

London N. Breed
MAYOR



Miguel Bustos
CHAIR

Mara Rosales
VICE-CHAIR

Bivett Brackett
Alex Ludlum
Dr. Carolyn Ransom-Scott
COMMISSIONERS

Thor Kaslofsky
EXECUTIVE DIRECTOR

**MINUTES OF A REGULAR MEETING OF THE
COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE
OF THE CITY AND COUNTY OF SAN FRANCISCO HELD ON THE
6TH DAY OF DECEMBER 2022**

The members of the Commission on Community Investment and Infrastructure of the City and County of San Francisco met in a regular meeting via teleconference at 1:00 p.m. on the 6th day of December 2022. The public was invited to watch the meeting live on SFGOVTV: <https://sfgovtv.org/ccii>

PUBLIC COMMENT CALL-IN: 1-415-655-0001 **ACCESS CODE:** 2496 013 5740

In accordance with the numerous local and state proclamations, order 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 in during the public comment section of the meeting. Visit the SFGovTV website (www.sfgovtv.org) to stream the live meetings or watch them on demand.

REGULAR MEETING AGENDA

1. Recognition of a Quorum

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

Commissioner Brackett - present
Commissioner Ludlum - present
Commissioner Scott - present
Vice-Chair Rosales - present
Chair Bustos - present

All Commissioners were present.

2. Announcements

- a) The next regularly scheduled Commission meeting will be held remotely on Tuesday, December 20, 2022 at 1:00 pm.
- b) Announcement of Time Allotment for Public Comments from participants dialing in:
Please be advised a member of the public has up to three minutes to make pertinent public comments on each agenda item unless the Commission adopts a shorter period on any item.

Please note that during the public comment period, all dial-in participants from the public will be instructed to call a toll-free number and use their touch-tone phones to register any desire to provide public comment. Comments will be taken in the order that it was received. Audio prompts will signal to dial-in participants when their audio input has been enabled for commenting.

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Secretary Cruz read instructions for the public to call in.

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

4. Matters of Unfinished Business - None

5. Matters of New Business:

Chair Bustos requested that Item 5b of the Regular Agenda be taken out of order and made the first item of the agenda.

REGULAR AGENDA

b) Authorizing the continuation of teleconferenced meetings and making findings in support thereof under California Government Code Section 54953(e) (Discussion and Action) (Resolution No. 45-2022)

Presenter: Thor Kaslofsky, Executive Director

PUBLIC COMMENT – None

Commissioner Brackett motioned to move Item 5(b) and Commissioner Ludlum seconded that motion.

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

Commissioner Brackett - yes

Commissioner Ludlum - yes

Commissioner Scott - yes

Vice-Chair Rosales - yes

Chair Bustos - yes

ADOPTION: IT WAS VOTED BY FIVE COMMISSIONERS THAT RESOLUTION No. 45-2022, AUTHORIZING THE CONTINUATION OF TELECONFERENCED MEETINGS AND MAKING FINDINGS IN SUPPORT THEREOF UNDER CALIFORNIA GOVERNMENT CODE SECTION 54953(E) BE ADOPTED.

CONSENT AGENDA

a) Approval of Minutes of Regular Meeting of November 1, 2022

PUBLIC COMMENT - None

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

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

Commissioner Brackett - yes

Commissioner Ludlum - yes

Commissioner Scott - yes

Vice-Chair Rosales - abstained

Chair Bustos - yes

ADOPTION: IT WAS VOTED BY FOUR COMMISSIONERS WITH ONE ABSTENTION THAT APPROVAL FOR THE MINUTES OF REGULAR MEETING OF NOVEMBER 1, 2022, BE ADOPTED.

- c) Authorizing an Extension of the Due Date for Payment of the Agency Affordable Housing Fee Required under the Agreement for Purchase and Sale of Real Estate between the Successor Agency to the Redevelopment Agency of the City and County of San Francisco and 706 Mission Street Co., LLC, a Delaware limited liability company (Discussion and Action) (Resolution No. 46-2022)

Presenters: Thor Kaslofsky, Executive Director; Aaron Foxworthy, Deputy General Counsel and Acting Real Estate and Development Services Manager; Gerard Walsh, Orrick

PUBLIC COMMENT - None

Commissioner Ludlum inquired about what the recapitalization was that would take place over the next two months; inquired about why they felt so comfortable that it would happen within this timeline; inquired about why the Commission should approve this at all since the fee was now two years late.

Mr. Foxworthy deferred to Mr. Walsh for response to the first question.

Mr. Walsh responded that they had been working with a lender and other investors who were part of the ownership chain and were confident based on the status of negotiations that they would be able to consummate the recapitalization within that timeframe.

Commissioner Ludlum inquired about the amount of equity and the amount of debt and what their current note was.

Mr. Walsh responded that this information was confidential and added that there was significant equity and debt involved in the project.

Commissioner Ludlum indicated that without any information he was not confident that they would succeed in four months. He pointed out that they had a big empty building and a big note and requested that Mr. Walsh help him see how this would work.

Mr. Walsh responded that they had a term sheet that the developer had negotiated with the capital provider and they had received the necessary appraisal for the financing. He explained that the proceeds of the financing would be sufficient to repay the outstanding mortgage balance and the other capital providers were on board with the recapitalization efforts. The recapitalization would provide the developer with sufficient time to market and sell the remaining units.

Commissioner Ludlum inquired about what the expected closing date would be on the loan and on the recapitalization.

Mr. Walsh responded that they were trying to close before year-end but given the holidays, they were now considering closing in the first quarter. However, they were still pushing to close as soon as possible, hopefully before the end of the year, but the delay was in getting the lender's appraisal for the refinancing, which has now been completed. Mr. Walsh relayed that they had a kickoff call with the lender's counsel the prior week, providing them with much of the due diligence material that had been requested, including the title and the organizational documents. So, they were continuing to be engaged with their counsel and providing them with answers to any of their questions.

Commissioner Ludlum clarified that the remaining amount owed was \$3.5 million and inquired about the amount of the note.

Mr. Walsh responded that he was not sure of the exact balance of the current note due to the paydowns that had happened with sales proceeds, but stated that it was about \$250 million.

Commissioner Ludlum indicated that \$3.5 million would not move the needle on the success of this project. He inquired about how Mr. Walsh would describe the negative consequences of OCII not extending this due date.

Mr. Walsh responded that it could adversely affect their ability to consummate the refinancing because being in default with the Agency would not be good with respect to their ability to obtain refinancing for the project.

Commissioner Ludlum stated that the negative consequence would be that they would have to pay the outstanding fee.

Mr. Walsh restated that they would be unable to consummate the refinancing. He was not sure whether they had the ability to pay the fee today but also was not sure what the negative impact would be to OCII in granting the extension.

Commissioner Ludlum indicated that his concern would be that if they did not successfully recapitalize the project, then OCII would have to recover it in bankruptcy. He assumed that OCII would be in first position to recover the monies but he was not sure of that.

Mr. Walsh stated that there was no intent to file for bankruptcy. He reported that the developer was a special purpose entity that had restrictions on their ability to do that. The cost of developing the project far exceeded the amount of the secured debt, so there was a lot of equity in the project and the extension request was to provide sufficient time to recapitalize the project and allow the developer to obtain longer-term financing and time to market and sell the units.

Commissioner Ludlum stated that the risk would be that the developer would not be able to recapitalize the project because they were in default with OCII. However, there was plenty of equity available to make this payment and so it seemed that this would be a choice made by the developer to default.

Mr. Walsh clarified that there was a substantial amount of equity that had previously been invested in developing and completing the project and paying various fees that had already been paid to date. He reiterated that this extension would provide them with additional time to get recapitalization to provide the funds necessary to pay the Agency fee, in addition to providing the developer with more time to market and sell the units with the longer-term financing that they might obtain. He added that the existing financing was construction debt.

Commissioner Ludlum inquired about whether proceeds from future sales would go first to paying down the new note, in which case the developer would still have to pay out of pocket for this fee, or whether funds from future sales would be available for OCII fees.

Mr. Walsh responded that the proposed terms of the financing would be minimum release prices but there would be an allocation of proceeds that would be available for the developer to pay operating expenses, including fees that were payable. He explained that, under the purchase and sale agreement, as each unit was sold, a transfer fee was paid in addition to the transfer tax to the county. So as each unit was sold, transfer fees would be paid to the Agency, in addition to the transfer taxes. In addition, Mr. Walsh explained that there would be an allocation of the net sales proceeds above the release price made by the developer. There would be a reserve made available to the developer to pay operating expenses, including Agency fees.

Commissioner Ludlum inquired about how many units would need to be sold in order to create reserve funds for this fee.

Mr. Walsh responded that this fee would be paid within the timeframe or within the next 3.5 months and future reserves would be established based upon the velocity of sales of the units. He pointed out that they were not asking for extension of any other fees that might be due and payable, including the transfer fees, which would get paid as each unit was sold.

Executive Director Kaslofsky clarified that what the developer had proposed up until now was that the recapitalization would provide the equity to pay the fee and that they were not relying on additional condo unit sales to pay the fee.

Commissioner Ludlum stated that it was obvious to him that paying this fee then versus now would not make any difference other than convenience to the developers of not having to distribute this money now, which was due two years ago.

Mr. Foxworthy clarified that the fee was not due two years ago, but one year ago in February 2021.

Commissioner Ludlum stated that it was due November 2020.

Mr. Foxworthy clarified that it was extended pursuant to the PSA and due November 2021.

Commissioner Ludlum restated that payment was extended at OCII's discretion and out of the kindness in their hearts.

Mr. Walsh stated that they appreciated the Commission's prior extension of the due date. There were some situations that they all had to deal with because of the pandemic and appreciated the accommodations that OCII had granted. He was hopeful that the Commission would agree with recommendations made by OCII staff.

Commissioner Brackett inquired about how many units had been sold and how many were left to be sold on the property; inquired about what the initial sale date was that the units were available to purchasers; inquired about how realistic it was for them to be able to sell the remaining 132 units in the next year or two, given that they were still in the economic condition that he had previously described. Ms. Brackett stated that she was concerned about the number of market rate units available on the market which had not moved at all and that this would be something that OCII would have to consider in future discussions regarding market rate vs affordable housing.

Mr. Walsh responded that approximately 14 units had been sold, a handful had been leased and there were another 132 units that were for sale. He responded that the initial sale date was February 2021. Mr. Walsh responded that one of the reasons they were looking for recapitalization of the refinancing was to provide them with more time than one or two years to sell the remaining units, so it would be longer term financing. He indicated that the hope would be that, as the economy opened up due to less COVID19 restrictions, the market would be more open today than it had been during the last two years and that their marketing would be more successful.

Commissioner Scott stated that she was weighing everything that had been discussed and knowing how much affordable housing was in need, her thought was to trust their purpose and plan and was in favor of their request.

Vice-Chair Rosales agreed with Commissioner Scott in that given the circumstances of the current economy, they needed to be flexible and she would support staff recommendations.

Chair Bustos thanked Mr. Foxworthy for the presentation and Mr. Walsh for his responses. He understood that the cultural space that was supposed to be delivered had not been delivered appropriately as planned. He pointed out that the staircase leading from one floor to the next was supposed to be an open staircase but had been filled in by the developer. Mr. Bustos inquired about the status of this situation.

Mr. Foxworthy responded that the management and oversight of construction of the cultural component was the responsibility of the City, so that question should appropriately be directed to the City. He added that the developer, the (Mexican) Museum and the City had been in lengthy conversations about whether the construction of the cultural space, as built, was performed in accordance with the various agreements that govern it.

Chair Bustos stated that he knew for a fact that it was not because he had been on the Commission that approved the design of the building.

Mr. Foxworthy stated he was not sure it was appropriate to make that kind of definitive comment during a public hearing. There is an on-going dispute between the developer, the Mexican Museum and the City regarding this issue.

Mr. Walsh responded that the City and the Mexican Museum were in a dispute regarding the staircase in question and that the developer was not a party to that dispute. His understanding was that the developer had completed the cultural component in compliance with its obligations. He explained that the developer was only responsible for building the core and shell of the cultural component and had fulfilled those obligations and was prepared to develop title of the cultural component to the City. The City was a party to the lease with the Mexican Museum which governed the space inside the core and shell. Mr. Walsh stated that they were happy to convey title of the cultural component to the City as soon as possible.

Chair Bustos replied that if they did deliver the core and shell and the City told the developer to do something that should not have been done, then they would need to have a conversation with the City about that. He stated that to expect the Museum to undo what was not supposed to have been done which was in dispute would need to be considered.

Commissioner Brackett inquired about what would happen if OCII approved this extension and the developer was not able to secure the loan by March 31.

Chair Bustos deferred to Jim Morales, General Counsel and Deputy Director, for response.

Mr. Morales responded that if that were to happen, the Agency would proceed to put the developer in default under the PSA and there would be an opportunity for the developer to cure that with a notice in default.

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

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

Commissioner Brackett - yes

Commissioner Ludlum - no

Commissioner Scott - yes

Vice-Chair Rosales - yes

Chair Bustos - abstained

ADOPTION: IT WAS VOTED BY THREE COMMISSIONERS WITH ONE NO AND ONE ABSTENTION THAT RESOLUTION NO. 46-2022, AUTHORIZING AN EXTENSION OF THE DUE DATE FOR PAYMENT OF THE AGENCY AFFORDABLE HOUSING FEE REQUIRED UNDER THE AGREEMENT FOR PURCHASE AND SALE OF REAL ESTATE BETWEEN THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO AND 706 MISSION STREET CO., LLC, A DELAWARE LIMITED LIABILITY COMPANY, BE ADOPTED.

Mr. Walsh thanked the Commission for their time, cooperation and support.

Agenda Item Nos. 5(d) and 5(e) related to the Transbay Block 3 Park were presented together but acted on separately

- d) Conditionally approving the Schematic Design for the Transbay Block 3 Park and Streetscape Improvements Project; adopting environmental findings pursuant to the California Environmental Quality Act; and providing notice that this action is within the scope of the Transbay Terminal/ Caltrain Downtown Extension/ Redevelopment Project Final Environmental Impact Statement/ Environmental Impact Report (“FEIS/EIR”), a program EIR, and is adequately described in the FEIS/EIR for purposes of the California Environmental Quality Act; Transbay Redevelopment Project Area (Discussion and Action) (Resolution No. 47-2022)
- e) Authorizing an Amended and Restated Memorandum of Understanding with the City and County of San Francisco, acting through its Public Works Department and its Recreation and Parks Department, to complete the design and engineering of Transbay Block 3 Park and Streetscape Improvements Project and to increase the expenditure authority for these services by \$3,765,045, for an aggregate amount not to exceed \$7,660,658; and providing notice that this action is within the scope of the Transbay Terminal/Caltrain Downtown Extension/ Redevelopment Project Final Environmental Impact Statement/ Environmental Impact Report (“FEIS/EIR”), a program EIR, and is adequately described in the FEIS/EIR for purposes of the California Environmental Quality Act; Transbay Redevelopment Project Area (Discussion and Action) (Resolution No. 48-2022)

Presenters: Thor Kaslofsky, Executive Director; Laura Shifley, Associate Planner, Planning Division; Lawrence Cuevas, Landscape Designer, San Francisco Public Works (SFPW); Benjamin Brandin, Project Manager, Transbay; George Bridges, Acting Contract Compliance Supervisor

PUBLIC COMMENT - None

Commissioner Ludlum referred to the SBE numbers and inquired about how the SBE numbers were calculated. He stated that it seemed the majority of OCII money was going to Public Works and inquired about whether they counted in that new figure; inquired about what exactly did 93% mean, 93% of what?

Mr. Brandin responded that the memorandum for the schematic design of this item also touched on the SBE participation number. He explained that the original number in the memo was incorrect but the new number (93%) was correct. He deferred to Mr. Bridges as to how they came up with the numbers.

Mr. Bridges responded that this was the as-needed contracts which totaled \$340,000 of the total dollars and 93% of that went to SBE; 58.1% went to San Francisco-based SBEs. He added that they were also minority-owned business enterprises.

Commissioner Ludlum stated that generally he thought the MOU as administered by Public Works was expensive but going through all the individual items, he understood why this was. He indicated that they could have a more meaningful impact on stimulating the economic community during construction phase by considering General Contractors that were not city agencies and hoped the staff would explore that when it came time in a couple of years.

Commissioner Brackett thanked staff for the presentation and underscored the importance of this item, especially the impact on local history in recognition of Black and Chinese laborers who were abandoned shortly after the Gold Rush. She inquired about where the lists of the names were that were selected to be voted on; inquired about whether the outreach to the Native American Tribes had already taken place or whether they were still working on this. Ms. Brackett inquired about whether there was a contact person overseeing this at the East Cut CBD that she could get in touch with, if necessary.

Mr. Brandin responded that he did not have the list of names with him, seeing as this process had been spearheaded by the community and led by the East Cut Community Benefits District. He explained that they had started with 50-60 names that came out of the original ideation process and then whittled that down to 10. After that, Rec & Park wanted to reach out to Native American Tribes to invite their involvement in the process and this was where they currently were in the process. He added that whatever names they had to date would probably change if the Native American Tribes elected to participate in the process. So, East Cut CBD might have to redo some steps in the park naming ideation process. Mr. Brandin responded that he had checked in with the East Cut CBD regarding this and the information he received was that RPD staff had reached out to the tribes but there was no indication of a response.

Mr. Kaslofsky interjected that it might be helpful for staff to provide an informational memorandum on the naming and to provide some additional details. He noted that OCII had expressed interest in the fact that the naming process be representative of and include the communities, including Transbay (TB), Mission Bay, etc. and to support OCII in this process.

Mr. Brandin responded in the affirmative, that the lead person at the CBD was Mike Riger, the Deputy Director of the CBD and that he could put him in contact with Commissioners. He added that Beverly Ing at RPD was another contact person for Commissioner Brackett to contact directly.

Commissioner Brackett referred to the 15% contingency number for the project and pointed out that other departments were putting in 20-30% contingencies and inquired about why they had such a conservative number for potential project overrun costs.

Mr. Brandin responded that the 15% contingencies layered into the amended MOU was the same percentage of contingencies that they included in the 2018 MOU, so they were consistent there. He reported that they did not expect to have to use all of that money, but having it there was a necessity to ensure the efficient delivery of the project and, in case there were costs that came up, they would not have to come back to the Commission for another amendment to this MOU.

Commissioner Scott thanked staff and Mr. Cuevas for the presentation and was grateful at how intentional they were in addressing the historical and cultural presence and to make sure that all crucial groups were being included. Dr. Scott was also pleased in how they were making sure that this was a safe place with the illumination at night and other safeguards.

Vice-Chair Rosales stated that she loved the design and was pleased with all elements of the presentation and especially with the interagency collaboration. She stressed concern over changes to the design and inquired about who would handle them, if there were any; inquired about who

would have final approval to changes to the design and whether it would be the Rec&Park Department (RPD) Commission or OCII, or both.

Mr. Brandin responded that if there were any changes to the park design itself, staff would have to go back to the RPD Commission and then come back to OCII's Commission for approval. He explained that earlier this year, they took the park's schematic design to the RPD Commission and that body did approve it. The design had remained unchanged, so now they were before OCII's Commissioners. Mr. Brandin reported that the entitlement of the park would not occur until OCII took action on the design. If there was a change of the schematic design of the park, they would have to go back before the community as well as the TB CAC to seek approval. Changes to streetscape improvements would not have to go back to RPD Commission. He explained that if there were drastic changes in dollar amounts of scopes, which they did not foresee, they would be back before the OCII Commission to seek an amendment to the MOU and the design as well. At this point in time, they felt that they had their arms around the scope and that this scope and the monies tied to it would take them to the completion of construction documents and the project bidding.

Chair Bustos thanked everyone for the presentation. He stated that he loved the design and appreciated the historical aspects they were bringing into the design. He expressed concern over discussion of the naming process and pointed out that this entire area was a new community, so many people might not understand the history of that community. He appreciated Commissioner Brackett's suggestion that they also look at the Black, Asian American and Chinese contributions to the area as well as reaching out to the Native American Tribes. Mr. Bustos stressed that it was important that they honored and respected the ancestors as well as the descendants of all those communities because this was part of the healing process for the City as well as the world.

Commissioner Scott motioned to move Item 5(d) and Commissioner Ludlum seconded that motion.

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

Commissioner Brackett - yes

Commissioner Ludlum - yes

Commissioner Scott - yes

Vice-Chair Rosales - yes

Chair Bustos - yes

ADOPTION: IT WAS VOTED UNANIMOUSLY BY FIVE COMMISSIONERS THAT RESOLUTION NO. 47-2022, CONDITIONALLY APPROVING THE SCHEMATIC DESIGN FOR THE TRANSBAY BLOCK 3 PARK AND STREETScape IMPROVEMENTS PROJECT; ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; AND PROVIDING NOTICE THAT THIS ACTION IS WITHIN THE SCOPE OF THE TRANSBAY TERMINAL/ CALTRAIN DOWNTOWN EXTENSION/ REDEVELOPMENT PROJECT FINAL ENVIRONMENTAL IMPACT STATEMENT/ ENVIRONMENTAL IMPACT REPORT ("FEIS/EIR"), A PROGRAM EIR, AND IS ADEQUATELY DESCRIBED IN THE FEIS/EIR FOR PURPOSES OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; TRANSBAY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Commissioner Scott motioned to move Item 5(e) and Commissioner Ludlum seconded that motion.

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

Commissioner Brackett - yes

Commissioner Ludlum - yes

Commissioner Scott - yes

Vice-Chair Rosales - yes

Chair Bustos - yes

ADOPTION: IT WAS VOTED UNANIMOUSLY BY FIVE COMMISSIONERS THAT RESOLUTION NO. 48-2022, AUTHORIZING AN AMENDED AND RESTATED MEMORANDUM OF UNDERSTANDING WITH THE CITY AND COUNTY OF SAN FRANCISCO, ACTING THROUGH ITS PUBLIC WORKS DEPARTMENT AND ITS RECREATION AND PARKS DEPARTMENT, TO COMPLETE THE DESIGN AND ENGINEERING OF TRANSBAY BLOCK 3 PARK AND STREETScape IMPROVEMENTS PROJECT AND TO INCREASE THE EXPENDITURE AUTHORITY FOR THESE SERVICES BY \$3,765,045, FOR AN AGGREGATE AMOUNT NOT TO EXCEED \$7,660,658; AND PROVIDING NOTICE THAT THIS ACTION IS WITHIN THE SCOPE OF THE TRANSBAY TERMINAL/CALTRAIN DOWNTOWN EXTENSION/ REDEVELOPMENT PROJECT FINAL ENVIRONMENTAL IMPACT STATEMENT/ ENVIRONMENTAL IMPACT REPORT (“FEIS/EIR”), A PROGRAM EIR, AND IS ADEQUATELY DESCRIBED IN THE FEIS/EIR FOR PURPOSES OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; TRANSBAY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

6. Public Comment on Non-Agenda Items - None

7. Report of the Chair

Chair Bustos stated that he had no report.

8. Report of the Executive Director

a) Status of the Transbay Block 4 Project (Discussion)

Executive Director Kaslofsky provided an update on the status of discussions of TB Block 4. He reminded Commissioners that this was a 681-unit project, 45% of which was planned to be affordable housing. He then proceeded to present the update to Commissioners.

PUBLIC COMMENT - None

Executive Director Kaslofsky provided an update on various community meetings and holiday events:

On December 11, East Cut CBD would hold their annual winter festival from 3-6 pm.

The World Cup semi-finals would be showing at the Crossing at the temporary terminal at Howard and Main on December 13 & 14, starting at 11am.

The Bayview Opera House on Third Street would hold a Winter Wonderland on December 15 starting at 5pm.

There would be a Holiday Market held on December 16 in the Fillmore on Fillmore and O’Farrell starting at 5 pm.

The Bayview Library would hold a holiday night event on December 16 starting at 3 pm.

Mr. Kaslofsky thanked Jasmine Kuo (Development Specialist) and Aaron Foxworthy (Deputy General Counsel/Acting Real Estate Development Services Manager), who helped monitor those events in the various project areas.

Since this was the final Commission meeting for the year, Executive Director Kaslofsky provided some highlights of the past year. He pointed out that he was selected as the new Executive Director in May and they had been busy ever since. He listed a number of major events that had taken place for OCII over the past year:

- Park P22 adjacent to the Chase Arena broke ground.
- The Mission Bay School, part of the MB plan and one of the newest schools in two decades, broke ground.
- Block 9A in MB, with 148 units of home ownership led by a black non-profit development team, would open in 2024.
- OCII was awarded tax credits for three projects in Hunters Point Shipyard, 1st phase, which would culminate in 180 units of affordable housing, breaking ground in 2023.
- MB Block 9 opened with 141 units of housing for the formerly homeless. Mr. Kaslofsky reported that over 80 individuals had moved into that housing.
- A childcare center opened up in May 2022 at MB Block 6 West, operated by Kai Ming, part of another affordable housing project with Mercy Housing.
- MB Park at P3, adjacent to third street behind Block 1, was opened up. This had been a long-awaited park.

Referring to TB Block 4, Commissioner Brackett referred to the idea of making larger changes to the DDA and also to the possibility of allowing them to build market-rate first and then affordable housing second and asked for more information on that. She indicated that this would be a no-go for her considering how many times they had already extended the calendar and their reluctance to stick to the affordable housing promises of the past.

Executive Director Kaslofsky responded that this was an idea and not something they had agreed to. He reported that the idea of sequencing was related to the idea of the shared podium design or the difficulty to find financing for the tower portion. He explained that when that was fully financed then they could start applying for the tax credits and be competitive in the affordable housing application process.

9. Commissioners Questions and Matters

Vice-Chair Rosales wished everyone a Happy Holiday and Happy New Year.

Commissioner Scott stated that she would not be able to join Commissioners on Thursday due to a family event but shared holiday greetings and wishes for everyone. She requested that they have another event to start the new year together.

Commissioner Brackett thanked the staff and acknowledged all the work they provided, as well as to Secretary Cruz and Executive Director Kaslofsky. She wished happy holidays to all and looked forward to 2023.

Commissioner Ludlum was grateful for the warm welcome from staff and from fellow Commissioners and looked forward to working with everyone in 2023.

Chair Bustos thanked everyone for an incredible year, including staff, Mr. Morales, and Executive Director Kaslofsky for returning to OCII. He appreciated all the work they accomplished. Mr. Bustos was grateful that, as public servants, they truly cared about what happened to their City. He wanted to end this meeting in the spirit of Vice-Chair Rosales' mother, who passed away earlier in the year.

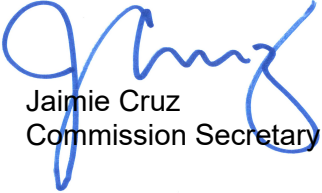
10. Closed Session - None

11. Adjournment

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

Chair Bustos adjourned the meeting at 3:03 p.m. in memory of Vice-Chair Rosales' mother.

Respectfully submitted,



Jaimie Cruz
Commission Secretary