor Breed's office. Ms. Reynolds responded that one of the outcomes of the meeting was that Vallie Brown from Ms. Breed's office spoke about the fact that an action plan for African-American businesses on Fillmore would have to evolve organically from the community. This action plan, which was critical not only for sustaining existing businesses but also for attracting new businesses, could then be presented to the City for implementation. Ms. Reynolds stated that this established a launching point for a second meeting.

Chair Johnson stated that there were two separate issues involved in this discussion and that there needed to be another forum to address the historical issues so that they could truly be addressed instead of just vented. She reminded listeners that the OCII would be dealing with the disposition of properties for another 25 years and that they would be able to exert influence over properties which hadn't been developed yet. She suggested that they formulate and define the problem of the historical issue in a way that another body could be put together specifically to tackle that issue and come up with a real solution.

Executive Director Bohee commented that under dissolution law and under the current authority the OCII had intervened where possible to do so. For example, she explained that there were common area maintenance charges that were due for this commercial parcel and the businesses that were part of that parcel, but because of Yoshi's bankruptcy, those payments were not being made, which had resulted in repercussions for the residents as well as the maintenance of the facility. She informed that with approval of the Oversight Board, the OCII had paid those maintenance fees, which totaled \$120,000. She stated that they did not know if the developer and the sub-lessees would be able to continue making those on-going payments in the future; however, the OCII would continue with that obligation as the property owner.

Chair Johnson stated that she did not think that the OCII meeting was the correct forum for discussion about a solution to the more historical and very general problems intertwined in this issue. She stated that it was not reasonable to expect that any solution would happen organically from a community that was already struggling. Ms. Johnson commented that by just hoping that the community would be able to come up with something on their own when clearly it had not happened as yet made it clear that this issue would not be solved without some assistance. She stated that there needed to be another venue with authority to help with some of those issues.

Vice-Chair Rosales stated that the OCII had inherited these historical issues that have had present day effects and with the jurisdiction held by the OCII currently, Ms. Rosales suggested that a separate hearing be set up by the OCII to deal with some of these issues. She felt that pushing this off to the community and staff would not be enough to solve these issues soon enough because

time was of the essence. Ms. Rosales commented that some of the City's communities, such as Hunters Point, Western Addition and the Mission, were going through tremendous changes, and if they waited too long, the San Francisco that they all knew and loved would disappear.

Commissioner Ellington asked for clarification on some of the dates listed in the presentation with respect to how they would affect the transfer of the Hunters Point artists' building, the Yerba Buena Center and the JHC.

Ms. Reynolds stated that every property had an estimated timeframe for when the transfer might take place depending on the disposition plan, which depended on when development obligations were completed, which depended on the timing of the private development. She stated that this was all very fluid. For the Fillmore Heritage Center, she explained that time of transfer was contingent upon the results of the bankruptcy process, which was a legal process and would take its own course. Ms. Reynolds added that some of it depended on whether a workout deal could be reached and if reached, the transfer to the City could take place immediately. However, if not reached and if the City decided to foreclose, then an interim use would have to be installed to maintain the Center until it was sold. Ms. Reynolds explained that assuming the ground lease stayed in place, there would be ongoing property management obligations associated with the ground lease and the transfer to the City would happen as soon as possible, assuming the State approved that plan.

Commissioner Ellington inquired as to whether transfers would come before the OCII before they went to the City.

Ms. Reynolds responded that this was uncharted territory but they were assuming that every time an actual transfer happened, it would come before the OCII as well as the Oversight Board, so that both bodies were aware that the process was following the plan.

Executive Director Bohee added that the OCII would have to approve the specific disposition so that this was the overall umbrella but then afterwards, there would be a specific action to be followed as well.

Chair Johnson added that in formalizing the collaboration process with the City for transfer of properties, the discussion right now was not about what would happen once the property was disposed of to the City. For example, currently there were different plans and models for the Yerba Buena Gardens but all that was known for now was that the Gardens would transfer as a single entity to the City. Ms. Johnson added that they had some assurances from the City that the City would keep the Gardens as a single entity and would come up with a management model for the future, but there was no model or formal way right now to collaborate with the City to give suggestions for the future management of the Gardens. Ms. Johnson suggested that they figure out how to formalize the collaboration process so that it would become a regular part of the transfer process rather than to appear like a cliff that they pushed assets over and then hoped all went well in the future.

Commissioner Mondejar inquired as to why the OCII could not ensure that the community was involved in the transfer plan. She suggested they approve the transfer plan with the caveat that there was a process for future management before the transfer. Ms. Mondejar felt it was critical to reassure the community that their recommendations and input would be thoughtfully discussed and considered in whatever actions were taken by the OCII.

Chair Johnson asked if they had received a redline version of Resolution 53-2013 because there was still time to add text stating that the OCII strongly urged the City to include residents' concerns and community process in their final disposition plans. Ms. Johnson stated that they had heard public comments but needed to formalize the collaboration with the City on their final disposition plans so they could then create a public process around final disposition. She explained that the November 25 date was a soft deadline, indicating that the OCII had defined all of their assets and had made a determination about them, i.e., either transfer to the City for governmental purpose, keeping them or selling them. Ms. Johnson stated that they had 12-14 months for the first soft date and all the way out to 2025 for final disposition, so there was still time in between to figure out the public process for what would happen to the properties once transferred. She felt that they did not need to encumber the conversation with that discussion at present, because it was not part of the PMP. Ms. Johnson reiterated that they needed to have a clean forum once the PMP was set in order to approach discussion about the future disposition of the properties.

Commissioner Singh agreed with Chair Johnson's statement to amend the Resolution to involve the community now and in the future.

Chair Johnson inquired about changes made to the draft plan. She noted that there were properties that were currently planned to be transferred to the City for governmental use, but that in previous drafts were originally going to be sold in the open market to a private developer who would develop, own and manage with the use restrictions of having an incubator. Ms. Johnson asked Ms. Reynolds to discuss why the governmental use/transfer to the City approach would be a better route.

Ms. Reynolds responded that this was an enforceable obligation and that these properties were defined as part of the community facilities. The redevelopment plan envisioned that there would be community facilities that had a public purpose, which was a strong argument to keep them in the City's hands and keep the rents low. She added that having the City enforce that plan would be easier than administering it through a third party. Based on their understanding of what the community and the developer wanted, Ms. Reynolds stated that this was their strongest argument for coming to that conclusion. However, she added, the State could reject that plan and demand some other plan.

Chair Johnson inquired about the disposition of the garage parcel of the Fillmore Heritage Center and whether it was being sold with use restrictions, for example, whether it would have to continue to be attached to the commercial center of the JHC. She inquired as to whether they could change something in the PMP so that when the OCII made the determination that an asset was to be sold, would they then be able to add use restrictions to the sale for the disposition in the PMP.

Ms. Reynolds responded that it was being sold for garage use and that it could be sold separately.

Executive Director Bohee added that the CDBG proceeds from the sale were restricted.

Ms. Reynolds responded that it was important to remember that the State would want to make as much money as possible on the sale and, in this case, the State would not get any money because of the CDBG restriction. However, she stated that in other cases where they had brought properties before the State, the State has focused on, even with restricted revenue, whether they were selling that property for as much money as possible. Ms. Reynolds pointed out that if there were no use restrictions on the property, it would be difficult to apply a new use restriction because the State would look at that as the OCII purposefully trying to reduce the property value.

Chair Johnson stated that the garage parcel would add to the value of the Fillmore Heritage Center itself and so if the garage parcel could be sold to someone who might be building rental or for-sale housing on another lot nearby and they chose to buy that garage, they could then restrict use to their residents only, which would lower the value of the commercial parcel as well. Ms. Johnson wondered if there was a way to enjoin the two in some way that would enhance the value of both.

Ms. Reynolds responded that they were saying generally that they were going to sell the property under the assumption that they would try to get as much money as possible for it. She suggested that an appraisal be done to determine if the value of the garage would be greater if it were restricted to just residents' use or used as a public garage.

Chair Johnson referred to the market values listed in the binder, some of which were based on actual appraisals, some on leaseholds or other methods used. She inquired as to whether the appraisal would be part of the sale process or whether the State needed to have that before.

Ms. Reynolds responded in the negative.

Chair Johnson inquired as to whether there were any methods used for assessing the value of property to be sold that the State might take issue with. She explained that this question came up with respect to using the leasehold value for 345 Williams Avenue in Hunters Point.

Ms. Reynolds responded in the affirmative and replied that they had used the leasehold value in that case because it was an enforceable obligation and the ground lease would be the only revenue generated. She added that this asset could have a completely different value if the ground lease was not included.

Chair Johnson inquired about the air rights parcel for the Jewish Museum and inquired as to whether they thought the State would agree with the method or would decide that it should be the same as the air rights parcel for the Heritage Center where there was a value attached.

Ms. Reynolds responded that if that question arose, they could prove to the State that the development rights were sold and so there would be no potential for building above the Museum.

Chair Johnson suggested a language change to the Resolution stating that the OCII strongly urged the City to take into account community concerns and suggestions for the disposition of the properties.

Commissioner Ellington stated that he did not think this Resolution was the proper place to do that. He thought it would be more suitable to direct staff to come up with an actual process, during the time that the OCII was disposing of these properties, which would include community input sessions and recommendations. In that way, when the properties were disposed of, they could turn over the properties to whatever department the property was being transferred to, along with a checklist of OCII recommendations on how to carry out the purposes of the property.

Executive Director Bohee added that those two sentiments were not mutually exclusive and that they could insert a resolved clause as per the Chair's suggestion and then also direct staff to work out a process with the City to make sure there was community input on concerns, as suggested by Commissioner Ellington.

Vice-Chair Rosales recommended that they do both, as suggested by Executive Director Bohee, and talk generically about community involvement, but specifically mention the Western

Addition, Yerba Buena Gardens and the Hunters Point artists community, as specific examples to be considered.

General Counsel Bryan stated that this could be added as a second Whereas to state, “Be it further resolved that the Commission strongly urges the City and County of San Francisco to take into consideration the concerns and demands of the relevant communities when deciding how to use or develop property transferred to the City and County, including, without limitation, Yerba Buena Gardens, the Fillmore Heritage Center, and Hunters Point Shipyard”.

Commissioner Ellington inquired as to whether that would mean that the OCII would have to supply those recommendations.

Chair Johnson responded that they did not have to answer that question now because some properties would be transferred to agencies that have commissions and authorities while others would just be offices of the City, where a different process would need to be applied.

Vice-Chair Rosales motioned to move Item 5(b) with the added wording and Commissioner Singh seconded that motion with the stipulation.

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

Commissioner Ellington – yes
Commissioner Mondejar – yes
Vice-Chair Rosales – yes
Commissioner Singh – yes
Chair Johnson – yes

ADOPTION: IT WAS VOTED BY 5 COMMISSIONERS AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 53-2013, RECOMMENDING APPROVAL TO THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY’S LONG-RANGE PROPERTY MANAGEMENT PLAN (“PMP”) GOVERNING THE DISPOSITION OF REAL PROPERTY UNDER REDEVELOPMENT DISSOLUTION LAW, BE ADOPTED.

- c) Confirming Housing Assets transferred to the City and County of San Francisco as Housing Successor under California Health & Safety Code Section 34176. (Discussion and Action) (Resolution No. 54-2013)

Presenters: Tiffany Bohee, Executive Director; Sally Oerth, Deputy Director

PUBLIC COMMENT – None.

Chair Johnson inquired about the status of the replacement housing obligation.

Ms. Oerth responded that the replacement housing obligation was an obligation of the successor agency and had not been transferred anywhere. She explained that the OCII had certain properties they were retaining that had been funded with SB2113 funds and that were not yet complete, and the plan would be that as each project was completed, there would be transfer provisions at that point under dissolution law to the City as the housing successor. Ms. Oerth added that there would be future transfers all along and what this action would do was to confirm what had already been

transferred but they would be using SB2113 funding to create the replacement units for the replacement housing obligations.

Chair Johnson inquired as to whether there was any mechanism for those funds to go to the successor housing agency. She inquired as to whether that obligation at any point would transfer to the successor housing agency to be completed, if the obligation remained with the OCII and the OCII did not have the capacity to finish the approximately 5,000 units.

Ms. Oerth responded that they had not gotten to that point yet but had just submitted their request for a Final and Conclusive Determination from the State to establish the obligation with the State as a first step, which was before the State at the moment.

Executive Director Bohee added that as a part of that determination, there would be a statutory obligation that the OCII would have to have a source of funds. She explained that in those redevelopment plan areas where the program was complete, such as Golden Gateway and Rincon Point South Beach, they were able after debt service to use the additional headroom in that tax increment for this purpose, so they had built close to 1,000 units with approximately 6,000 to go. Ms. Bohee added that the determination included not only the obligation but the funding stream as well and, if the City were to accept the obligation, it would have to identify a funding stream. She stated that it would be unwise for the City to accept the obligation without a source of funds to accomplish this.

Chair Johnson asked for an explanation for the separation of the income streams from mixed use properties that were being transferred.

Ms. Oerth responded that dissolution law provided for the ability of the Oversight Board to make a determination that if there was a mixed use asset that included affordable housing and then some other use, and if the Oversight Board believed that it was not a benefit to the community and that it was a benefit to the taxing entity to separate that out in order to keep the revenue from the non-housing use, it could take those actions. In this particular case, with the mixed-use assets, the OCII believed there was a benefit to the community, including the residents of the affordable housing, as well as a benefit to the taxing entity to preserve those affordable housing developments as intact units. Ms. Oerth explained that if an affordable housing building had a retail space which was being leased out, then the revenue from leasing the storefront would be used to offset their affordable housing operating costs and it would be detrimental to the affordable housing to separate that out. For that reason they were making the staff recommendation to the Oversight Board to make findings that it would be a benefit to the community and to the taxing entities to preserve the developments as an integrated development.

Chair Johnson inquired as to whether the Oversight Board would be required to make that determination in total or would have to look at each item.

Ms. Oerth responded that staff would provide the Oversight Board with a list identifying which were the used mixed assets as well as identifying any revenues from those spaces which were being used to offset affordable housing operating costs.

Chair Johnson inquired as to whether there were any mixed used assets where that would not be the case.

Ms. Oerth responded in the negative.

Commissioner Ellington pointed to three different pots of funds: the replacement housing SB 2113 funds, the low and moderate housing funds, and tax increment dollars. He inquired as to which of those funds the OCII would be using to fund other affordable housing obligations that did not fall under SB 2113.

Ms. Oerth responded that the non-replacement housing retained housing obligations would be funded by a combination of balances remaining from the low and moderate income housing fund and from tax increment being requested through the ROPS process based on the obligations from those major improved development project areas. In other words, Mission Bay tax increment would fund the Mission Bay project.

Chair Johnson stated that she assumed this was an ongoing process and this was being submitted with the PMP, but inquired as to whether it could be amended if something were to be left out.

Ms. Oerth responded in the affirmative and added that they hoped that they had caught everything this time but that there would be future transfers for properties as they were completed, so that the list would grow.

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

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

Commissioner Ellington – yes
Commissioner Mondejar – yes
Vice-Chair Rosales – yes
Commissioner Singh – yes
Chair Johnson – yes

ADOPTION: IT WAS VOTED BY 5 COMMISSIONERS AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 54-2013, CONFIRMING HOUSING ASSETS TRANSFERRED TO THE CITY AND COUNTY OF SAN FRANCISCO AS HOUSING SUCCESSOR UNDER CALIFORNIA HEALTH & SAFETY CODE SECTION 34176, BE ADOPTED.

- d) Authorizing, pursuant to the Transbay Implementation Agreement, a Memorandum of Agreement with the San Francisco County Transportation Authority in an amount not to exceed \$2,883,900 for construction of the realignment of the Folsom Street Off-Ramp; Transbay Redevelopment Project Area. (Discussion and Action) (Resolution No. 55-2013)

Presenters: Tiffany Bohee, Executive Director; Mike Grisso, Senior Project Manager, Transbay

PUBLIC COMMENT – None.

Vice-Chair Rosales referred to a statement made by Mr. Grisso regarding the fact that they were trying to have the San Francisco County Transportation Authority (SFCTA) use the OCII's local business program and inquired as to why this would be such a tough sell, given that the authority was the Board of Supervisors.

Mr. Grisso responded that it might not be so tough, but that they had not yet been able to get clearance from the SFCTA. He added that there had been language in the agreement which was

not defined to the SFCTA's satisfaction and staff had only been able to get that definition to them that same day. He stated that it might have already been approved.

Commissioner Ellington stated that he appreciated the fact that they were trying something different in this situation and requested that Commissioners be provided with regular updates on how the process was going.

Chair Johnson inquired as to when the Block 8 RFP would be released.

Mr. Grisso responded that it would be released the following day and that they still had time to make edits if there were any.

Commissioner Singh motioned to move Item 5(d) and Commissioner Ellington seconded that motion.

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

Commissioner Ellington – yes
Commissioner Mondejar – yes
Vice-Chair Rosales – yes
Commissioner Singh – yes
Chair Johnson – yes

ADOPTION: IT WAS VOTED BY 5 COMMISSIONERS AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 55-2013, AUTHORIZING, PURSUANT TO THE TRANSBAY IMPLEMENTATION AGREEMENT, A MEMORANDUM OF AGREEMENT WITH THE SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY IN AN AMOUNT NOT TO EXCEED \$2,883,900 FOR CONSTRUCTION OF THE REALIGNMENT OF THE FOLSOM STREET OFF-RAMP; TRANSBAY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- e) Authorizing a Ground Lease with Carroll Avenue Senior Homes, LP, a California Limited Partnership, for the development of 120 very low-income senior rental housing units plus one manager's unit at 1751 Carroll Avenue (formerly known as 5800 Third Street, Lot 3) (Assessor's Block 5431A, Lot 042). (Discussion and Action) (Resolution No. 56-2013)

Presenters: Tiffany Bohee, Executive Director; Pamela Sims, Project Manager, Mayor's Office of Housing and Community Development; Yusef Freeman, Vice President, Project Management, McCormack Baron Salazar; Kathy Davis, Executive Director, Bayview Hunters Point Multipurpose Services

PUBLIC COMMENT

Speaker: Oscar James, resident, Bayview Hunters Point

Mr. James requested that this project be named after Dr. Davis and to have a picture of Dr. Davis be included at the site so that passersby could come to know how hard he fought to have this dream become a reality. Mr. James thanked Mrs. Davis for all of her hard work in this project. He also commended the fact that the homeless would be a part of this project and he stated that he would be able to participate with other seniors now that he was 67 years old.

Chair Johnson agreed with Mr. James about the naming rights and stated that this would be important to include in a future discussion.

Commissioner Ellington asked for more detail on an item in the memo that stated that there was a December 2013 deadline in order to qualify for the HUD funding.

Ms. Sims responded that the December 2013 had been discussed with the developer and it was decided that this would be impossible to accomplish. Consequently, the developer would be submitting a request to extend the construction start date to March 30, 2014. Ms. Sims deferred to the developer to address that issue.

Mr. Freeman responded that they had been granted an extension by HUD to commence construction at the end of the year. He stated that they would be in discussions with HUD but did not anticipate any issues about extending to the end of March.

Vice-Chair Rosales pointed out that on page 5 of the memo regarding marketing of the units, it stated "as required by the OCII loans" and she inquired about the priority order listed regarding the placement of preference holders with Alice Griffith, Hunters Point, and then the Western Addition.

Ms. Sims responded that Certificate of Preference holders had priority in any of their developments but that, in this case, Alice Griffith was placed above certificate holders.

Executive Director Bohee added that priority numbers 2-6 were actually codified as the required order per Bayview Hunters Point redevelopment plan and this was as per the Bayview community's desire that this be the order.

Commissioner Ellington inquired about having a future discussion about the lottery system because, as they were beginning the transfer of these assets, the system was still inefficient and needed to be addressed.

Ms. Sims responded by deferring to Kathy Davis to discuss outreach activities to certificate holders in the Bayview Hunters Point area.

Ms. Davis stated that her main issue was to prioritize the neighborhood and added that they had other ideas they would like to add that were currently not part of the process. For example, one idea would be to use the entire CNI neighborhood and not just Alice Griffith, which had not yet been accepted. She added that when senior housing was involved, the numbers of African-Americans did not meet the lottery because there are too many other groups involved. Ms. Davis stated that preference holders, as a group, were older and were dying off early, because they had become so frail from living on the streets for so long. She informed that at Armstrong Senior Housing, they had 25 preference holders but 10 had already deceased.

Vice-Chair Rosales stated that this new information was confusing because what they had heard at a previous meeting from a representative from the Mayor's Office of Housing (MOH) was that even in a lottery system, preference holders had priority.

Ms. Davis responded in the affirmative, that preference holders did have priority, but there were not many left to find. She stated that there was groundwork that needed to be done, that preference holders needed to apply, needed to be certified and that many did not even know they were preference holders. She added that it was a fluke sometimes that they were found at all.

Vice-Chair Rosales inquired as to whether that meant that the MOH has not done a good faith, best effort to find the certificate holders because by now that should have been completed.

Ms. Davis responded that the person in the MOH who was currently doing the certification was extremely helpful but stated that the outreach was funded only by community groups like hers. She added that the MOH had made contact with less than 1,000 out of the 30,000 certificate holders who were displaced. She pointed out that extreme effort had to be made to help people remember where they had lived and when they had lived at a certain address because they were very young at the time of displacement. She added that in one case, the property owner got a lawyer and went to the City's Department of Real Estate to prove that his property was indeed valid because it no longer existed and the street was no longer there. However, she added, not everyone would go to those lengths to prove their point.

Chair Johnson inquired as to whether the lottery was codified in the ground lease and whether it included the mechanics of how the lottery would actually work.

Ms. Sims responded that the ground lease did specify that there would be a lottery and that the marketing plan must be reviewed and approved by OCII and MOHCD staff. She added that the marketing plan should specify how the lottery would be run.

Chair Johnson stated that they should check on the marketing plan to make sure that the mechanics of the lottery were included in it.

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

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

Commissioner Ellington – yes
Commissioner Mondejar – yes
Vice-Chair Rosales – yes
Commissioner Singh – yes
Chair Johnson – yes

ADOPTION: IT WAS VOTED BY 5 COMMISSIONERS AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 56-2013, AUTHORIZING A GROUND LEASE WITH CARROLL AVENUE SENIOR HOMES, LP, A CALIFORNIA LIMITED PARTNERSHIP, FOR THE DEVELOPMENT OF 120 VERY LOW-INCOME SENIOR RENTAL HOUSING UNITS PLUS ONE MANAGER'S UNIT AT 1751 CARROLL AVENUE (FORMERLY KNOWN AS 5800 THIRD STREET, LOT 3) (ASSESSOR'S BLOCK 5431A, LOT 042), BE ADOPTED.

6. Public Comment on Non-agenda Items

Speaker: Oscar James

Mr. James commended Commissioners on their hard work. He very generously invited everyone to his church for a free Thanksgiving dinner.

7. Report of the Chair - None.

8. Report of the Executive Director

- a) Status of DOF Review of the Recognized Obligation Payment Schedule for January 1, 2014 to June 30, 2014 (ROPS 13-14B).

Executive Director Bohee pointed out that the State Department of Finance (DOF) had given them the Meet and Confer dates for items of dispute for ROPS 13-14B. She stated that there were two issues in dispute out of all the obligations pending and referred to a copy of the letter from the DOF included in Commissioners' packets. One item of dispute was related to the outstanding loan for Hunters View and the State declared that they would not approve the full amount so they were cutting \$3 million. Ms. Bohee explained that the OCII had not expended any funds during the A period (June – December) and had indicated the funds that would be needed on the January ROPS (January-June) The total amount for the Hunters View loan for all phases was \$31 million and they were expecting to spend the balance of that within the B period, which would be well within their ROPS authority. Ms. Bohee continued that the second item of dispute was that the State had denied a request for \$1 million in property tax for 200 Sixth Street, the former Hugo Hotel, because OCII did not have a contract in place. Ms. Bohee explained that the OCII was using SB 2113 funds for the approximately 60 family units that would be produced along Sixth Street for the Mercy development currently underway. However, Ms. Bohee added that state dissolution law recognized other obligations of state law and the OCII would be entitled, just like in Hunters Point, Transbay and Mission Bay, to enter into contracts to implement those obligations. She added that they should receive final determination from the State in mid-December, which would be two weeks prior to the actual property tax distribution in January.

9. Commissioners' Questions and Matters

Commissioner Singh thanked Mr. James for his offer and invitation on Thanksgiving. Mr. Singh also inquired as to how long Natasha had been working with the Commission and what the process was for secretary appointments.

Executive Director Bohee responded that under the by-laws, the Commission could make staff appointments.

Commissioner Mondejar expressed condolences to the people of the Philippines in the aftermath of the recent typhoon and hoped the Commission could help in some way.

10. Closed Session – None.

11. Adjournment

Commissioner Singh adjourned the meeting in the memory and in honor of the victims in the Philippines. The meeting was adjourned by Chair Johnson at 4:13 p.m.

Respectfully submitted,

Natasha Jones

Natasha Jones
Interim Commission Secretary

ADOPTED: