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**MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
17th DAY OF MARCH 2009**

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The Commissioners of the Redevelopment Agency 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 4:00 p.m. on the 17th day of March 2009, at the place and date duly established for holding of such a meeting.

President Ramon Romero called the meeting to order at 4:00 p.m.

Mr. Romero welcomed members of the public and radio listening audience and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Romero asked members of the public who wished to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Romero stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Ramon Romero, President
Rick Swig, Vice President
Linda Cheu
Francee Covington
Leroy King
Darshan Singh

And the following were absent:

London Breed

Fred Blackwell, Executive Director, and staff members were also present.

- 2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. No Reportable Action.**
- 3. MATTERS OF UNFINISHED BUSINESS. Approval of Minutes: Meeting of February 17, 2009**

ADOPTION: IT WAS MOVED BY MR. SWIG, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED, (WITH MS. BREED ABSENT) THAT THE MINUTES OF THE REGULAR MEETING OF FEBRUARY 17, 2009, BE ADOPTED.

4. **MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

- (a) Approval of Minutes: Meeting of March 3, 2009.
- (b) Resolution No. 28-2009, Authorizing a First Amendment to the Personal Services Contract with the Corporation for Supportive Housing, a Delaware-based nonprofit corporation, for \$35,100, for a total aggregate amount not to exceed \$335,100, through the contract term ending March 31, 2009, for as-needed technical assistance services to supportive housing developers and operators; Citywide Tax Increment Housing Program.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MS. CHEU, AND UNANIMOUSLY CARRIED, (WITH MS. BREED ABSENT) THAT THE MINUTES FOR THE MEETING OF MARCH 3, 2009, AS AMENDED, AND RESOLUTION NO. 28-2009; AUTHORIZING A FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH THE CORPORATION FOR SUPPORTIVE HOUSING, A DELAWARE-BASED NONPROFIT CORPORATION, FOR \$35,100, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$335,100, THROUGH THE CONTRACT TERM ENDING MARCH 31, 2009, FOR AS-NEEDED TECHNICAL ASSISTANCE SERVICES TO SUPPORTIVE HOUSING DEVELOPERS AND OPERATORS; CITYWIDE TAX INCREMENT HOUSING PROGRAM BE ADOPTED.

REGULAR AGENDA

- (c) Workshop on the Agency's Fiscal Year 2009/10 Budget

Presenter: Amy Lee, Agency Staff; Olson Lee, Agency Staff

Speakers: None

Commissioner Cheu stated that it was interesting to see that the amount was much lower this year in comparison to last year which was unusually high, and asked what has the budget been in the past 3-5 years, and what the percentage of the total work program was compared to previous years.

Mr. Lee stated that the average overall work program is 50%, and in terms of the amount of the work program the average is closer to \$50M; the work program and the opportunities within the project areas to create affordable

housing have increased, therefore, with the surging economy there was available increment but with the economy falling the flow of tax increment has leveled off. Mr. Lee indicated what would happen for the Agency is they would do projects a little later or spend more time to tee up projects in terms of looking for predevelopment for those projects and getting them ready so when the increments are available again, then go back to the Commission to request more money to do the actual construction. What they will be doing during this period is looking at project sites and looking at predevelopment money getting those projects queued up as opposed to doing the big contribution which is the construction and permanent gap financing.

Director Blackwell stated the budget is based on the pipeline and for that reason the Agency submitted a conservative budget resulting with additional tax increment. Mr. Blackwell stated that the Agency would be working closely with the Mayor's office and may have additional housing and infrastructure projects with additional tax increment since it is less of an impact on the general fund when the Agency takes on those projects.

Commissioner Covington asked for more detail on business development and the job training portions of the budget; what they are for and whether they've gone up or down within the last few years.

Ms. Lee referred the Commission to the summary pages by project area to the job training and business development line items which those items are funded in. Ms. Lee stated those two items would be presented in more detail at the next budget presentation by the project managers.

Commissioner Covington asked for more information on the Education Relief Act Fund.

Ms. Lee stated that ERAF is part of the State legislation in order for the State budget to balance their own budget and do not have enough revenues, they need to pay a portion amount to the schools, the legislation allows them to receive monies from Redevelopment Agencies in a package of education relief. Ms. Lee stated that the Redevelopment Agencies have to pay \$5.9M which is due in May to the State.

Ms. Covington asked if there was a court case filed on behalf of the Redevelopment Agencies.

Director Blackwell stated that the California Redevelopment Association filed a lawsuit challenging the legality of the additional ERAF payment which was heard this month but a ruling has not been handed down and does not expect a ruling on this until April.

Commissioner Covington asked for an update on the Central Freeway Parcels.

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Mr. Lee stated that Parcel A was developed, completed and operational; Parcel C will be before the Commission at the next Commission meeting to discuss the exclusive negotiations agreement; Parcel G which is the supportive housing development on Fulton went before the Board of Appeals and the Board denied the appeal of the building permit but asked for some findings to be incorporated which has not yet been scheduled to put those findings into their final ruling. Parcel Q's construction drawings were signed by all relevant City Departments and submitted to HUD to begin the process which should occur within the next two-three months and construction would begin which will also include traffic improvements. Staff will consult with the Commission on going forward with a new RFP for either Parcel K & U, dependent upon existing funds.

Commissioner asked for information on Parcels O and P.

Mr. Lee stated that Parcel P is owned by the City and went through an RFP process, Build, Inc. was identified as the developer for Parcel P. Mr. Lee stated that he would contact the Mayor's Office on that parcel and report back with their progress. Parcel O would be the last development and would be done after Parcels U & K because of the size of the development; it would be a function of when the development would fit in because it is a fairly large parcel and would require a large budget request to fund it.

Commissioner Covington asked which parcels are considered to be in the Western Addition.

Mr. Lee stated Parcels A, C and G are part of the Western Addition.

Commissioner Swig asked if there was any risk in the current economic environment of those bond proceeds not proceeding as revenue or are those proceeds coming from existing bonds which have already been sold.

Ms. Lee stated they are coming from future bonds that have yet to be sold and that in prior years the interest rates used was 4%-5%; this current year budget has up to 12% for taxable and 9% for tax exempt interest rates, and are anticipating higher interest rates on the bond proceeds, therefore, anticipating a lower amount of proceeds available. Ms. Lee indicated the taxable market would need to be monitored on a week to week basis.

Mr. Swig asked what would happen if the bonds are not sold or cannot be sold.

Ms. Lee stated some of the projects would have to be re-prioritize, particularly the housing projects. Staff is doing a different approach this year where they will be doing negotiated sales and will be trying to break up the amounts rather than having one large sale of \$100M; they are potentially looking at several sales of \$10M - \$20 and sell to high yield investors rather than big financial corporation's from New York.

Mr. Swig asked for clarification if there were no market for the bonds and some of the projects that are being anticipated for part of the plan, would they then be pushed off until 2010/11.

Ms. Lee concurred.

Director Blackwell stated that this agency is not the only agency in the State that uses this method to finance their work; in addition to looking at what they do for this current fiscal year they will have the benefit of looking at what other agencies are doing in terms of the issuance of their bonds as well.

Commissioner Swig asked what the risk was of breakage on rents and leases.

Ms. Lee stated that rents and leases have been preferential to the lease holder which is in the best interest of the leaseholder; agreements have already been made and incorporated into their budget numbers. Some areas may have had higher developer contributions and the leases may have gone down for the next fiscal year but the net was zero change.

Director Blackwell stated that the highest numbers come from leases in the Yerba Buena area which are solid and does not anticipate any problems with those leases associated with the economy.

Commissioner Swig asked if the revenues from grants would be reduced to conditions beyond our control.

Ms. Lee stated that the numbers are firm.

Commissioner Swig asked what the risk factor was for some of the developers, through no cause of their own, not being able to get anticipated financing which would create a stall of projects.

Mr. Lee stated what they are hearing from the developers is that because there is tighter credit the requirements of both the investors and lenders are tighter. For the low income housing tax credit investors, the yields on those tax credits have dropped dramatically which means the Agency or someone else has to come up with additional funds, generally the Agency because the Agency is the lender at last resort to try to fill that gap. Mr. Lee said that funds going to the tax credit allocating agencies would try to maintain the yield on credits at .85%. Mr. Lee added that the other program that came out of the stimulus bill was the notion of direct purchase of these credits by the Treasury for a fixed amount of money with the hope that in the future resells the credits. On the lending side, there are only one or two lenders competing, therefore not getting as favorable terms, both in terms of construction financing as well as take out financing. The underwriting requirements for the lenders are more stringent because no one wants to hold the mortgages and everyone is looking to sell the mortgages to the government enterprises - Fannie or Freddie,

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therefore, their typical underwriting requirements are more stringent than what local lenders have provided in the past by requiring a larger debt coverage ratio and higher interest rates which increases the gap. Mr. Lee stated that the Agency then is faced with either providing more money to continue the project or not to do it at all; as lenders as last resort, the Agency is looking at that situation both from the debt side as well as the investors side.

Commissioner Swig stated what he is hearing based on the presentation is a realistic budget based on good fundamental planning, and judgment however, at the same time ambitious due to market conditions beyond anyone's control, and stressed that it is important for the public to know that best laid plans may not reach fruition in a timely fashion due to market conditions, and the expectations of the public should not be raised too significantly through no fault of the Agency, and through the fault of market conditions.

Director Blackwell stated there are budget challenges at the State level which impact projects the Agency is working on and adjusting the pace of development rather than whether or not it will occur. Mr. Blackwell indicated that they are being realistic and conservative to plan well and to be ambitious enough to keep momentum not only in terms of project area work but also in terms of following up on the Mayor's commitment to be aggressive in moving forward publicly financed projects that have entitlements that are ready to go to inadvertently create more of a problem in terms of the economic situation by being too conservative.

Ms. Lee added that she wanted to reassure the Commissioners concerns about the revenues and assumptions about grants that she anticipants the grants will be coming in but until they come in, project managers and staff are not allowed to spend against those funds.

Mr. Lee stated the process of bringing projects to the Commission, the money being requested is money already in hand and the question is not whether the projects will be ultimately be built, just the pace of when they will be built. They are projects already in the pipeline within project areas or land the Agency own, the holding costs are modest, the opportunity will not be lost, and it is just a question of the timing of when they will be successfully completed.

Commissioner Singh asked what the procedure for applying for affordable housing for rental or sale.

Mr. Lee stated that generally, there is a mailing as widely as possible of the opportunity to all interested people to them an opportunity to apply for the development. Mr. Lee indicated that an opening of marketing for the 10th and Mission project brought 5,000 people waiting in line for the application even before they did significant marketing. Mr. Lee stated that the process for the initial lease up is conducted by the developer after a very thorough marketing process and a lottery, and then developing a waiting list on the sites for

openings at vacancies for the rentals. For single families, staff manages the resale process and posts the resales on the Agency's website, and is also notified on the Agency's email blast.

Commissioner Singh asked how people are notified if they do not receive emails.

Mr. Lee stated that notices are sent in the regular U.S. Mail, as well as emails, the Agency's website, and co-lists with the Mayor's Office of Housing.

Commissioner Singh asked what the current interest rate for the bonds is and asked when the last time the bond was underwritten.

Ms. Lee stated that it is anticipated to be 7%, and was underwritten the fall of last year at 5%.

- (d) Resolution No. 29-2009, Authorizing an Amended and Restated Loan Agreement with Martin Luther King-Marcus Garvey Square Cooperative Apartments, Incorporated, a California mutual benefit nonprofit corporation, to increase the loan amount by \$4,000,000 for a total aggregate amount not to exceed \$5,000,000 and to amend other terms of the loan, all related to the rehabilitation of 211 units of low-income cooperative housing; 1680 Eddy Street, within the former Western Addition Redevelopment Project Area A-2; Citywide Tax Increment Housing Program

Presenter: Michele Davis, Agency Staff, Carmen Johnson, Vice President, Board of Director Martin Luther King-Marcus Garvey Cooperative

Speakers: Sharon Jones, Minister LaVonne V. McIntosh, Kendall E. Hobbs, Ulysses J. Montgomery, Carlos Levezier, Daniel Landry, Marva Brooks, Abe Landry, David L. Cooper

Commissioner King stated that he believes someone from the Agency should meet with the two groups and resolve their issues because there are 211 families and something has to be done, he does not know how to correct the problem. Mr. King stated that he met with Mr. Montgomery at Original Joes a few times and Mr. Montgomery talked to him about trying to get the Co-op; Mr. King would not go along with him. Mr. King stated that he would like Mr. Olson Lee or someone from the Agency to meet with the groups to pull them all together because it is important to save the families living there, there are elderly people who have been living there for 40 years or so and they need a place to live. Mr. King stressed that he would not believe what Mr. Montgomery and his lawyer said because it is not true, they want to make some money and take over and make some profit and sell if off; they tried to get him to go along with them some time ago. Mr. King asked Mr. Carl Williams, the attorney for MLK-Marcus Garvey Coop and Bill Witte from the

Related Group or the representative from John Stewart if they had anything to say or try to speak out or have any input into this matter.

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Mr. Carl Williams stated that since Sept. 2007, he was retained by the Board of Directors of MLK-MGC to represent them, he has been carrying out the responsibility to assist the Board and get them to the point where they could come up with the development plan to meet the demands from HUD, that if they don't do certain things HUD will cut off Section 8 assistance to that development. Mr. Williams stated that he is not responsible for developing the financing plan, has worked with the Related Company who are under contract with the Board to come up with that plan. He took the proposed development agreement between the Board and Related to the share holders in 2007, and over a two day period of time, the shareholders went to the polls and voted in a majority vote to go along with the development plan from Related and Co. Mr. Williams stated that everything that has been done by the Board, with respect to the development plan, has been done in a properly and duly noticed Board meeting and appropriate shareholders meetings, every meeting has been opened to the public and shareholders, and does not know of any shareholder or any member of the Co-op who have not been fully informed and apprised of every aspect of the development. The relocation plan will have to be approved by the Board of Directors, and when the plan is ready for the Board of Directors to act on, they will have the normal process of noticing the meeting, have the item on the agenda, and allow the shareholders and others to attend the meeting and comment. Mr. Williams stated that the process has been an open and above board process.

Commissioner King put forth a motion to move the item.

Commissioner Swig seconded Mr. King's motion. Mr. Swig stated for clarification purposes, what he understands is the building has been in deep disrepair for quite some time and the impact has been felt by all residents in the building. He understands if there is no compliance to improve the building, HUD will no longer recognize the validity of the building and suspend funding to the building that will give it any chance of sustaining itself for the future, therefore, if the action is not taken the building is almost guaranteed to fall into further disrepair, further blight, and become a micro redevelopment area. Mr. Swig said what he heard is that there is a Board that is legally formed, that the Board meets on a regular basis, has made every attempt to proceed in a legitimate and legal fashion and move the project forward to prevent it from falling into further disrepair and blight, which lead him to second the motion and move forward on the activity.

Director Blackwell stated that he has been in a few meetings with representatives of HUD as well as Supervisor Mirkarimi's office, the Mayor's staff, and Speaker Pelosi's office. Mr. Blackwell noted that HUD's point is that they will abate the Section 8 for that building for health and safety reasons, they have been poised to do so for some time and have held off on doing so because progress has been made, progress that has not been made in

the past with the Board as well with the Developer to come up with a series of steps that show HUD that they are moving in the direction of rehabilitating the property. If HUD was to abate the Section 8, and would do so if momentum is not shown and is documented, the units that currently hold project base Section 8, would no longer hold those project base Section 8 which means the people who currently live in those units will be given Section 8 vouchers, the large majority of those tenants will have homes but not likely in San Francisco. Mr. Blackwell stated from the buildings perspective, there will no longer be revenue stream associated to pay back the loans and will have a situation where someone will have to acquire the site and do the rehabilitation.

Commissioner Covington asked for a show of hands in attendance for the item. She stated there were substantially more people in attendance for the item than spoke for the item, including people who were drafted to speak. Ms. Covington stated that this has been going on for some time and perhaps the reason some people don't show up for the meeting is because they are tired and weary because it's been going on and on. Ms. Covington stated that she is glad there is a motion on the floor and a second so the project can move forward, she agreed with the speaker who said if this was not a legally constituted board HUD would not be negotiating with them or communicating with the Executive Director about the dire straits that the complex is in, and out of the 211 families that are in the complex, a lot of those people who are not in attendance are senior citizens who have problems with mobility and sustaining their interests over the course of many years. Ms. Covington stated that they would be remiss in their responsibilities as Commissioners not to move this forward, that this is an opportunity to retain affordable housing; she looks forward to staff looking at the plans with a critical eye when they are presented. Ms. Covington stated that she was at the Inauguration and one of the sentences that resonated with her most in the President's inaugural address was when he said, "We will extend to you an open hand if you will unclench your fist"; she asked everyone in attendance to unclench their fist and to get together and work it out.

Commissioner Romero stated that he did not think there was any other alternative but to approve the item; the consequences of not rehabilitating would be devastating, he fully supports Commissioner King's motion.

ADOPTION: IT WAS MOVED BY MR. KING, SECONDED BY MR. SWIG, AND UNANIMOUSLY CARRIED, (WITH MS. BREED ABSENT) THAT RESOLUTION NO. 29-2009, AUTHORIZING AN AMENDED AND RESTATED LOAN AGREEMENT WITH MARTIN LUTHER KING-MARCUS GARVEY SQUARE COOPERATIVE APARTMENTS, INCORPORATED, A CALIFORNIA MUTUAL BENEFIT NONPROFIT CORPORATION, TO INCREASE THE LOAN AMOUNT BY \$4,000,000 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$5,000,000 AND TO AMEND OTHER TERMS OF THE LOAN, ALL RELATED TO THE REHABILITATION OF 211 UNITS OF LOW-INCOME COOPERATIVE HOUSING; 1680 EDDY STREET, WITHIN THE

FORMER WESTERN ADDITION REDEVELOPMENT PROJECT AREA
A-2: CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE
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ADOPTED.

- (e) Resolution No. 30-2009, Authorizing a Revolving Share Loan Program for Limited Equity Cooperatives that serves very low- and low-income first-time home buyers and reallocating \$500,000 in Citywide Tax Increment Housing Funds for the program; All Redevelopment Project Areas and Citywide Tax Increment Housing Program.

Presenter: David Sobel

Speakers: Ulysses Montgomery, Sharon Jones, Minister LaVonne McIntosh

Commissioner Covington referred to the page of targeted use and asked for information about Northridge, Glenridge, and Unity Homes, and how many units each contained.

Mr. Sobel stated that Northridge Coop is located on Hunters Point Hill by Whitney Young and has 330 units; Glenridge has 277 units, Unity Homes has 94 units.

Commissioner Covington stated that the limited equity coop is a good thing to look at but wanted to echo a few speakers in prompting staff and the Board of MLK-MGC to have a conversation about mixed income people at the development. Ms. Covington put forth a motion to move the item.

Commissioner Cheu asked what the turnover was annually for the inventory of these types of units in the City.

Mr. Sobel stated that he did not have that information and would provide the data to the Commission. He surmised that MLK-MGC and Northridge had roughly 15 units at each location over the last 5-7 years, with 32 units currently vacant at MLK-MGC. Mr. Sobel said what is being proposed is a \$500,000 budget allocation to fund the program; if one were to assume that 30 units or so could be assisted at MLK-MGC, and depending on the level of assistance provided to each, there could be anywhere from 30 to 60 additional slots that could be funded through the initial funding. The vision for the program is if there was a greater demand they would come back for additional funding overtime, and if additional funding were not needed they would recycle funds back into the program if there was a need for it, and if there were no need for it they would not continue the program.

Commissioner Cheu asked if this was an area of need in terms of the initial cost outlay.

Mr. Sobel stated yes, that this was brought before the Commission today because it is a companion to the MLK-MGC initiative; if there are 30 vacant

units, households may be interested in buying into the program but if they don't have the means to come up the share purchase cash to do so this is one way of enabling them to participate in an opportunity that they could not otherwise be able to participate.

Commissioner Cheu asked how the \$15,000 was derived from.

Mr. Sobel stated that the Mayor's Office of Housing down payment assistance loan program and the Agency's Certificate of Preference second loan program uses a \$25,000 figure, and the amount was lowered to \$15,000 in trying to direct the resource to where it would most be needed.

Commissioner Cheu seconded the motion.

Commissioner Swig asked for the definition of a unit.

Mr. Sobel stated when he refers to a unit he is referring to a physical apartment or space that a person is allowed to occupy in conjunction with purchasing shares into a cooperative rather than actually owning the physical space or unit, as he calls it, a person is given occupancy rights to a particular unit or apartment.

Commissioner Swig asked if it is based on the size of the unit which is defined as an apartment that there are an amount of shares assigned to that unit, and the loan program is based on the number of shares.

Mr. Sobel stated regardless of the cost of the shares or how many shares a homebuyer would try to access, the loan program proposes to support 75% maximum of that share purchase cost itself; it is not a number of shares, it is the dollar value. Mr. Sobel stated that at the MLK-MGC project the information for recent transfers is roughly in the \$4,000-\$6,000 of whatever the total shares are to purchase those occupancy rights.

Mr. Sobel stated there are two templates for share value in limited equity coops; one is based on a person's original share value when they are first purchased and a consumer price index change over time on the value of those shares which escalates at consumer price index. Another scenario is the share value formula is driven by the percentage contribution the share owner has made to the cooperative in paying off the mortgage on the cooperative, if they are paying 1% of the cooperatives mortgage as a whole each year, that dollar amount is tracked, that is their principal pay down they are allowed to recapture when they sell their shares back out, they get their original value they paid for their shares plus any principal pay downs that is attributed to them specifically upon resale.

Commissioner Swig stated that he is in the real estate business and does not understand the program. He stated one of the issues in the low income housing area that he heard tonight related to the previous agenda item and this

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item is that it needs to be kept simple, there are tenants living in the low income housing who are not particularly sophisticated and may not read the small print and need to keep it simple. Mr. Swig stated he has a problem with the program and will probably have to abstain because he cannot understand it and is problematic for him, if he were one of those residents in the aforementioned housing area he would be very confused.

Mr. Sobel stated, in proposing the program, staff is not authoring or amending in any way the existing bylaws of any of the Co-ops, the confusion expressed relates to the structure of the bylaws of the Co-ops themselves which is not what they are addressing in their proposed program; they are trying to enable people to be able to purchase shares into the cooperatives.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED, (WITH MS. BREED ABSENT) THAT RESOLUTION NO. 30-2009, AUTHORIZING A REVOLVING SHARE LOAN PROGRAM FOR LIMITED EQUITY COOPERATIVES THAT SERVES VERY LOW- AND LOW-INCOME FIRST-TIME HOME BUYERS AND REALLOCATING \$500,000 IN CITYWIDE TAX INCREMENT HOUSING FUNDS FOR THE PROGRAM; ALL REDEVELOPMENT PROJECT AREAS AND CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

- (f) Resolution No. 31-2009, Authorizing a Second Amendment to the Amended and Restated Letter Agreement with the Mayor's Office of Community Investment ("MOCI") to include Young Community Developers, a community-based organization offering employment development services, and to increase the compensation by an amount not to exceed \$164,151, for a total aggregate amount not to exceed \$1,131,668 for the administration of contracts with five community-based organizations to provide business assistance and employment development services from January 1, 2009 to June 30, 2009; All Redevelopment Project Areas.

Presenter: Angela Heyward, Agency Staff, Stephen Maduli-Williams, Agency Staff

Speakers: David Nguyen, Ramond Gill, Allan Quinton, Emal Wallace, Jim Salinas, Jesse Mason, Carol Tattam, Claude Everharte, Al Williams, Doris Vincent (Note: there were 21 participants from YCD in support of the item with four speaking on their behalf)

Commissioner Covington stated that she was familiar with YCD and happy to hear they have improved their compliance record and have met all of the requirements that are needed for them to continue to receive funding. Ms. Covington stated that she was also happy to hear there will be a new working group which she has been pushing for, a group that looks at the careers that are coming on line. Ms. Covington stated the need to diversify, particularly in

the southeastern side of the City. Ms. Covington put forth a motion to move the item and wished YCD the best of luck.

Commissioner Singh seconded the motion.

Commissioner Swig stated it is very important to support YCD; it is the core of community development if the Agency is to fulfill the initiatives that are before them to maintain employment in the City, maintain employment development for residents of the City, and that organizations such as YCD are needed for processing and prospering. Mr. Swig stated his support of the item.

Commissioner Romero welcomed YCD back and stated that they play a very important role. Mr. Romero addressed the youth in the audience and stated that, though they were not able to speak since there were so many that wanted to speak in support of the program, emphasized that it was very important that they were in attendance so the Commission could see who it affects and who supports these programs. Mr. Romero thanked Mr. Al Williams for being the interim Director and for being President of the Board.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED, (WITH MS. BREED ABSENT) THAT RESOLUTION NO. 31-2009, AUTHORIZING A SECOND AMENDMENT TO THE AMENDED AND RESTATED LETTER AGREEMENT WITH THE MAYOR'S OFFICE OF COMMUNITY INVESTMENT ("MOCI") TO INCLUDE YOUNG COMMUNITY DEVELOPERS, A COMMUNITY-BASED ORGANIZATION OFFERING EMPLOYMENT DEVELOPMENT SERVICES, AND TO INCREASE THE COMPENSATION BY AN AMOUNT NOT TO EXCEED \$164,151, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$1,131,668 FOR THE ADMINISTRATION OF CONTRACTS WITH FIVE COMMUNITY-BASED ORGANIZATIONS TO PROVIDE BUSINESS ASSISTANCE AND EMPLOYMENT DEVELOPMENT SERVICES FROM JANUARY 1, 2009 TO JUNE 30, 2009; ALL REDEVELOPMENT PROJECT AREAS, BE ADOPTED.

Agenda Items 4(g) and 4(h) were presented together, but acted on separately.

- (g) Resolution No. 32-2009, approving a schematic design for improvements to Building 101 at the Hunters Point Shipyard; Hunters Point Shipyard Redevelopment Project Area.
- (h) Resolution No. 33-2009, Authorizing a First Amendment to the Personal Services Contract with Levy Design Partners, Inc., a California corporation, to increase the Contract amount by \$150,000, for a total aggregate amount not to exceed \$250,000, and to amend the scope of services to include final construction drawings and construction

administration support for improvements to Building 101; Hunters Point Shipyard Redevelopment Project Area.

Presenter: Thor Kaslofsky, Agency Staff, Wells Lawson, Mayor's Office,
Toby Levy, Architect

Speakers: Doris Vincent, Maria Mayor, Deborah Carrol, Linda Hope

Commissioner Swig thanked Toby Levy for moving forward with a very creative design and asked how old the building was.

Mr. Kaslofsky stated that the building was built in 1943 and added an addition in 1946.

Commissioner Swig asked how long the funds are expected to extend the life of the building.

Ms. Levy stated it would be 50-60 years with permanent improvements.

Commissioner Swig stated that he is very sensitive to having the workers who are working on the building be San Francisco residents. Mr. Swig asked General Counsel Morales if there be a mandate in the resolution that a specific ratio of the workers on the building be San Francisco residents.

General Counsel Morales stated tracking rules which require that workers be selected from various groups, those requirements would need to be followed that are federally mandated.

Commissioner Swig asked how the local mandates and local administration initiatives would put San Franciscans to work.

General Counsel Morales stated since it is a Federal contract the Agency does not have a lot of leeway.

Mr. Kaslofsky stated the staff is complying with EDA rules, will implement the Agency's EEO program, and outreach to the small contracting community in the Bayview. Mr. Kaslofsky stated that they have an extensive outreach plan which reaches out to the Bayview Resource Center which maintains a list of small contractors in the Bayview, the Mentor Protégé project that has a list of small business contractors in the Bayview; they are reaching out to different non traditional methods of outreach to let people know of the opportunity.

Commissioner Swig asked General Counsel Morales if they could add language in the resolution that encourages the employment of San Francisco residents for the project.

General Counsel Morales stated it can but would preface it to the extent permitted by the Federal Contracting Regulations.

Commissioner Swig stated that he would pass the item with the proviso that a paragraph be added to encourage the employment of San Francisco residents subject to the federal guidelines inherent to the funds.

Commissioner Singh seconded the motion.

Commissioner Romero stated for clarification that the amended motion was to the Personal Services Contract item.

ADOPTION: IT WAS MOVED BY MR. SWIG, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (WITH MS. BREED AND MS. COVINGTON ABSENT), THAT RESOLUTION NO. 32-2009, APPROVING A SCHEMATIC DESIGN FOR IMPROVEMENTS TO BUILDING 101 AT THE HUNTERS POINT SHIPYARD; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MR. SWIG, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED, (WITH MS. BREED AND MS. COVINGTON ABSENT) THAT RESOLUTION NO. 33-2009, AUTHORIZING A FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH LEVY DESIGN PARTNERS, INC., A CALIFORNIA CORPORATION, TO INCREASE THE CONTRACT AMOUNT BY \$150,000, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$250,000, AND TO AMEND THE SCOPE OF SERVICES TO INCLUDE FINAL CONSTRUCTION DRAWINGS AND CONSTRUCTION ADMINISTRATION SUPPORT FOR IMPROVEMENTS TO BUILDING 101; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

5. **MATTERS NOT APPEARING ON AGENDA:** None
6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

Speakers: Arnold Townsend, Jim Salinas, Juan Pablo Contreas, Cesar Verstequi, Jose Parra, Jr., Ulysses Montgomery, Sharon Jones, Miguel Gomez, Minister LaVonne McIntosh

7. **REPORT OF THE PRESIDENT:**

- A meeting with the Committee on the Director's evaluation was held last week with another meeting planned the following week. A form is being updated by the Human Resources Manager and the evaluation process will be forthcoming.

8. REPORT OF THE EXECUTIVE DIRECTOR:

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- Director Blackwell stated that today, The Board of Supervisors approved the reprogramming of the Muni Substation funds to the restaurants. Mr. Puccini is working aggressively with the restaurants.
- Director Blackwell stated that the Agency has been working closely with Supervisor Maxwell's office and with the Mayor's Office to convene the community, the general contractors and subcontractors, and will, in the coming weeks, be working and convening labor to talk about how to meet local hiring goals, not only with Agency projects but within the context of the economic stimulus money. He stated that the issue of local hiring is very important to the Mayor, and has been very aggressive in communicating to everyone that commitments be made to the many communities the Agency has been working. Mr. Blackwell stated that the Agency intends to, at all levels, fulfill those commitments and expects everyone the Agency works with will work together to make those commitments real in terms of local hiring.

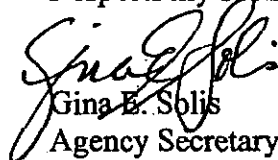
9. COMMISSIONERS' QUESTIONS AND MATTERS: None

10. CLOSED SESSION: None.

11. ADJOURNMENT:

It was moved by Commissioner Singh, seconded by Commissioner King, and unanimously carried that the meeting be adjourned at p.m.

Respectfully submitted,


Gina E. Solis
Agency Secretary

ADOPTED: