

**MINUTES OF A REGULAR MEETING OF THE
COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE
OF THE CITY AND COUNTY OF SAN FRANCISCO HELD ON THE
4TH DAY OF FEBRUARY 2014**

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 4th day of February 2014, at the place and date duly established for holding of such a meeting.

REGULAR MEETING AGENDA

1. Recognition of a Quorum

Meeting was called to order at 1:15 p.m. Roll call was taken.

Commissioner Ellington – absent
Commissioner Mondejar – present
Vice-Chair Rosales – present
Commissioner Singh – present
Chair Johnson – present

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

2. Announcements

A. The next regularly scheduled Commission meeting will be held on Tuesday, February 18, 2014 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.

Chair Johnson announced that at the previous Closed Session meeting the issue of the Commission appointing a General Counsel was discussed. The Commission decided to appoint Mr. Jim Morales as interim General Counsel and has given the Executive Director direction to begin a permanent planning process for recruiting a permanent General Counsel.

4. Matters of Unfinished Business – None.

5. Matters of New Business:

CONSENT AGENDA

- a) Approval of Minutes: Special Meeting of January 7, 2014

PUBLIC COMMENT

Speakers: Ace Washington, Western Addition resident

Vice-Chair Rosales had a comment about the January 7 minutes on page 12, second to the last paragraph, where Mr. Bridges was responding to a question raised by Ms. Rosales, and asked for clarification on a number cited there.

Executive Director Bohee responded that this may have been a typographical error and that they would verify the exact dollar amount.

Vice-Chair Rosales motioned to move Items 5(a) and Commissioner Mondejar seconded that motion.

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

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

ADOPTION: IT WAS VOTED BY 3 COMMISSIONERS WITH ONE ABSENCE AND ONE ABSTENTION THAT APPROVAL OF THE MINUTES OF THE SPECIAL MEETING OF JANUARY 7, 2014, BE ADOPTED.

REGULAR AGENDA

- b) Workshop on a Memorandum of Understanding with the Mayor's Office of Housing and Community Development for the implementation of the Retained Housing Obligations. (Discussion)

Presenters: Tiffany Bohee, Executive Director; Sally Oerth, Deputy Director; Teresa Yanga, Director, Mayor's Office of Housing and Community Development (MOHCD); Benjamin McCloskey, Chief Financial Officer, MOHCD; Maria Benjamin, Director, Home Ownership & Below Market Rate Homes Program, MOHCD

PUBLIC COMMENT

Speakers: Ace Washington, Western Addition resident; Oscar James, Bayview Hunters Point resident

Mr. Washington spoke about housing and the impact of redevelopment on African-Americans in the City.

Mr. James asked that the Certificate of Preference program be extended to the grandchildren of the original holders. He stated that the former Redevelopment Agency was working on that

before it was dissolved and he asked that the Successor Agency continue working on it. He said he was trying to go to the Oversight Board meetings but they have been cancelled frequently. Mr. James thought they were being cancelled because Board members do not want to hear from the community. He stated that he knew many Certificate holders who had moved out of the City but who had grandchildren who deserved to receive the certificates.

Chair Johnson requested that the discussion be limited to the MOU itself before they approach other programs being managed by MOHCD that used to be managed by the Redevelopment Agency such as marketing, affordable housing, and Certificate of Preference program.

Commissioner Singh inquired as to whether the Certificate of Preference program was going to be closed and if so, why.

Ms. Oerth responded that she did not have the exact information on the Certificate of Preference program. She stated that she believed the program would expire in 2016.

Executive Director Bohee responded that changes to the Certificate of Preference program approved by the Commission in 2008-9 made it easier for people to qualify and provided for a period of time during which the program would be honored. She stated that there was an end date to the program but that it included a built-in extension.

Commissioner Singh inquired as to whether it would be possible to extend the program even further.

Executive Director Bohee responded that the authority of the Commission was limited in that regard because of dissolution which existed at the time of the former Redevelopment Agency.

Chair Johnson added that she would prefer to have the appropriate staff available when discussing the Certificate of Preference program because of the fact that the 2016 date was already an extension. She stated that she did not want to speculate about what the OCII could or could not do about the Certificate of Preference program, and specifically regarding the fact that the Certificate of Preference program was referenced as an enforceable obligation, but wanted to get the correct information to be able to offer an additional extension.

Vice-Chair Rosales asked for clarification about the duration of the MOU; inquired as to whether it was for one fiscal year and inquired about the \$500,000 budget.

Ms. Oerth responded that the MOU would continue until the parties decided to terminate it. She responded that the \$500,000 was an annual amount that would be incorporated in the budget approvals.

Vice-Chair Rosales clarified that the MOU was continuous but that the funding was for one fiscal year.

Ms. Oerth responded that they would seek to approve the funding through each budget approval.

Vice-Chair Rosales then clarified that if the budget was not approved for the next fiscal year, then the MOU itself would have not funding.

Ms. Oerth concurred with that conclusion.

Vice-Chair Rosales asked for clarification about the construction managers on staff. She inquired as to whether there was sufficient personnel to handle all of the construction management duties; inquired as to whether there would ever be a scenario where they would contract out for that service; if so, would that be a procurement process that would be subject to the City's local business ordinance and if they were to go outside to hire contractors, would it be the City's procurement process that would apply, rather than that under the MOU.

Ms. Oerth responded that there were two construction managers on staff in the MOHCD.

Ms. Yanga responded that they currently had two construction managers and were in the process of hiring a third manager so that they could deal with additional capacity. She responded that there could possibly be a situation where they would contract out for that service but it would depend on what the project pipeline looked like and the other projects that the construction managers were already working on. Ms. Yanga responded that typically if they were to hire, they would have to seek construction management services through someone like DPW before procuring for outside contractors because of union challenges. She was not sure how to answer Ms. Rosales' question about the procurement process but thought it would come under the OCII's policies.

Executive Director Bohee added that they would have to look at that matter further if that situation came up.

Vice-Chair Rosales inquired about MOHCD's marketing personnel; inquired about whether there would ever be a scenario where they might contract out.

Ms. Benjamin responded that they had five employees working with the lotteries and marketing of all of the inclusionary and BMR (Below Market Rate) units. She explained that primarily the developer would play a major role in the marketing of their units and the MOHCD would manage the marketing plans that they would develop. Ms. Benjamin responded in the negative to the contract out question.

Commissioner Mondejar pointed out that on page 9 of the MOU, number 5, under the Certificate of Preference program, it did not say anything about expiration.

Chair Johnson responded that the program documents themselves state the expiration date.

Commissioner Mondejar inquired about whether they should include the Certificate of Preference program expiration date in the MOU because the MOU was continuous and if the Certificate of Preference program was to expire, that fact should be included in the MOU so that everyone was aware of it. She stated that if this topic was not open for discussion, it should be scheduled as an agenda item for another meeting.

Chair Johnson agreed that the Certificate of Preference program was referenced within the MOU but replied that it would not make sense to include a statement about its expiration because the MOU just made note that the Certificate of Preference program was being transferred to the City.

Commissioner Mondejar reasoned that if the OCII was being charged for implementing the Certificate of Preference program and that program was ending, there should at least be a reference to that within the MOU.

Ms. Oerth responded that this MOU section referenced the program documents from 2008, which included a description of the potential extension and the expiration and the intent was to designate what the controlling program documents were and what MOHCD activities would be under those program documents. She added that all enforceable obligations had expiration dates but they did not incorporate the details of every enforceable obligation referenced within the MOU.

Executive Director Bohee responded that they could attach the underwriting policies and other documents, such as the Certificate of Preference program and related Commission resolution as exhibits to the MOU.

Commissioner Mondejar inquired about whether the \$500,000 - \$600,000 budget included the MOHCD's expenses; inquired about whether the OCII staff was separate and whether there was a cost estimate for this; inquired as to what the all-in cost would be for OCII staff to work with the MOHCD.

Ms. Oerth responded in the affirmative, adding that this was the amount that the OCII would include in their budget to pay them over the course of the fiscal year. Ms. Oerth responded that the OCII staff was separate. She responded that they had not completed the full analysis yet but the budget presentations would clarify all of this and then staffing areas could be broken out separately. Ms. Oerth stated that they could quantify their own staffing costs on working on housing projects, but that the MOU payment would be the payment to MOHCD for their services in assisting OCII staff with their obligations.

Chair Johnson stated that the Certificate of Preference program would come back before the OCII but that they needed more data on the program's current status and on the process for how to amend or change it.

Commissioner Mondejar concluded that the Certificate of Preference program was a very sensitive issue and the more answers and information available would be extremely helpful.

Vice-Chair Rosales asked for clarification in her understanding that the OCII staff would have no marketing responsibilities for the housing.

Ms. Oerth responded that OCII staff would help review the drafted marketing plan and would be coordinating and communicating with MOHCD, but that Ms. Benjamin's group would be responsible for delivering and monitoring of the actual marketing plan as well as confirming that the developer had complied with the plan, had done the outreach, and had conducted the process in accordance with the policies in place.

Vice-Chair Rosales stated that one of her concerns based on her own information and experience with regard to the targeted population was lack of information, not understanding what the opportunities might be, not knowing how the lottery worked, or participating in it and not getting in, complaints from Certificate of Preference holders that their certificates were meaningless, lack of training or understanding on the part of the managers. Her concern was in not knowing how this would all work and whether it would be applied fairly across all targeted populations. Ms. Rosales explained that she had heard from advocates in the Mission District that the at-risk Latino population in need of affordable housing had no access to the programs. She repeated her request for demographic information on the "housed" demographics and the groups that they would be targeting for affordable housing and stated that she felt very uncomfortable approving an MOU with the MOHCD without having all those details.

Ms. Oerth apologized for neglecting to mention that Ms. Benjamin's group was putting together a report on 2013 marketing outcomes which would be presented to the Commission later. She added that the actual project documents, like the loan document and the ground lease, would outline the specific marketing requirements for the project that MOHCD staff would help to implement, such as preferences, outreach and additional specificity needed.

Vice-Chair Rosales inquired as to whether there was a way to receive a report on the path of the successes, the demographics, the marketing efforts in the past, how they have produced, etc.

Ms. Benjamin responded that those numbers were available in a report form and she acknowledged a need for improvement in the outreach process with community groups in the areas where the properties were being developed. Ms. Benjamin stated that they were working with MEDA and with SFHDC, groups that had actually incorporated helping folks get into the rental market. She explained that their focus in the past had been in home ownership by offering home ownership workshops and counselling and added that this was the same information needed by people trying to get into a rental unit. Ms. Benjamin acknowledged that she had heard of problems of people getting into the lottery, having their number pulled and then not succeeding because they didn't have sufficient credit or enough savings or there was some other issue preventing them from being successful. As a result, she indicated that they were working with community partners to be able to provide those resources to folks before they get into the lottery to help ensure success in their effort. She stated that the only reason that someone with a Certificate of Preference would not get into the desired home would be one of those barriers and acknowledged that they needed to work with those candidates to break down those barriers so they could ultimately be successful. Ms. Benjamin announced that they were working on a portal which would offer a one-stop shop where candidates could find out about all the affordable housing opportunities in the City as well as working on simplifying the application process for the lotteries.

Vice-Chair Rosales also suggested some kind of a pre-qualification process. She expressed amazement about the fact that candidates were still being impeded in their efforts to obtain affordable housing considering how long the Certificate of Preference program and the Redevelopment Agency had been in existence and now they were talking about extending the program to grandchildren. Ms. Rosales emphasized the need to do better because it was disheartening to hear people state that they had been coming most of their adult lives to these meetings and were still encountering problems with these programs.

Chair Johnson commented that in the time she had spent in Hunters Point, she noted that many of the Certificate of Preference holders were focused on the opportunities that were supposed to be coming up in Hunters Point and other areas but then no construction was taking place. She added that now that there has been some housing construction, people would have choices about where they wanted to live.

Vice-Chair Rosales added, however, that they had to qualify to get in, which meant that the building could actually be there, but if they didn't qualify to get into it, it wouldn't matter.

Chair Johnson responded that the community partners mentioned were also working on financial assistance and education in that regard as a step to success.

Commissioner Mondejar inquired as to whether the projects mentioned by Ms. Benjamin, such as the portal and the technology, etc. would be coming out of the \$500-\$600,000 budget, because if not, she stated that they should add it.

Mr. McCloskey responded that they were currently within the \$500,000 projection and were not planning on charging the OCII anything for those aforementioned projects.

Commissioner Mondejar replied that it would be a great benefit to the OCII as long as it actually got done because they had been talking about this for many years.

Chair Johnson requested to see some type of annual report form which would alleviate her concern that this was too open-ended as far as what they were going to get in terms of data on success of the programs. She explained that it could be either a report that represented what would be produced or an outline that could be added to the MOU itself of the terms and data.

Ms. Oerth responded that they did not have a current form yet but could draft one and bring it before the Commission. She stated that they did have the information that was submitted to the State prior to dissolution although it was voluminous with a lot of extraneous information not relevant to the discussion.

- c) Workshop on Fiscal Year 2013-14 Staffing and Administrative Operating Budget Six-Month Status Report. (Discussion)

Presenters: Tiffany Bohee, Executive Director; Leo Levenson, Deputy Director, Finance & Administration

PUBLIC COMMENT

Speakers: Ace Washington, Western Addition resident

Mr. Washington gave his opinion about what the OCII had completed in the past six months and spoke about community reform within the poor sections of the City.

Chair Johnson inquired about what time period the six-month projection covered.

Mr. Levenson responded that it was through the rest of the year based on six months of data.

- d) Workshop on the Recognized Obligation Payment Schedule for July 1, 2014 to December 31, 2014 (ROPS 14-15A). (Discussion)

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

PUBLIC COMMENT

Speakers: Ace Washington, Western Addition resident

Mr. Washington stated that he was very unhappy about the lack of activity by the OCII in the Western Addition and spoke about community reform.

Chair Johnson stated that she had alerted the Executive Director of typographical errors in some of the line items numbers. She inquired about why there was nothing listed under the total outstanding debt obligations for Replacement Housing Obligations in the SB 2113, lines 185-187.

Ms. Oerth responded that the numbers did not carry over from the last template and the number just needed to be filled back in.

- e) Workshop on the proposed Moscone Convention Center expansion project and its impact on Successor-Agency owned property in Yerba Buena Gardens. (Discussion)

Presenters: Tiffany Bohee, Executive Director; Denise Zermani, Development Specialist; Adam Van de Water, Project Manager, Office of Economic and Workforce Development, City and County of San Francisco; Mark Schwettmann, Architect, Skidmore, Owings, & Merrill LLP

PUBLIC COMMENT

Speakers: Helen Sause, Yerba Buena Gardens; Andrew Robinson, Director, Neighborhood Partnerships for the Yerba Buena Community Benefit District; John Elberling, President, TODCO Group and Chairman, Yerba Buena Consortium; Alice Light, Community Planning Manager, TODCO Group; Sonja Kos, Community Advocate, TODCO Group; Virginia Grandi, Yerba Buena Alliance; Jim Lazarus, San Francisco Chamber of Commerce; Ace Washington, Western Addition resident; Michael Nobleza, Children's Creativity Museum (CCM); Steve Lutge, Business Agent for the Theatrical Stage Employees Local 16; Linda Lucero, Executive Director, Yerba Buena Gardens Festival; Bill Carney, former Senior Project Manager for Yerba Buena Center and Board member, Yerba Buena Arts and Events; Yat Ping Tong, South of Market Child Care; Owen Murphy, Local 510 Sign Display and Allied Crafts; Oscar James, Bayview Hunters Point resident;

Ms. Sause spoke about the history of Moscone Center. She recalled the wars over Yerba Buena and its construction where the City had an approved plan and had worked out with the federal government to build an above ground convention center with 4,000 car silos that would have accommodated another 9 million sq. feet of office space as well the above ground convention center. After 10 years of lawsuits to stop the plan, George Moscone put together a group of people who listened to residents in the City about their dreams of what this area might be that would create a special place for people, families and children in the center of the City. After extensive planning, the Gardens were created, the main component of which was that no one use would dominate and that the convention center could proceed as long as it was underground. Ms. Sause commented that the Moscone team and Mr. Van de Water had worked hard to help make these intrusions acceptable by doing other things. She asked the OCII to please consider the original design and purposes of the Garden and to consider the Yerba Buena community's statement, which was the users' position regarding the expansion of the Center, that finds that the above ground uses are unacceptable.

Mr. Robinson spoke in support of the project overall and, in particular, about the public realm benefits. He stated that the context in which this expansion would take place was very different than that in which it was created and had expanded in the past. He spoke about the benefits of some of the new expansion ideas: the Howard Street block could become a civic stage with better pedestrian access to the Children's Gardens, potentially through a bridge; that the paseo would break down the block on Third Street between Folsom and Howard, which responded to feedback they had heard that the blocks were too long, uninterrupted, and did not offer any opportunities for respite or social interaction. Mr. Robinson added that they wanted the benefit of this project to be that not only Moscone succeeds, but that the neighborhood succeeded as well and that there would be no one dominating use of the area. He stated that if security issues could be addressed, his organization would endorse the building of the paseo and that the bridge really opened up

visibility to the Children's Creativity Museum and could give it better vantage and they would support that as well.

Mr. Elberling was not in favor of this expansion. He explained that TODCO was one of the community organizations involved in the original Moscone select committee that adopted the vision of the Gardens above ground and Convention Center below. He stated that the Consortium had been involved in all the Moscone projects since 1980 and that this fourth and unexpected expansion of the Center impinged on the Yerba Buena Gardens more than any of the other expansions. Mr. Elberling stated that this expansion would result in a net loss of useable open space in the Children's playground of 4,500 sq. feet and indicated that this was unacceptable to the community. He hoped that the OCII would join him and his organization to make clear to the Moscone expansion team that there could be no net loss of the useable open space on the Children's block as a result of the project. Mr. Elberling pointed out that the original expansion project proposed in October 2012 and April 2013 was smaller than the one presented at this meeting. He explained that what had changed in October 2013 was the addition of a second story of meeting rooms on top of the new south lobby structure. Mr. Elberling indicated that adding a second level would make it a much taller building and much more massive, rising 82 feet above the Gardens. He stated that this would ruin the openness of the Children's playground area. Mr. Elberling offered an alternative, which would be to return to the one story plan and added that the Moscone team could add the extra meeting rooms on top of their other building at Third and Howard Streets. He urged the OCII to oppose the taller structure now being planned.

Ms. Light demonstrated the loss of useable open space under the proposed expansion. The large 6,000 sq. foot loss, currently composed of the Tree Allee, the Sun Dial Garden and the Children's Learning Garden, would be removed in the expansion plan to allow for the fire exit of the expansion buildings, also called the Paseo. There would be an additional 1,000 sq. feet loss in the area adjacent to the Children's carousel, currently comprised of benches and tables for parents and caregivers to use while their children were on the carousel. Ms. Light felt that this could not be an accepted loss of the Gardens open space. She pointed out that another plan to add 2,500 sq. feet adjacent to Howard Street at the street level could not be seen as a replacement for the Children's Garden because it would be at street level and clearly meant to be used for convention use only. Ms. Light added that the current expansion would create shadows on the children's playground in the late afternoon.

Ms. Kos stated that public outreach on the part of the project sponsor had been extremely limited. She demonstrated to the Commissioners the difference in the plans presented to the community between April and October 2013 and stated that many parts of the plan were simply unacceptable. She requested more public meetings and hearings, more community input and that there be more outreach done by the project sponsor because this project would greatly affect the entire City.

Ms. Grandi explained that the Yerba Buena Alliance was a 23-year old organization working closely with the Yerba Buena Gardens stakeholders. She explained that her handout was a draft community statement which she felt articulated the feelings of the stakeholders and pointed out some highlights: 1) that the primary priority of the Gardens stakeholders was that no single use would dominate the Yerba Buena neighborhood; 2) the Alliance was in support of the underground convention space beneath Howard Street as it would satisfy the original intention for a below ground convention center; 3) the Alliance would accept the expansion of the north and south lobbies to Howard Street so long as the access to the openness of the Gardens were not impaired; 4) the Alliance would be in favor of the bridges as long as they increased circulation and enhanced the public realm for circulation around the Yerba Buena Gardens and not serve as more of a primary use for conventioners; 5) the Alliance would like to see visibility enhanced

for all existing businesses and non-profits; however, they felt that the current proposal had the potential to impair visibility and have negative impact on operations; 6) the Alliance felt that any above ground development of the Convention Center on the Children's Garden block should be limited to the corner site of Third and Howard and/or above the existing Esplanade Ballroom; 7) the Alliance was in favor of expansion of the Third Street Moscone site garage and 5th & Mission garage, as long as its environmental impact on the Gardens was minimal; 8) the Alliance believed that the proposal to build additional convention space and taller structures on top of the north and south lobbies would create permanent and significant impacts on the Gardens. Ms. Grandi added that the Alliance advocated for enhanced public grounds with activation and pedestrian amenities on Howard Street, desirable improvements to the Children's Garden and that the expansion must not impair the security of the Garden or the children's facilities. She stated that all construction must be done in a seamless manner, must not interrupt any cultural events and performances and must not cause any loss of business or revenue for the Gardens.

Mr. Lazarus spoke in favor of the expansion. He stated that he had served on an advisory group that had been formed several months earlier to work through issues around the expansion. He explained how critical the visitor industry was to the economic growth of San Francisco and that this was a changing environment because the market demands that the space at that site was needed to meet the convention requirements of an expanding convention and visitor business. Mr. Lazarus reminded the Commission that the decision had been made long ago to build a multi-purpose facility in a setting that was available to numerous uses within the City. The Chamber believed that the designs presented at this meeting properly balanced the needs of the neighborhood and visitor industry, of conventioners and businesses in the Moscone and Yerba Buena Garden area. Mr. Lazarus urged the OCII to work closely with the architects and departments involved to see a successful conclusion in moving this project forward as quickly as possible.

Mr. Washington spoke about community reform and the history of expansion and development in the City.

Mr. Nobleza reminded Commissioners that the Yerba Buena Gardens were designed and created as a unique integrated public space that had succeeded because all stakeholders including the Convention Center had operated in a synergistic fashion with the Gardens. He stated that the Museum recognized that the Moscone Center provided tremendous economic and other benefits to the City as well as to the Yerba Buena neighborhood, in particular, and wanted to underscore the fact that the Gardens were also valuable to conventioners, and stood as an amenity that the Center has a responsibility in helping to preserve. Mr. Nobleza asked the OCII to ensure that the proper balance of diversity uses would be maintained. He was in support of efforts to keep most of the construction underground. Mr. Nobleza indicated that there would most likely be a loss of business to the CCM in particular from visitors not feeling comfortable bringing their children to an area that was next to an active construction site with all the potential dangers that might be presented. He encouraged expansion that would strive to make improvements to the Children's Block and Garden to ensure the safety and security of the children, including the preservation of the Gardens' design and integrity. Mr. Nobleza indicated that above ground construction should increase visibility and recognition of the child-serving facilities of the area and ensure that their emergency exits and access were not compromised.

Mr. Lutge expressed support for the Moscone expansion. He pointed out that this project would allow the City to continue to attract high level conventions and maintain current events that have grown exponentially. Without the expansion, Mr. Lutge explained, the City would risk losing high profile conventions to other cities in California and the U.S. He stated that this expansion

would further enhance Local 16's ability to service this world class designation with the most highly skilled and best technicians in the industry. Mr. Lutge felt that the expansion was essential to maintaining good wages and benefits for not only the members of Local 16, but also for other Moscone Center employees as well as other businesses that supported the industry.

Ms. Lucero stated that her organization was a part of the Yerba Buena Alliance, that they supported the expansion and said it would be good for Yerba Buena and great for the City. Ms. Lucero stated that high quality art should be unconditionally available to everyone. She requested that the expansion project design respect the integrity and beauty of the Gardens, not take away any of the green space or make it less accessible or less desirable for all intended uses. She felt confident that with some creativity thinking, the expansion goals could be reached while maintaining the uniqueness of the urban public park. Ms. Lucero expressed concern about the Paseo, which she explained was really a fire exit located in the Children's Garden and urged the audience to go to the Children's Garden and see what would happen to that space with the expansion. Ms. Lucero reminded Commissioners that the Yerba Buena project was recognized internationally as a model of city planning and urged the OCII to preserve this successful urban environment where art and people were able to thrive.

Mr. Carney stated that in its current form, the expansion was a breach of the public trust established over decades of public process and investment. He stated that at the heart of the matter was the agreement forged by Mayor Moscone himself that the Convention Center would be an underground facility that would not compromise the above ground gardens and cultural areas. Mr. Carney explained that the scale of the proposed building would violate that commitment and overwhelm the Children's Garden. Mr. Carney suggested the following: that the proposed building be lowered by eliminating the two meeting room floors and shifting that program to Third Street; that the Convention Center exiting be internalized through the building instead of encroaching on the Children's Garden and breaching its security with a shady and inherently insecure paseo; keeping the existing west bridge in place and intact because the design and placement of this bridge formed a key to the design integrity of the Gardens by establishing the geometry of the Gardens on both sides of Howard Street. Mr. Carney added that by angling away from the Center and directly to the Children's Creativity Museum, the existing bridge has kept the Gardens clearly in the public realm rather than subordinating the public to the overpowering and windy presence of the new Convention Center expansion. He felt that the proposed new bridge would serve no purpose to the Convention Center itself and would abandon the entire upper level pathway system on the Children's Block which had been carefully worked out on the principle that paths should be shared, not segregated out. Also, Mr. Carney noted that the proposed bridge would leave a wider shadow on the street level. He stated that it would be a waste of public funds. Mr. Carney asked the OCII to please not let the integrity of the Gardens be destroyed by this expansion project.

Mr. Tong stated that the Garden was mostly used by children and their greatest concern with the expansion was that security of the Garden could be breached. He explained that construction of the Paseo would allow many people to pass through that area who were not parents and this raised issues of safety and security for the children.

Mr. Murphy stated that his union had been in existence for 100 years, starting out at Brooks Hall. He explained that Local 510 consisted of almost 800 journeymen and women who worked underground to produce the trade shows and conventions that were so essential to the City. He recalled that the area was a parking lot before the expansion of the North Hall of Moscone and he reminded the audience that it was because of the Convention Center that the Gardens and cultural centers existed today. He urged the OCII to support the Moscone expansion because San

Francisco was not the only city in the world expanding their convention center and without the expansion, the City would stand to lose shows which were too large for the existing Center, especially in the pharmaceutical, medical and high tech industries, He said those industry conventions were going to cities like San Diego and Las Vegas which could accommodate them.

Chair Johnson stated that she appreciated all the public comment. She recalled that the last time she had seen a presentation on the expansion, the bridge was a separated bridge and partly enclosed, and felt that the new version was an improvement. Ms. Johnson stated that having agency staff be more involved in the planning process would be very helpful, particularly with respect to the EIR and the physical design. She added that workshops and public comment were helpful and significant to reflect in the documents. Ms. Johnson commended the community groups who had stepped in to work with the City on this process but stated that this needed to be more formalized.

Vice-Chair Rosales recalled that during the last expansion presentation there was concern about having stakeholder and community involvement and interaction. She stated that it seemed like this was happening but not to the extent needed. She remembered the open space, the Children's playground and the Yerba Buena Gardens as being center and key to the discussions and felt that open space was critical, especially when surrounded by more and more concrete in the future. Ms. Rosales requested more discussion about mitigating impacts on the open space.

Mr. Van de Water responded that they had numerous meetings on this topic with the Garden users, managers, adjacent business owners and neighborhood residents. He explained that there was a difference of opinion in that there were those who wanted to break up the midblock passage and have the paseo access the children's facilities from other than the northwest corner, and then there were those who wanted to safeguard the protected nature of the children's facilities and have only limited access to them. Mr. Van de Water believed that they could accomplish both by working with the architects and landscape experts to allow a throughput with oversight via grade changes and hedging, fencing and gating that would allow permeability to pedestrians, as well as an emergency exit from the north ballroom, and provide a sense of security to users of the Gardens. He explained that the square footage comes down to how it was counted; the presentation from TODCO assumed useable green space but did not include useable plaza space or ADA paths of travel or the paseo. Mr. Van de Water stated that overall, the actual net public space would increase and the net public green space would be similar or decrease slightly. He indicated that they had presented a series of choices to the community, one of which was that at the end of construction, they would restore the Children's Gardens on CB3 exactly as they were originally (meaning with the Learning Garden tucked out of sight in a shadowed neglected corner with the Sun Dial Garden next to it) and paving over part of the Paseo to serve as a dark emergency exit without circulation benefit. However, he added, their proposal, which he thought was superior, would be to allow the Paseo and the midblock crossing, move the Learning Garden out of its shadowed corner and into the light with more visibility and to create a new multi-purpose lawn space, which would connect to a public seating area, where parents could have a greater overview of all the children's play areas. Mr. Van de Water stated that the notice of preparation had been issued on the EIR but that these sorts of details had not yet been worked out. He indicated that they had just met as a strategic advisory group the week prior and were planning a broader community meeting in the coming weeks.

Ms. Sause added that over the years they had always been able to work through a compromise with the Moscone Center. She acknowledged that the Center was extremely important to the City; however, she believed that the promises made to the community of having Yerba Buena as a respite from the concrete and traffic was equally important. She explained that most of the

community meetings had involved trading accommodations between the construction and the Gardens. Ms. Sause reminded Commissioners that the expansion would totally change the area and have a detrimental effect on the Gardens, which were highly valued by the residents of the City.

Chair Johnson restated that having Agency staff and representation in the negotiation and design process would assist with that. She added that having community meetings with the developers was not the same thing as having a Commission that could officially sanction methods and approve, veto, or give official advice on these projects. Ms. Johnson reminded the audience that having OCII participation in all discussions would help get some resolution and compromise on many of these issues.

6. Public Comment on Non-agenda Items

Speaker: Oscar James, Bayview Hunters Point (BVHP) resident; Ace Washington, Western Addition resident

Mr. James thanked the Commission for coming to the BVHP for their last meeting and stated that the community was very pleased by it. He expressed concern about all the people relocated by the initial construction of the Moscone Center as well as the Marriott Hotel, including Filipinos, Mexican Americans, and African Americans, and asked the OCII to look into whether all those people had received Certificates of Preference, as they should have.

Mr. Washington noted how many times the Oversight Board had cancelled their meetings in recent months. He inquired as to when the OCII and the Oversight Board might come to the Western Addition to hold their meetings. He also requested that his group be able to present a workshop on the Fillmore for the OCII.

7. Report of the Chair

Ms. Johnson had no report.

8. Report of the Executive Director

Executive Director Bohee announced that in the Commissioners packets there was a report from PFM, the Yerba Buena Gardens consultant, regarding the transition of assets to the City, including a recommendation for Model 2, which was a form of public ownership similar to Pikes Place. She stated that additional meetings on that topic could be scheduled. Ms. Bohee explained that the Yerba Buena stakeholders had been meeting monthly since the adoption of the PMP to continue the dialogue and conversation. She added that OCII staff along with City staff through the City Administrator's Office and the Department of Real Estate would be the umbrella arm to convene all the various City departments involved in that process. Ms. Bohee verified that OCII staff would continue to participate and the last meeting had taken place the previous week regarding the potential ownership models. The next stage, she added, pending Department of Finance (DOF) review on the entirety of their property management plan, would be for the City to take the data and research that had been provided and go into implementation mode with the recommendations of OCII staff and consultants as well as community input.

Ms.Bohee stated that they had received feedback from the State Department of Finance (DOF) related to a very narrow portion of the housing obligation, which was that the State denied the \$1 million of funding for 200 Sixth Street, the former Hugo Hotel, on the basis that there was no

contract in place. She stated that there had been ongoing meetings and discussions with DOF because they had a global pending final and conclusive recommendation and the total outstanding debt on their ROPS was really about \$2 billion. Ms. Bohee announced that recently the State had denied a final and conclusive just for 200 Sixth Street for \$1 million. The OCII had requested a determination on several billion dollars; however, the State chose not to address that. She explained that the State has held firm that broad CRL obligations did not exist and the OCII had distinguished that this was not a broad housing obligation, but rather a specific obligation to remedy for specific harm as certified by the State.

9. Commissioners' Questions and Matters

Chair Johnson inquired as to what the timeline was on the Moscone project.

Vice-Chair Rosales inquired as to the extent and authority of the OCII Commission to impact the design and implementation of the project; inquired as to what the narrow and broad jurisdiction would be to impact any of the concerns raised by members of the public.

Executive Director Bohee responded to both questions: it was expected that the Moscone team would publish the EIR in April 2014 with certification to come in July and, as Ms. Zermani had pointed out during her presentation, the OCII had issued lease revenue bonds to build Moscone North, which was actually leased to the City for its operations. Thus, the bonds were an OCII obligation but the source of revenue was the Moscone receipts. She added that by July 2014 it was expected that the bonds on Moscone North would be paid off but because of the initial financing, there were \$2 million more in payments due for a few more years. So the City would own Moscone North and the areas north of Howard Street if the bonds were paid off and if that payment was made. In that case, Moscone North would become a City facility. Therefore, OCII input on the expansion, or what was not yet considered to be a City facility, would include the café spaces or the area beyond Moscone North. There were various agreements needed depending on the construction timeline and they were expecting the necessary approvals for OCII property, owned or leased, during the winter of 2014. Ms. Bohee added that construction would be starting quickly after securing all the approvals, including those of the OCII. Completion was expected in the summer of 2018.

Mr. Van de Water added that they were aiming for a dark period when there would be no ongoing conventions over the holiday period at the end of 2014 to begin the first phase of work under Howard Street and start excavating that space. He explained that one of the challenges they were facing was how to do the construction while keeping the Center in continuous revenue-generating operation. As a result, he added, what could have been an all-in one or two year project had now been extended to a four year intermittent project that would extend until the summer of 2018. He stated that they would pay off the bonds for the project lease in July. The outstanding question that the City Administrator was currently working on was the remaining lease payment which was a two-year, \$2.5 million obligation, which they were looking for budget authority to solve. Mr. Van de Water explained that their goal was to have that fully paid off so the project would become a City asset by July but that this was not yet resolved. To the total expenditure question, Mr. Van de Water responded that they had issued \$507 million in certificates of participation, which would be paid by two revenue sources: 1) the Moscone Expansion District, which was an assessment on hotel rooms through a public/private partnership between the City and the hotel industry, and 2) a continuation of some existing general fund payments to Moscone that were pulled in. He added that the assessment on hotel rooms constituted about 2/3 of the total cost and the remaining third would be from existing City sources.

Chair Johnson stated that she still had the same concerns as Vice-Chair Rosales as far as what would happen if there were differences of opinions regarding the expansion project and was hopeful that the OCII would be included more in the day-to-day decisions.

Executive Director Bohee responded that as of today the OCII was either the lessor or the property owner on significant portions of the proposed Moscone Expansion.

10. Closed Session – None.

11. Adjournment

The meeting was adjourned by Chair Johnson at 4:33 p.m.

Respectfully submitted,

A handwritten signature in blue ink that reads "Natasha Jones".

Natasha Jones, Interim Commission Secretary

ADOPTED.