

**MINUTES OF A REGULAR MEETING OF THE
OVERSIGHT BOARD OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
11th DAY OF JANUARY 2021**

The members of the Oversight Board of the City and County of San Francisco met in a regular meeting via teleconference at 11:00 a.m. on the 11th day of January 2021.

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

PUBLIC COMMENT CALL-IN: 1-415-655-0001 Access Code: 146 000 7416

WATCH LIVE ON WEBEX: < <https://bit.ly/3bgX8LE> >

1. CALL TO ORDER/ROLL CALL

Meeting was called to order by Chair Van Degna at 11:07 a.m.

Roll call was taken.

Chair Anna Van Degna - present
Vice-Chair Lydia Ely – present
Board member Bevan Dufty - absent
Board member David Goldin - present
Board member Shanell Williams - present

Board member Dufty arrived late. All other Board members were present. The seats for the City and County of San Francisco and IFPT Local 21 were vacant.

2. APPROVAL OF MINUTES – Regular Meeting of September 28, 2020

Vice-Chair Ely referred to Item 5D of the September 28, 2020 minutes, Authorizing a First Amendment to the Grant Agreement between the Mexican Museum and the Successor Agency to extend the term by eighteen months (Resolution No. 05-2020). During the discussion of that item, Mr. Andrew Kluger, Chair of the Board of Trustees of the Mexican Museum, had indicated that they would be receiving a list of the estimated costs from their local architects within the next 30 days and would then provide that to the Board as well as to OCII as soon as they received it. Ms. Ely inquired about whether that list had been received by staff.

Secretary Cruz responded that she would check with staff and have them follow up with Vice-Chair Ely.

Secretary Cruz read instructions for the public to call in.

PUBLIC COMMENT – None

Board member Goldin motioned to move Item 2 and it was seconded by Board member Williams.

Voice vote was taken for Item 2.

Chair Van Degna - Aye

Vice-Chair Ely – Aye

Board member Dufty - absent

Board member Goldin - Aye

Board member Williams – Aye

ADOPTION: IT WAS VOTED BY FOUR BOARD MEMBERS WITH ONE ABSENCE THAT APPROVAL OF MINUTES FOR THE REGULAR MEETING OF SEPTEMBER 28, 2020, BE ADOPTED.

3. ANNOUNCEMENTS

A. The next scheduled Board meeting will be a regular meeting held remotely on Monday, January 25, 2021 at 11:00 am.

B. Announcement of Time Allotment for Public Comments

Please be advised that a member of the public has up to three minutes to make pertinent public comments on each agenda item unless the Oversight Board adopts a shorter period on any item. Please note that during the public comment period, all dial-in participants from the public will be instructed to call a number and use their touch-tone phones to register any desire for public comment. Comments will be taken in the order that it was received. Audio prompts will signal to dial-in participants when their audio input has been enabled for commenting. Instructions were given to call in for public comment.

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4. CONSENT AGENDA – None

5. REGULAR AGENDA

A. Workshop on the Recognized Obligation Payment Schedule for July 1, 2021 – June 30, 2022 (ROPS 21-22) (Discussion)

Presenters: Sally Oerth, Interim Executive Director; Mina Yu, Financial Reporting and Management Analyst; Annie Wong, Development Specialist, Housing; Marc Slutzkin, Project Manager, Mission Bay; Benjamin Brandin, Acting Project Manager, Transbay; Lila Hussain, Senior Project Manager, Hunters Point Shipyard/Candlestick Point; Aaron Foxworthy, Deputy General Counsel/Acting Real

Estate Development Services Manager; Bree Mawhorter, Deputy Director, Finance & Administration

Vice-Chair Ely inquired about what the reserve balance was; inquired whether those funds were in last year's ROP's or were they new; inquired about whether those funds were being held here or being held by the Department of Finance (DOF).

Ms. Yu responded that these were funds that had been received in prior years and that they had the cash on hand, which they reported to DOF regarding balance and which they were committing for expenditure over the next two years.

Vice-Chair Ely referred to the Affordable Housing part of the presentation and noticed that a good share of tax increments were being funded with Other Funds. She inquired about whether these were refunds, payments and interest, or something else.

Ms. Yu responded that Other Funds were affordable housing fees that were paid by the developer. She explained that the \$45 million were in lieu fees that were received in Transbay (TB), which they were going to commit to TB affordable projects.

Board member Goldin referred to the statement that they would be issuing another bond for \$100 million for 330 affordable housing units. He inquired about how the group arrived at that number and whether those were housing units in the pipeline. He stated that as bonds go, that was not a very large amount.

Ms. Yu responded that this bond was specifically referring to Mission Bay (MB) South 9A, Hunters Point Shipyard 56 and Hunters Point Shipyard 52/54. She explained that Ms. Wong and Jeff White (Housing Program Manager) had gone to the developer with a count of how many units they planned to build. They had a subsidy figure that they multiplied the unit count by to come up with the subsidy funding figure and then added on a cost of issuance reserve fund and that was how they came up with the \$112.9 million. Ms. Yu referred to slide 13 to demonstrate how they derived the housing bond figure.

Board member Goldin responded regarding the cost of issuing bonds, issuing bonds in \$100 million increments was generally more expensive than a larger amount.

Interim Executive Director Oerth explained that these were referred to as gap loans. She reported that this was not the full construction amount. After exhausting all other available sources, they provided that gap as subsidy, so this was a fairly consistently sized loan for that number of units. She added that these projects were in active predevelopment and this number was based on early underwriting estimates that they would be needing in fiscal year 21-22. Ms. Oerth indicated that they wouldn't want to be issuing a larger bond for other projects further out because they would not know what funding might be needed.

Board member Dufty asked for an update from Ms. Hussain regarding the status of the environmental review and remedial clean up at the Shipyard; inquired about who she meant when she referred to "they"; inquired about the community engagement in this issue; inquired about what

her sense of how things were going; requested that the Board be informed about when the subcommittee meeting would be held in February; inquired about the participation of Supervisor Shamann Walton in this process

Ms. Hussain responded that they were currently testing Parcel G, which was one of the larger parcels which was planned for first phase of development. She explained that there had been updates in meetings but so far, nothing had come up yet but there was more work to be done and testing for other parcels was scheduled. Ms. Hussain reported that the Navy schedule had the first transfer of property slated for 2023. She responded that “they” referred to the Navy and the other regulatory agencies, such as the Department of Substance Control, the EPA and Water Quality Board and also the California Public Health Dept, all of which were involved. Ms. Hussain responded that there was a CAC environmental subcommittee which did not meet monthly during COVID, but only when there were milestone updates and added that the next meeting was scheduled for February. She added that the Navy did separate updates as well. Ms. Hussain responded there were diverse comments: some were skeptical but others expressed much interest. She added that there was much accessibility for the public if they had questions. She confirmed that she would make sure Board members received the invite to the next meeting. Ms. Hussain responded that Mr. Walton was very active and held his own meetings with Phase I residents to hear their concerns and that he was very concerned about the testing of Phase I for residential use.

Chair Van Degna referred to the TJPA loan pledge amount and the fact that the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan was mentioned. It was her understanding that this had been refunded and was now a public market debt obligation and inquired about whether that was worth noting in these materials.

Ms. Mawhorter responded that the TJPA had refinanced that TIFIA loan using a bond issuance and it was their understanding that, for the foreseeable future, the property taxes transferred to the TJPA would be used for debt service on those outstanding bonds. She added that they would revise the materials to reflect that fact.

PUBLIC COMMENT – None

6. NEW MATTERS FOR FUTURE CONSIDERATION

Board member Dufty expressed his appreciation for former Executive Director Nadia Sesay, who had been a colleague of his for over 20 years. He stated that Ms. Sesay was a respected and popular City employee and was a very innovative leader. She was unique in that she could work the numbers and also be able to work with people, a special quality in public service. Mr. Dufty was pleased that Ms. Sesay would be able to work with Kofi Bonner at Bedrock in Detroit. He wanted to take a moment to say that she would be missed and wished her much success in her new role.

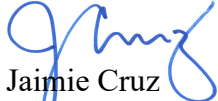
7. PUBLIC COMMENT ON NON-AGENDA ITEMS - None

8. ADJOURNMENT

Board member Goldin motioned to move Item 8 and it was seconded by Board member Dufty.

The meeting was adjourned by Chair Van Degna at 12:02 p.m.

Respectfully submitted,


Jaimie Cruz
Board Secretary

ADOPTED: