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Tamsen Drew
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
20TH DAY OF JUNE 2023**

The members of the Commission on Community Investment and Infrastructure of the City and County of San Francisco met in a regular meeting in person at 1:00 p.m. on the 20th day of June 2023.

REMOTE ACCESS:

WATCH LIVE ON SFGOVTV: <https://sfgovtv.org/ccii>

PUBLIC COMMENT:

Members of the public may provide public comment in-person at the noticed location or remotely via teleconference (detailed instructions available at: <https://sfocii.org/remote-meeting-information>). Members of the public may also submit their comments by email to: commissionsecretary.ocii@sfgov.org; all comments received will be made a part of the official record.

INSTRUCTIONS FOR PUBLIC COMMENT:

DIAL: 1-415-655-0001 **ENTER ACCESS CODE:** 2590 760 7128 **PRESS #** **PRESS #**
again to enter the call. Press *3 to submit your request to speak.

REGULAR MEETING AGENDA

1. Recognition of a Quorum

Meeting was called to order at 1:01 p.m. by Chair Brackett. Roll call was taken.

Commissioner Aquino - present
Commissioner Drew - present
Commissioner Scott - present
Vice-Chair Ludlum - present
Chair Brackett - present

All Commissioners were present.

2. Announcements

- a) The next regularly scheduled Commission meeting will be held **in person** on Tuesday, July 18, 2023 at 1:00 pm at City Hall in 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 from participants dialing in:
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 Commission adopts a shorter period on any item. We recommend that members of the public who are attending the meeting in person fill out a "Speaker Card" and submit the completed card to the Commission Secretary. All dial-in participants from the public will be instructed to call a toll-free number and use their touch-tone phones to provide any public comment. Audio prompts will signal to dial-in participants when their audio input has been enabled for commenting.

PUBLIC COMMENT CALL-IN: 1-415-655-0001 ACCESS CODE: 2590 760 7128

Secretary Cruz read the updated instructions for the public to call in.

- 3. Report on actions taken at previous Closed Session meeting - None**
- 4. Matters of Unfinished Business - None**
- 5. Matters of New Business:**

CONSENT AGENDA

- a) Approval of Minutes of Regular Meeting of June 6, 2023

PUBLIC COMMENT - None

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

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

Commissioner Aquino - yes
Commissioner Drew - abstained
Commissioner Scott - yes
Vice-Chair Ludlum - yes
Chair Brackett - yes

ADOPTION: IT WAS VOTED BY FOUR COMMISSIONERS WITH ONE ABSTENTION THAT APPROVAL FOR THE MINUTES OF REGULAR MEETING OF JUNE 6, 2023, BE ADOPTED.

REGULAR AGENDA

- b) Confirming the issuance of new money tax allocation bonds, as permitted in Sections 34177.7(a)(1)(A) and 34177.7(a)(1)(B) of the California Health and Safety Code to finance (1) affordable housing obligations in an aggregate principal amount not-to-exceed \$30,000,000 and (2) infrastructure in the Transbay Project Area in an aggregate principal amount not to exceed \$45,000,000, and approving preliminary and final official statements, a continuing disclosure certificate and other related documents and actions; affordable housing obligations; Transbay infrastructure obligations (Discussion and Action) (Resolution No. 21-2023)

Presenters: Thor Kaslofsky, Executive Director; John Daigle, OCII Debt Manager; Sarah Hollenbeck, Managing Director, PFM California Advisors; David Mealy, Principal, Urban Analytics and OCII Fiscal Consultant; Alex Chiu, Principal, Law Offices of Alexis S. M. Chiu

PUBLIC COMMENT - None

Commissioner Drew referred to three updated risks included in the analysis: one related to climate change, one related to hazardous substances, and the third was identifying risk in declines in assessed values. It was her understanding that for the first two risks, OCII was following precedent already set by the City & County of San Francisco (CCSF) in their bond issuances. Ms. Drew requested that staff provide additional information regarding the analysis performed on the newly identified third risk, so that they could understand what was happening in the marketplace and why it made sense to proceed.

Mr. Daigle deferred to Mr. Mealy for discussion of the analysis and deferred to financial advisors or underwriters for discussion of the marketplace.

Ms. Hollenbeck deferred to Mr. Mealy regarding analytics behind the tax increment projection but could speak to the market norms related to risk disclosure regarding climate change and the dynamics of the property valuation trends in San Francisco (SF). They had just determined in consultation with OCII disclosure counsel and following precedent set by CCSF in its recent offering documents that it would be appropriate to call attention to (the marketplace condition) and call out in the preliminary official statement (POS), so that investors had that information clearly presented to them in the offering document as they were considering an investment decision relating to these bonds for their review and consideration.

Commissioner Drew stated that it was helpful to know that OCII had provided the appropriate disclosures in the POS, but still wanted to understand more about what analysis had been performed. She inquired about how many Prop 8 additions they were seeing with the City and requested more information about the rapidly changing financial climate.

Mr. Mealy responded that they had the assessment appeals as of the previous month and they were keeping on top of it. He stated that they were aware of the Prop 8 filings and knew what buildings they were but would not know much more until the rulings came out sometime in July. For the projections, he explained that they assumed the standard 2% growth rate, which was the Prop 13 minimum growth. Last year's AV growth for the project areas was 6% but did not know what that would be this year. Mr. Mealy stated that they were following the stories in the press. The Union Bank building had recently sold for slightly less than what it was assessed at. They did not know what effect the relinquishing of the Parc Hotel to the bank and the Westfield Mall foreclosure would have until the property was sold and there was a reassessment of value.

Commissioner Drew mentioned that it was helpful to get a sense of the scale of impact they were seeing in terms of the numbers of reassessment requests vs the large number of assessed properties in the district. She stated that she was trying to provide some comfort in terms of the level of risk regarding issuing these bonds in the face of these sensational headlines.

Mr. Mealy responded that in the assessment appeals tracked as of May 24, there were 121 resolved appeals for 2022-23, just for the project areas, not for CCSF as a whole, and 104 pending appeals. He reported that the valuation of the pending appeals was \$4.2 billion. Mr. Mealy added that the volume of appeals was lower than in 2021 and there had not yet appeared to be a deluge of appeals filed. He informed that the next appeals filing would take place in September.

Vice-Chair Ludlum stated that most people would assume that these early foreclosures were a harbinger of much to come. He inquired about whether Mr. Mealy's assumptions projected a 2% increase in assessed values; inquired about whether the analysis was based solely on prior year data or whether it contemplated a new environment going forward.

Mr. Mealy responded that his assumptions were based on prior data and that the funding itself was based on the current year AV and not on future projections. Based on the size of the issuance, he explained that they were not assuming anything more than what they had this current year. However, he reminded Commissioners that there was 6% growth in the AV last year. Mr. Mealy noted that they had been in cycles before where it seemed there would be an AV disaster, but it did not turn out that way. He added that there were some decreases but only in certain sectors.

Executive Director Kaslofsky responded that most of the bonds were 30-year bond terms so considering a 2% growth average would be average across 30 years. He explained the 6% growth that they had historically observed were mostly during boom times. Looking forward there might be dips, but they were projecting that the dips would average out at a minimum of 2% growth. Mr. Kaslofsky added that historically that was what had occurred.

Mr. Daigle added that the current coverage of this debt in the lowest year was 480% so they had 4.8 times enough pledged revenue to make debt service. He noted that every commercial property, which was 40% of their tax base, could go to zero and they could still pay their debt. Mr. Daigle added that even though this was not a great economic time, there was not really anything that threatened the security of these bonds in any serious scenario.

Executive Director Kaslofsky referred to climate change and sea level rise and explained how they perceived those risks associated with the repayment of these bonds. They had determined that they could go ahead with the bond. We believe that this is a marketable bond and that we are disclosing factors to consider but the market would tell us how much risk is perceived. We will see what kind of investment interest there will be and what the rates are. This was the process they were following.

Mr. Daigle stated that the market was already telling them what they needed to know through financial advisors and investment bankers. The numbers that they ran were realistic based on the current market.

Chair Brackett thanked staff for the detailed information regarding risk factors in different project areas including the Shipyard. However, she felt that the narrative was light and discussion was mostly around office space buildings and did not include other types of buildings. Ms. Brackett inquired about whether that section would be beefed up or whether the narrative was sufficient to explain the other comments by Commissioners Drew and Ludlum as discussed earlier around the retail and hotel market, etc.

Mr. Daigle responded that everything in the POS was reviewed by the entire team, including the underwriters' counsel, who was on the other side but had the same intent as their disclosure counsel, which was to get everything in there that needed to be there. He stressed that nothing was included without much scrutiny. Mr. Daigle deferred to their disclosure counsel, Alex Chiu, for more details.

Chair Brackett asked Mr. Chiu for more information regarding the methodology around the narrative.

Mr. Chiu responded that when they drafted the POS, they considered events leading up to that point. The primary concern then was with office building vacancies; however, since then there have been commercial spaces and hotels facing difficulties resulting in handing them back over to banks. Mr. Chiu stated that this was something they needed to monitor and would include it if they felt it was necessary to disclose. He added that they would try to get more information on the situation.

Commissioner Scott motioned to move Item 5(b) and Commissioner Aquino seconded that motion.

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

Commissioner Aquino – yes

Commissioner Drew - yes

Commissioner Scott - yes

Vice-Chair Ludlum - yes

Chair Brackett – yes

ADOPTION: IT WAS VOTED BY FIVE COMMISSIONERS THAT RESOLUTION No. 21-2023, CONFIRMING THE ISSUANCE OF NEW MONEY TAX ALLOCATION BONDS, AS PERMITTED IN SECTIONS 34177.7(A)(1)(A) AND 34177.7(A)(1)(B) OF THE CALIFORNIA HEALTH AND SAFETY CODE TO FINANCE (1) AFFORDABLE HOUSING OBLIGATIONS IN AN AGGREGATE PRINCIPAL AMOUNT NOT-TO-EXCEED \$30,000,000 AND (2) INFRASTRUCTURE IN THE TRANSBAY PROJECT AREA IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$45,000,000, AND APPROVING PRELIMINARY AND FINAL OFFICIAL STATEMENTS, A CONTINUING DISCLOSURE CERTIFICATE AND OTHER RELATED DOCUMENTS AND ACTIONS; AFFORDABLE HOUSING OBLIGATIONS; TRANSBAY INFRASTRUCTURE OBLIGATIONS, BE ADOPTED

- c) Authorizing the issuance of tax allocation refunding bonds, as permitted in Section 34177.5(a)(1) of the California Health and Safety Code in an aggregate principal amount not to exceed \$85,000,000, approving and directing the execution of a Second Supplemental Indenture of Trust, Escrow Agreement and Bond Purchase Contract, and approving other related documents and actions; Mission Bay South Redevelopment Project Area (Discussion and Action) (Resolution No. 22-2023)

Presenters: Thor Kaslofsky, Executive Director; John Daigle, OCII Debt Manager

PUBLIC COMMENT – None

Commissioner Drew clarified that they were refinancing two loans that were issued in 2016 because they anticipated receiving a more favorable interest rate as well as saving money.

Mr. Daigle responded in the affirmative.

Commissioner Drew inquired about whether they had quantified the savings they were anticipating or whether this would provide a band of savings.

Mr. Daigle responded that it was a volatile number. He stated that the last time they checked it was 7% of the refunded principal or about \$4.8 million.

Commissioner Drew stated that in the future it would be helpful to headline the reason for the item upfront in the memo because they were savings public funds and that was a good thing to publicize.

Vice-Chair Ludlum restated that the action today was to pick the underwriting team. He inquired about whether Mr. Daigle could talk about the criteria used to evaluate the six responses; inquired about whether they had any work history with the selection.

Mr. Daigle stated that they had done business with Citibank, in particular the 2016D refunding, and they had done a great job. He reported that they had not worked with Wells Fargo before. However, Wells Fargo had scored very highly and they had a tremendous distribution network which OCII felt was complementary beyond the criteria listed.

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

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

Commissioner Aquino - yes

Commissioner Drew - yes

Commissioner Scott - yes

Vice-Chair Ludlum - yes

Chair Brackett – yes

ADOPTION: IT WAS VOTED BY FIVE COMMISSIONERS THAT RESOLUTION No. 22-2023, AUTHORIZING THE ISSUANCE OF TAX ALLOCATION REFUNDING BONDS, AS PERMITTED IN SECTION 34177.5(A)(1) OF THE CALIFORNIA HEALTH AND SAFETY CODE IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$85,000,000, APPROVING AND DIRECTING THE EXECUTION OF A SECOND SUPPLEMENTAL INDENTURE OF TRUST, ESCROW AGREEMENT AND BOND PURCHASE CONTRACT, AND APPROVING OTHER RELATED DOCUMENTS AND ACTIONS; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA (DISCUSSION AND ACTION) (RESOLUTION NO. 22-2023), BE ADOPTED.

d) Conditionally authorizing the conversion of sixty-nine (69) off-street residential parking spaces in, and adding five (5) new parking spaces to, an existing building containing 313 parking spaces at 185 Channel Street (MBS Block 2) to provide 34 short-term commercial spaces, thirty (30) commercial valet parking spaces and ten (10) off-site below-market-rate residential parking spaces and approving a second amendment to the Basic Concept - Schematic Design for Mission Bay South Block 2; Mission Bay South Redevelopment Project Area (Discussion and Action) (Resolution No. 23-2023)

Presenters: Thor Kaslofsky, Executive Director; Gretchen Heckman, Development Specialist; Megan Jennings, Coblenz Patch Duffy & Bass LLP, Land Use Attorney for UDR; Jim Morales, General Counsel and Deputy Director; Pamela Sims, Senior Development Specialist, Housing Division

PUBLIC COMMENT - None

Vice-Chair Ludlum was surprised to see the rates as part of the proposal and inquired about whether OCII regulated all commercial parking rates of every space within their jurisdiction.

Ms. Heckman responded in the negative. She explained that for this proposal, they wanted to ensure that the rates were in line with the planning code parking policies and they presented the information so it was transparent and known as part of the action item.

Vice-Chair Ludlum inquired about whether the rates were intended to be part of what they were approving at this meeting.

Ms. Heckman responded in the affirmative.

Vice-Chair Ludlum stated that it was problematic that they would be determining rates in one parking garage in MB and not in any others. He inquired about why they would do that.

Ms. Heckman responded that for this item, one particular concern they had discussed with the project owner was special events pricing and making sure that the garage would not be available for that kind of parking. They wanted to provide the rates, have them set for now and put in place a process for changing those rates if needed in the future. Mr. Heckman explained that this would provide OCII some comfort that the building owner would not be charging excessive rates during special events parking. She reported that the 34 commercial meter spaces did not have a direct thread to them because this had not been enacted yet. They hoped that those spaces would be helpful to the small businesses on Fourth Street, many of which were restaurants, and could be destination spots for visitors coming into Mission Bay (MB) or neighboring areas. This approval was intended to be an economic development approval supporting the Luma Hotel and the small businesses on Fourth Street.

Vice-Chair Ludlum requested clarification that no other garages in MB would be similarly constrained.

Ms. Heckman responded that no other MB garages had requested changes to their entitled parking so there was no reason to.

Vice-Chair Ludlum clarified that their entitlements did not specify what hourly rates they could charge.

Ms. Heckman responded in the affirmative.

Mr. Morales stated that, in his experience, this was the first time that a residential parking space within the Agency's jurisdiction had been converted. He explained that this was within the power of OCII as a land use regulator and that these parking spaces were originally approved by OCII for residential parking. He stressed that the goal here was not to set the rates, but rather to underscore

what principles of land use this would serve. Mr. Morales asserted that the primary purpose for most of these converted spaces was to serve the neighborhood businesses that OCII was trying to support. He explained to Commissioners that this was within their land-use jurisdiction and their discretionary authority. The rates were ancillary to fulfilling the goals and the purpose of these parking spaces.

Ms. Jennings stated that initially what the applicant had proposed was a structure that complied with the format set up in the Planning Code for short-term vs longer-term parking rates and those policies were set up to discourage long-term parking. They proposed something they were comfortable with but with the provision that they would be able to adjust the prices based on demand. She indicated that based on feedback from staff, they understood that OCII would be more comfortable with a set policy for now regarding what the rates were, which seemed reasonable to the applicant, so they were willing to live with those conditions. Ms. Jennings mentioned in response to Mr. Morales' comments that UDR, which owned and operated several apartment communities in the City, had pursued conversions of portions of under-utilized parking garages and other properties in the City before under Planning Commission jurisdiction, so they had a track record of managing both short-term parking and longer-term or business supporting parking arrangements, like the valet. She added that they had precedent for this but not under OCII jurisdiction.

Vice-Chair Ludlum inquired about whether they had stipulated rates in the other garages they had converted.

Ms. Jennings responded in the negative, not beyond compliance with Planning Code 155G regulations. She stated that frankly, they would be happy to not have that condition, but the applicant was happy with the condition as proposed.

Commissioner Scott stated that she had a problem with this. She was pleased about added parking spaces but reported that she was hearing from residents that the burden of multiple tickets due to metered parking was becoming a hardship. The residents loved the affordable housing but not the parking, because the tickets were too high and they needed a lot of help with the ticket prices. Dr. Scott inquired about how applying for residential parking permits would work in this situation.

Ms. Heckman responded that SFMTA set the residential parking permit zones and MTA had not set MB as a residential parking permit zone. She explained that this was a policy decision based on the land uses within MB, so this was not an option for residents. To the burden of street parking, she responded that the 10 parking spaces offered a small relief for affordable housing residents. They would be administered through a lottery process and aligned with how the MOHCD ran their program. She added that this proposal reflected that.

Commissioner Scott inquired about whether Certificate of Preference (COP) holders would have any preference.

Ms. Sims noted that each affordable housing development already had parking spaces, the ratio of which was 20% and below. She explained that COP applicants who are now residents at each of those affordable housing developments already had parking spaces, and if they requested a parking space, they got one. So, the parking recommended by Ms. Heckman would be above and beyond the parking that already existed at affordable housing developments.

Commissioner Scott inquired about whether, if someone was just moving in, would they have the benefits of being able to ask for a parking space or were they already all taken.

Ms. Sims responded that, if they were moving in today and they had the lottery and everybody moved in two years ago, they would not get a spot, but they would go to the top of the waiting list.

Commissioner Scott inquired about whether being a COP holder would help as it did with housing.

Ms. Sims responded in the affirmative because they would go to the top of the waiting list for each development.

Commissioner Aquino thanked staff for the presentation. She requested more information on the current parking proposal and inquired about how these numbers came up. She inquired about why there were 34 short-term commercial spaces when that area was very traffic-heavy; the T-line ran there, and there were Oracle Park games and events. She inquired about why there were 10 spaces below market (BMR) spaces and 30 valet spaces and wanted to know where these numbers came from.

Ms. Jennings responded that the valet spaces for the hotel were driven by the hotel and the property owner about the hotel's needs and what would be reasonable to provide based on the amount of spaces available. She explained that when they were looking at the full first floor of the garage, not taking into account the 25 spaces for Gus's (Community Market) or the spaces designated for car-share, electric vehicle parking, vendors and visitors, 34 was the majority of the remaining unused spaces. She added that based on discussions with OCII staff over the last two years, the consensus was that making those spaces available for short-term parking would provide the best opportunity to support local businesses. She explained that the 10 BMR spaces came about with discussions with OCII staff based on 15% of the total number of commercial, non-residential spaces. Mr. Jennings added that if, in the future, the short-term parking program was successful and the applicant wanted to add spaces, then the 15% BMR spaces would adjust with that.

Commissioner Aquino inquired about whether they were seeing a demand for shared vehicles, like Zip cars. She referred to the 34 commercial short-term spaces and inquired about why the hours were from 7am to 9pm. She inquired about making room for events and about residents with disabilities.

Ms. Jennings responded that those were the hours that the facility was open and aligned with Gus's hours as well, so the hours reflected what was in place. She stated that she was not familiar with the ADA requirements, but was confident that the garage complied with the accessibility requirements under its building permits. Ms. Jennings stressed that if there was a need to make additional spaces available, that would be possible. In terms of Zip cars, she responded that there were 4 spaces which had always been part of the project approvals and they were not proposing any change to that.

Commissioner Drew referred to approval of hourly rates and inquired about whether OCII had adopted parking rates in any of their project areas.

Executive Director Kaslofsky responded in the negative but was not sure if the UCSF garages went through any OCII approvals. He affirmed that there were no garages that OCII approved as part of their projects that they approved rates for. Mr. Kaslofsky explained that this was the first or second time that this developer had come forward regarding converting residential parking to something different. This newness was something they needed to check and be sure about.

Commissioner Drew inquired about whether there were controls for restricting use for special events for other commercial garages in MB with similar concerns regarding special event parking and neighborhood retail business parking. She stated that it appeared by this approval that OCII was stating that those were not sufficient and OCII was adopting rates in order to secure those spaces. She inquired about why they were not following the current model or whether they needed more spaces in order to protect these spaces so as not to be gobbled up by special events.

Executive Director Kaslofsky responded that these were commercial garages, designed and permitted as commercial garages intended to be full-on operating commercial garages. This was approved as a residential garage facility and not intended to be used for off-site parking. He explained that in exchange for the concession to open it up to the public, price spikes and special events parking became a concern. As this was a pilot program, they wanted to be sure what the rates would be.

Commissioner Drew stated that she was not sure that OCII should get involved in setting parking rates which would mean then later having to approve changing rates. She was not sure what the benefit would be for OCII and inquired about whether there were already controls in place because there were already garages in MB. She inquired about why they needed to take this next step.

Commissioner Scott was not pleased to learn that there were no residential parking permits available in that area. She referred to Commissioner Aquino's question about parking for people with disabilities. Dr. Scott inquired about parents with babies, children and groceries and no parking place. She inquired about how they would be charged if they were parked there during the day and if they were parked during the night.

Ms. Jennings responded that the proposal for the BMR spaces in this garage would be a monthly rate with no night-time fee. This was the same rate that affordable housing residents were charged at any BMR building or inclusionary units throughout the City. They were proposing the same thing that applied throughout the City. There were no additional night-time costs; it was a monthly charge.

Commissioner Scott inquired about those that did not have a parking space and were parking on the street.

Executive Director Kaslofsky responded that OCII did not regulate on-street parking, but MTA did. He explained that most of MB was metered and the rates were set by the MTA Department.

Chair Brackett inquired about what the profit netted from those residential parking spaces was; inquired about what the charges were for residential parking spaces.

Ms. Jennings responded that the charge for residents of the building who had the option to lease a spot was \$315/month, which was within the same range as other similar properties throughout the City.

Chair Brackett pointed out that because those spaces were currently unoccupied, UDR was losing 69 x \$315 every month for the first floor. She referred to the fact that UDR had experience in other communities converting residential to commercial parking spaces and inquired about how profitable that was for UDR.

Ms. Jennings responded that they did not have profit numbers available at that time. She acknowledged that they did generate revenue, even though the spaces had permitting fees, taxes and security costs associated with them.

Chair Brackett stated that what they were being asked to do was to convert the entire first floor of this parking garage from residential to commercial without any financials being submitted to OCII to determine what that would mean in terms of the profitability of doing that. She noted that in the report it was indicated that there had been constant demand for parking for over six years from six neighboring residences with no response to identify any parking for those residents until this proposal.

Ms. Sims responded that the OCII MB team had been working very hard trying to find spaces or alternatives like permit parking and acknowledged that the affordable housing residents really needed parking.

Chair Brackett inquired about how many were on that list.

Ms. Sims responded that there were about 600 residents who needed residential, not commercial parking in that area.

Chair Brackett pointed out that the Planning Code has restrictions on conversions on residential to commercial parking. Also, the parking rate that was set in this proposal was \$4/hour. Ms. Brackett pointed out that the City has regulations on pricing. She was not inclined to setting the floor at what the Planning Department or SFMTA nor any other regulatory body would charge, including the dynamic pricing model included in the proposal. Ms. Brackett indicated that the Planning Commission and SFMTA had weighed in on both issues and had stated that dynamic pricing should be used to decrease pricing charges and make parking more available to those residents who needed it and not used to charge the most to restrict parking for residents and people who needed parking in the area.

She stated that she was privy to parking regulations post-COVID and how that impacted businesses and had discovered that the truth was that charging for parking at businesses deterred people from shopping and did not encourage people to shop more quickly. Ms. Brackett pointed out that placing a 2-hour maximum on that specific garage next to Gus's could result in OCII tenants and people shopping there getting a \$78 ticket for an expired meter. She stated that she had some real concerns about this proposal and how it would impact people currently using the garage, shoppers in that area as well as local restaurants. Ms. Brackett acknowledged that the Luma Hotel had a need for offsite parking and that there was a huge demand from residents for parking but his proposal was too heavy-handed. She stated that she would like to do something for all parties which would be in the interest of residents, businesses and UDR, who was losing money for the empty spaces. Ms. Brackett indicated that she wanted to see specific adjustments to the proposal that would benefit the residents.

Executive Director Kaslofsky responded that dynamic pricing or price changes was not part of this approval and also any future price changes would have to come back to OCII. He explained that OCII could choose to do something else with the price rates, but the dynamic pricing or event or congestion pricing was not part of this.

Vice-Chair Ludlum agreed with the Chair that he was not pleased with the way this was written. He wanted to eliminate dealing with any pricing issues, which would be a waste of OCII time. Mr. Ludlum indicated that he would like to see this rewritten to reflect that the rates must be consistent from week to week in order to avoid event gouging. He pointed out to Dr. Scott that the result would be 10 new BMR parking spaces, which would be a win for their affordable housing tenants and owners.

Executive Director Kaslofsky suggested that they take comments from Commissioners and continue this item for another meeting.

Ms. Jennings added that there were various policy goals at play here and that they were in contention with each other. They had heard from the CAC and from staff regarding their concerns about event parking. She stressed that it was important to them to clearly state that these were the parking restrictions to deter people from parking for Chase Center or Oracle. Ms. Jennings added that the applicant team was willing to work with staff to refine the details in this proposal to address those goals that worked for OCII.

Chair Brackett stated that she had reviewed SFMTA and Planning Department parking policies and had completed a comprehensive study regarding parking availability and pricing in that area. The five areas that they covered for design and charges in certain neighborhoods were: 1) ensuring any parking fee policy included data collection and analysis, 2) policy development and framework for parking fees, 3) technology and implementation, 4) public outreach and education, and 5) monitoring and evaluation. Ms. Brackett agreed with Commissioner Ludlum that this was under the purview of OCII and that OCII had a responsibility to set these rates consistent with the neighborhood and its needs. Ms. Brackett proposed that they: 1) increase the number of BMR parking spots from 10 to 15, because there was a high demand from low-income residents for parking; 2) decrease the number of short-term offsite parking spaces from 34 to 29 spaces; 3) raise the parking maximum time to 4 hours and 4) set the ceiling rate at \$3/hour.

Executive Director Kaslofsky stated that they could take all Commissioner comments and work with UDR and staff to bring this item back to a later meeting.

Vice-Chair Ludlum suggested they continue the item for further work with staff and the applicant.

Commissioner Aquino agreed with that suggestion.

Mr. Morales stated that they needed to date the specifics so it was not indefinite.

Commissioner Drew stated that it would be helpful to understand the demand for parking other than by the residents of the associated building but also demand by BMR residents as well.

Vice-Chair Ludlum added that the City has done many conversions and suggested they look at a comprehensive list of what the added BMR's were and what other conditions of approval were for those conversions throughout the City.

Chair Brackett pointed out that many of the low-income developments had no or few parking spaces as well as limited bike space and disabled spaces, and suggested they look at that. She stressed that they should not start a new lottery just for these spaces. She suggested they compile the list of the six developments included in this proposal and consider them as part of a FIFO system tenured with the COP restrictions, put COP tenants at the top of the list and prioritize them as per the calendar dates for each development.

Vice-Chair Ludlum inquired about what would be a reasonable timeframe to gather this information and work out a new proposal by the applicant.

Executive Director Kaslofsky responded that the next meeting would be July 18 but that might be too early and the subsequent meetings were in August. He suggested in August.

Vice-Chair Ludlum moved to continue this item until July 18 or the subsequent meeting in August.

Commissioner Aquino seconded that motion.

Secretary Cruz called for a voice vote to continue Item 5(d) to a future date either July 18 or the subsequent meeting in August.

Commissioner Aquino - yes

Commissioner Drew - yes

Commissioner Scott - yes

Vice-Chair Ludlum - yes

Chair Brackett – yes

ADOPTION: IT WAS VOTED BY FIVE COMMISSIONERS THAT RESOLUTION No. 23-2023, CONDITIONALLY AUTHORIZING THE CONVERSION OF SIXTY-NINE (69) OFF-STREET RESIDENTIAL PARKING SPACES IN, AND ADDING FIVE (5) NEW PARKING SPACES TO, AN EXISTING BUILDING CONTAINING 313 PARKING SPACES AT 185 CHANNEL STREET (MBS BLOCK 2) TO PROVIDE 34 SHORT-TERM COMMERCIAL SPACES, THIRTY (30) COMMERCIAL VALET PARKING SPACES AND TEN (10) OFF-SITE BELOW-MARKET-RATE RESIDENTIAL PARKING SPACES AND APPROVING A SECOND AMENDMENT TO THE BASIC CONCEPT - SCHEMATIC DESIGN FOR MISSION BAY SOUTH BLOCK 2; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE CONTINUED TO A FUTURE DATE ON EITHER JULY 18 OR THE SUBSEQUENT MEETING IN AUGUST

6. Public Comment on Non-Agenda Items - None

7. Report of the Chair

Chair Brackett stated that she had no report.

8. Report of the Executive Director

Executive Director Kaslofsky asked Mr. Morales to address the motion regarding Item 5(c).

Mr. Morales stated that there was a question raised about the scope of approval for the resolution authorizing moving forward with the refunding bonds. He referred to the way that Vice-Chair Ludlum characterized the resolution as that they were only approving the underwriter selection but the resolution was much broader.

Vice-Chair Ludlum stated that his intent was to approve the broader resolution.

Mr. Morales stated that the correct procedure would be to rescind the previous vote and then vote again on the entire motion.

Vice-Chair Ludlum moved to rescind approval of Item 5(c) and Commissioner Aquino seconded that motion.

PUBLIC COMMENT - None

Secretary Cruz called for a voice vote to rescind the original motion for Item 5(c).

Commissioner Aquino - yes
Commissioner Drew - yes
Commissioner Scott - yes
Vice-Chair Ludlum - yes
Chair Brackett – yes

ADOPTION: IT WAS VOTED BY FIVE COMMISSIONERS THAT THE ORIGINAL MOTION FOR ITEM 5(C) BE RESCINDED.

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

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

Commissioner Aquino - yes
Commissioner Drew - yes
Commissioner Scott - yes
Vice-Chair Ludlum - yes
Chair Brackett – yes

ADOPTION: IT WAS VOTED BY FIVE COMMISSIONERS THAT RESOLUTION No. 22-2023, AUTHORIZING THE ISSUANCE OF TAX ALLOCATION REFUNDING BONDS, AS PERMITTED IN SECTION 34177.5(A)(1) OF THE CALIFORNIA HEALTH AND SAFETY CODE IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$85,000,000, APPROVING AND DIRECTING THE EXECUTION OF A SECOND SUPPLEMENTAL INDENTURE OF TRUST, ESCROW AGREEMENT AND BOND PURCHASE CONTRACT, AND APPROVING OTHER RELATED DOCUMENTS AND ACTIONS; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

Executive Director Kaslofsky had an update on replacement housing. He announced that the first hearing at the Assembly Local Government Committee would take place the following day. Participation could only be in person, not by phone or written. Then the next meeting would be by the Assembly Housing Committee on June 28. Mr. Kaslofsky reported that they had not heard any concerns from Committee members or their consultants. He reported that Senator Wiener (Scott

Wiener - District 11) was working very hard on this and acknowledged Mattie Scott (President, Freedom West Homes) and Dr. Veronica Hunnicutt (Chair, Hunters Point Shipyard CAC) on their work on this issue as well.

Executive Director Kaslofsky had an update on the OCII budget process. He explained that OCII had had two hearings on the budget: June 9 was the date of the Board of Supervisors budget hearing and the OCII budget was presented there. That Committee was chaired by Supervisor Connie Chang. Mr. Kaslofsky reported that there were some comments from the community that OCII was building a lot of parks but there were many homeless people who needed a place to live and that more affordable housing was needed. There were also concerns about contamination at the Hunters Point Shipyard. He announced that the next round of hearings would be on June 27 and then in July the Board would approve the final budget. He sent out a special thanks to Mina Yu (Budget and Project Finance Manager), Rosa Torres (Deputy Director, Finance) and John Daigle (Senior Financial Analyst/Debt Manager) for their work on the budget.

9. Commissioners Questions and Matters

Commissioner Drew wanted to follow up on a previous discussion regarding the OCII budget regarding more transparent reporting of Agency spending. She inquired about when they would be able to find out about the last fiscal year-to-date spending or the current fiscal year spending.

Executive Director Kaslofsky responded that he had been working with Rosa Torres (Deputy Director, Finance) on a form of presentation to track budget to actuals. He reported that they were preparing a draft of this document for Commissioners' review and that they could have a follow-up conversation about this later in the week.

10. Closed Session - None

11. Adjournment

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

Chair Brackett adjourned the meeting at 2:56 p.m.

Respectfully submitted,



Jaimie Cruz
Commission Secretary