

## MEETING MINUTES

Citizens' General Obligation Bond Oversight Committee  
July 28, 2016 Hearing Room 416 - City Hall  
San Francisco, CA 94102

### 1) Call to Order, Roll Call

The meeting was called to order at 9:30 a.m. The following Committee members were present: Robert Carlson, Kevin Hughes, Brian Larkin, Brenda Kwee McNulty and Jennifer Warburg. Larry Bush was absent.

### 2) Election of Chair and Vice Chair

Brian Larkin was elected Chair by acclamation. Brenda Kwee McNulty was elected Vice-Chair by acclamation. There was no public comment.

### 3) Approval, with possible modification, of the minutes of the March 24, 2016 meeting.

The minutes were approved with two small modifications. There was no public comment.

(\*NOTE: Full recordings of Committee meetings are available by request from the Controller's Office and on the CGOBOC web site. Meeting Materials are also posted on the web site after approval by the Committee).

### 4) Presentation from the City Services Auditor regarding CSA Reports and Audits.

Peg Stevenson and Tonia Lediju, Directors of CSA Audits and Performance, presented the FY2016-17 Work Plan Summary. The information presented included CSA's charter mandates, an overview of CSA's resources, and the scopes of work for Audits and Performance as well as the work planning process.

There wasn't a liaison report. There was discussion from various Committee members regarding the overlap with CSA and CGOBOC oversight responsibilities and how the work is prioritized.

There was public comment from Patrick Monette-Shaw in regard to the errors and omissions that were not included as part of the change order process.

### 5) Presentation from the Mayor's Office of Housing regarding the 2015 Affordable Housing Bond.

Kate Hartley, of the Mayor's Office of Housing (MOH), provided an overview of the project that included the three investment categories, priority populations, low-income housing uses, public housing uses, middle-income housing uses, the ways in which the Housing Bond is different from other bonds, progress to date on the three categories, the 2016 schedule for the first bond issuance and metrics/accountability information.

Jennifer Warburg provided the liaison report on the project. While stating that her overall experience with the Mayor's Office of Housing was positive, she also expressed her opinion that better metrics are needed as well as more details on actuals. There needs to be more clarity for the public in regard to the different housing funds. The planned expenditures over the next three years are good. Better reporting would be helpful. A more detailed bond report will provide more clarity.

Larry Bush is also a liaison for this project. Mr. Bush requested information from the MOH on March 25, 2016 via email. The information was not provided. It was recommended that the MOH return to the September 2016 CGOBOC meeting to give Ms. Hartley time to prepare responses to Mr. Bush's questions.

There was public comment from Patrick Monette-Shaw: "I hope CGOBOC's members read my analysis for today's meeting record, and my transcript of CGOBOC's January 28 hearing on this Affordable Housing Bond measure.

MOHCD's presentation today is very troubling, including re-naming of various main- and sub-categories of proposed uses of the bond, which appear to have changed dramatically since your January hearing, including changes to proposed spending.

Thankfully, the Board of Supervisors placed a Charter change amendment on the November 2016 ballot Tuesday to create a Commission having oversight of MOHCD, as I proposed to multiple Supervisors last February; it's a long-overdue Charter change to counteract MOHCD's "sole discretion" authority!

A Commission having oversight of MOHCD is desperately needed, given the hubris Olson Lee demonstrated at the Rules Committee July 7 during which he fretted about the loss of "gravitas" he might face. Particularly troubling is using below-market rate interest loans to fund market-rate housing in mixed-income projects".

**6) Presentation from Public Works on the 2008 SF General Hospital Rebuild Program.**

Joe Chin, Public Works Project Manager, provided an update of the status of the program which is substantially complete. He provided a budget overview, costs expended to date, previous quarter accomplishments and a summary of recent/current activities.

Brian Larkin provided the liaison report for the program. He was not able to visit the team prior to the meeting because the program was going through close-out but will visit before their next report. Mr. Larkin raised the issue of potential change orders from the subcontractors to the contractors because there isn't a risk provision in the contract.

There was clarification and discussion of the \$16M encumbrances in the budget overview.

There was no public comment.

**7) Committee Business**

CGOBOC's Annual Report is due in October. CSA (Claire Phillips and David Weinzimmer) presented information about the GO Bond program for FY15-16. The methodology and the status of each bond was reviewed. Lessons learned across the bond programs included the importance of pre-bond planning and scoping which helps keep the bond program on budget and close to schedule. The Committee discussed both the presentation and next steps for the preparation of the other sections, including due dates. This will be an agenda for the September meeting.

There was no public comment.

**8 Opportunity for the public to comment on any matters within the Committee's jurisdiction.**

There was no public comment.

The meeting was adjourned at 11:50 a.m.