

4a

**MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
21ST DAY OF JULY 2009**

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 21st day of July 2009, at the place and date duly established for holding of such a meeting.

Acting President Rick Swig called the meeting to order at 4:00 p.m.

Mr. Swig 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. Swig 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. Swig 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:

Rick Swig, Vice President
London Breed
Francee Covington
Leroy King
Darshan Singh

And the following were absent:

Ramon Romero, President
Linda Cheu

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. None.**
- 4. MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

- (a) Resolution No. 76-2009, Authorizing a Letter Agreement with the San Francisco County Transportation Authority in an amount not to exceed \$265,868, including \$244,098 in previously authorized funds, to complete construction documentation for the realignment of the Folsom Street Off-Ramp; Transbay Redevelopment Project Area.
- (b) Resolution No. 77-2009, Authorizing a First Amendment to the Amended and Restated Tax Increment Loan Agreement with Green Blended Communities, LLC, a California Limited Liability Company, to modify the sources and uses of funds for the construction of 18 low-and moderate-income first-time homeownership units and ground floor commercial space at 4800 Third Street; Bayview Hunters Point Redevelopment Project Area.
- (c) Resolution No. 78-2009, Authorizing a Second Amendment to an Amended and Restated Tax Increment Loan Agreement with Mercy Housing California XLI, a California Limited Partnership, to modify certain loan terms related to the construction of approximately 49 very low-income family rental units at 227-255 Seventh Street; South of Market Redevelopment Project Area.
- (d) Resolution No. 79-2009, Authorizing the Executive Director to accept \$10,433,280 in Infill Infrastructure Grant Program Funds from the State Department of Housing and Community Development for use in the development of 223 affordable and market-rate rental housing at 5800 Third Street; Bayview Hunters Point Redevelopment Project Area.

Commissioner Covington requested that consent agenda items 4(b) and 4(c) be pulled from consent for a staff presentation.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED (WITH MR. ROMERO AND MS. CHEU ABSENT), THAT AGENDA ITEM 4(A) RESOLUTION NO. 76-2009, AUTHORIZING A LETTER AGREEMENT WITH THE SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY IN AN AMOUNT NOT TO EXCEED \$265,868, INCLUDING \$244,098 IN PREVIOUSLY AUTHORIZED FUNDS, TO COMPLETE CONSTRUCTION DOCUMENTATION FOR THE REALIGNMENT OF THE FOLSOM STREET OFF-RAMP; TRANSBAY REDEVELOPMENT PROJECT AREA; AND AGENDA ITEM 4(D) RESOLUTION NO. 79-2009, AUTHORIZING THE EXECUTIVE DIRECTOR TO ACCEPT \$10,433,280 IN INFILL INFRASTRUCTURE GRANT PROGRAM FUNDS FROM THE STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR USE IN THE DEVELOPMENT OF 223 AFFORDABLE AND MARKET-RATE RENTAL HOUSING AT 5800 THIRD STREET; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, BE ADOPTED.

REGULAR AGENDA

- (b) Resolution No. 77-2009, Authorizing a First Amendment to the Amended and Restated Tax Increment Loan Agreement with Green Blended Communities, LLC, a California Limited Liability Company, to modify the sources and uses of funds for the construction of 18 low-and moderate-income first-time homeownership units and ground floor commercial space at 4800 Third Street; Bayview Hunters Point Redevelopment Project Area.

Presenter: Vanessa Dandridge, Agency Staff

Speakers: None.

Commissioner Covington noted information was missing on the bottom of the first page and asked for clarification.

Ms. Dandridge indicated the missing information stated; "the proposed project required the demolition of a vacated retail store that once housed a check cashing service. The new development will be a four story building containing 18 condominiums for first time homebuyers, terrace level open space, approximately 22,000 square feet of commercial space on the ground floor, and eleven off-street parking spaces accessed on Oakdale Avenue".

Commissioner Covington noted that on page 2; paragraph 3, which read, "As the table indicates with Commission approval, \$1.1M in Agency funds will be reallocated from soft cost line items to pay for residential construction costs". Ms. Covington asked, if approved, would there be a request for additional monies.

Ms. Dandridge stated that the project is ahead of schedule and under budget, and staff is not anticipating that there would be a shortfall on the project. She did not anticipate that there would be additional monies requested.

ADOPTION: IT WAS MOVED BY MS COVINGTON, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (WITH MR. ROMERO AND MS. CHEU ABSENT), THAT RESOLUTION NO. 77-2009, AUTHORIZING A FIRST AMENDMENT TO THE AMENDED AND RESTATED TAX INCREMENT LOAN AGREEMENT WITH GREEN BLENDED COMMUNITIES, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, TO MODIFY THE SOURCES AND USES OF FUNDS FOR THE CONSTRUCTION OF 18 LOW-AND MODERATE-INCOME FIRST-TIME HOMEOWNERSHIP UNITS AND GROUND FLOOR COMMERCIAL SPACE AT 4800 THIRD STREET; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- (c) Resolution No. 78-2009, Authorizing a Second Amendment to an Amended and Restated Tax Increment Loan Agreement with Mercy Housing California XLI, a California Limited Partnership, to modify certain loan terms related to the construction of approximately 49 very low-income family rental units at 227-255 Seventh Street; South of Market Redevelopment Project Area.

Presenter: Vanessa Dandridge, Agency Staff

Commissioner Covington stated she was not clear if the request is a loan before the Wells Fargo Bank loan begins.

Ms. Dandridge stated that the budget modification is being requested due costs incurred from the project sponsor that need to be paid, the Agency's funds are fully expended. Other financing sources for the project are the construction loans which will come in after the Agency's funds are fully expended followed by the tax credit equity which will come in to pay off the construction loan when the project is complete.

Commissioner Covington asked if the project would be come back for additional funds.

Ms. Dandridge stated staff does not anticipate the Agency sponsor requesting additional funds at this juncture; the project is in preliminary stages of construction, fully financed; on schedule and on budget.

Commissioner Covington asked if a certain amount of money is committed to a project and not all monies are spent, if all monies have to be expended.

Ms. Dandridge stated that the Agency holds on to construction contingency as part of disbursing its funds. 10% of the Agency's hard costs disbursements are held back, if the project is completed under budget the Agency does not disburse its entire contingency.

Commissioner Singh asked when the project would be completed, the income level for qualified buyers, and the approximate rental rate.

Ms. Dandridge stated that the project would be completed in August 2010; the units are affordable to families earning not more than 50% of area medium income. Ms. Dandridge stated a lottery would be held with preferences for San Francisco residents. (20% of the units - Section 8 rent subsidies; 50% at MAI - \$900/month; 3 bedrooms - \$969 - \$1,200).

ADOPTION: IT WAS MOVED BY MS COVINGTON, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (WITH MR. ROMERO AND MS. CHEU ABSENT), THAT RESOLUTION NO. 78-2009, AUTHORIZING A SECOND AMENDMENT TO AN AMENDED AND RESTATED TAX INCREMENT LOAN AGREEMENT WITH MERCY HOUSING CALIFORNIA XLI, A CALIFORNIA LIMITED PARTNERSHIP, TO MODIFY CERTAIN LOAN TERMS RELATED TO THE CONSTRUCTION OF APPROXIMATELY 49 VERY LOW-INCOME FAMILY RENTAL UNITS AT 227-255 SEVENTH STREET; SOUTH OF MARKET REDEVELOPMENT PROJECT AREA.

Agenda Items 4(e) and 4(f) were presented together, but acted on separately.

- (e) Public Hearing to hear all persons interested in Annexation of Territory (Block X-4), authorizing the Levy of a Special Tax, and submitting Levy of Special Tax to Qualified Elector; Mission Bay Redevelopment Project Area.

Resolution No. 80-2009, Annexing Territory (Block X-4) to the Redevelopment Agency of the City and County of San Francisco Community Facilities District No. 5 (Mission Bay Maintenance District), Authorizing the Levy of a Special Tax and Submitting Levy of Special Tax to Qualified Elector; Mission Bay South Redevelopment Area.

President Swig made the following opening remarks for Agency Item 4(e) and 4 (f):

"This is the time and place for the public hearing in this Commission's proceedings for the annexation of property to the Agency's Community Facilities District No. 5. The hearing is to inquire into the annexation of property to the District and the levy of special taxes on the property to be annexed. The District was formed in December of 1999 to provide funds for the operation, maintenance, and repair of certain open space parcels in the Mission Bay area, including landscaping in public places and public parks. Only owners of property currently in the District, and the owner of the property to be annexed to the District, will be subject to the levy of special taxes for the District.

Before President Swig formally opened the hearing, he asked if there were any owners of property in the District who wished to file a written protest, and if so, it must be filed with the Secretary now.

President Swig noted that no one made any protests and announced the hearing officially opened. Mr. Swig stated to have an orderly hearing, comments, or protests much first be heard.

Mr. Swig announced that no one commented or protested and the hearing was now officially closed.

President Swig asked if there were any questions or comments on the matter from any of the Commissioners; there were none.

President Swig announced that it was now time for adoption of the resolution.

Commissioner Singh put forth a motion to adopt Agenda Item 4(e).
Commissioner Breed seconded the motion.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (WITH MR. ROMERO AND MS. CHEU ABSENT), THAT A RESOLUTION NO. 80-2009, ANNEXING TERRITORY (BLOCK X-4) TO THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO COMMUNITY FACILITIES DISTRICT NO. 5 (MISSION BAY MAINTENANCE DISTRICT), AUTHORIZING THE LEVY OF A SPECIAL TAX AND SUBMITTING LEVY OF SPECIAL TAX TO QUALIFIED ELECTOR; MISSION BAY SOUTH REDEVELOPMENT AREA, BE ADOPTED.

President Swig asked if there were any speakers; there were none.

President Swig stated that at this time he would ask the Secretary to open the ballot submitted by the owner of the property to be annexed to the District and announce the results of the election.

The Commission Secretary opened the ballot and announced the result of the election – of the four qualified landowners, the votes cast were:

Yes – 4

No – 0

President Swig announced the results of the election being in favor of the annexation of property to the District, and stated that it was now time to consider Agenda Item 4(f).

- (f) Resolution No. 81-2009, Declaring Results of Special Annexation Election (Block X-4), Determining Validity of Prior Proceedings, and Directing Recording of Amended Notice of Special Tax Lien; Mission Bay South Redevelopment Area.

Speakers: None

Commissioner Singh put forth a motion to adopt Agenda Item 4(f).
Commissioner King seconded the motion.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED (WITH MR. ROMERO AND MS. CHEU ABSENT), THAT RESOLUTION NO. 81-2009, DECLARING RESULTS OF SPECIAL ANNEXATION ELECTION (BLOCK X-4), DETERMINING VALIDITY OF PRIOR PROCEEDINGS, AND DIRECTING RECORDING OF AMENDED NOTICE OF SPECIAL TAX LIEN; MISSION BAY SOUTH REDEVELOPMENT AREA, BE ADOPTED.

- (g) Resolution No. 82-2009, Amending the Agency's Small Business Enterprise ("SBE") Policy to increase the three year average annual gross receipts limit for suppliers from \$2 million to \$7 million, to separate the SBE Policy from the Agency's Purchasing Policy and to make other minor administrative changes.

Commissioner Swig asked if the policy presented is consistent with other city agencies and whether it was comparable or similar to policies/procedures from other City Departments.

Mr. Penick stated the purchasing policy is unique to the Agency and how the Agency does business. Mr. Penick stated that he is not familiar with the City's internal purchasing policy, but the subject policy was not structured to mirror the city in any way. With regard to the SBE policy, there is some similarity. Prior to 2004, both the City and the Agency had a MBE/WBE policy; after litigation that was adverse to the City, both the City and the Agency moved to a race and gender neutral policy. The Agency chose a SBE policy after consultation with the Working Group; the City chose a DVE/LBE local business enterprise.

Commissioner Swig asked if the policy is more rigorous than the rest of the cities.

Mr. Penick stated affirmatively, the Executive Director's authority is much lower than someone of his position in the city.

Commissioner Swig asked if the Elations System was being implemented and active.

Mr. Penick stated the web based system has been implemented and currently active with a consultant training both staff and contractors utilizing the system. The system is free of charge.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (WITH MR. ROMERO AND MS. CHEU ABSENT), THAT RESOLUTION NO. 82-2009, AMENDING THE AGENCY'S SMALL BUSINESS ENTERPRISE ("SBE") POLICY TO INCREASE THE THREE YEAR AVERAGE ANNUAL GROSS RECEIPTS LIMIT FOR SUPPLIERS FROM \$2 MILLION TO \$7 MILLION, TO SEPARATE THE SBE POLICY FROM THE AGENCY'S PURCHASING POLICY AND TO MAKE OTHER MINOR ADMINISTRATIVE CHANGES, BE ADOPTED.

- (h) Resolution No. 83-2009, Amending the Agency's Purchasing Policy and Procedures to update the authorized methods of procurement of goods and services by the Agency and to make other minor administrative changes.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED (WITH MR. ROMERO AND MS. CHEU ABSENT), THAT RESOLUTION NO. 83-2009, AMENDING THE AGENCY'S PURCHASING POLICY AND PROCEDURES TO UPDATE THE AUTHORIZED METHODS OF PROCUREMENT OF GOODS AND SERVICES BY THE AGENCY AND TO MAKE OTHER MINOR ADMINISTRATIVE CHANGES, BE ADOPTED.

- (i) Resolution No. 84-2009, Approving a panel of outside legal counsel for public finance/bond counsel for three years and authorizing legal services contracts with panel members on an as-needed basis.

Presenter: Jim Morales, Agency Staff

Speaker: Ace Washington

Commissioner Covington put forth a motion to move Item 4(e).

Commissioner Singh asked how the panel of consultant were selected.

General Counsel Morales stated, depending on the relevant experience in the type of transaction that will be before the Commission, they look to see what experience the firm has had with that general matter and try to use a team of two firms to provide opportunities for all the firms.

Commissioner Singh inquired as to whether there would be enough jobs for all the firms in the next two years.

General Counsel Morales stated that it is the hope that there would be but does not anticipate so given the eighteen firms over a three year period and the experience of the last three years where there were approximately ten transactions involving the same firm and separate transactions. General Counsel Morales stated that the firms on the panel were informed that there is no guarantee to use all of them but indicated that he hopes there will be bond transactions which will enable them to hire as many firms as possible.

Commissioner Singh seconded Ms. Covington's motion.

Commission Swig stated for clarification purposes that there are 18 members on the panel, none of the members on the panel have been guaranteed any compensation or are on any retainer base with the Commission. The panel is to supplement the skill base of the Commission, they do not anticipate to be involved in any litigation with the Community or anyone else, that it is simply to provide administrative and intellectual skills that are not inherent in the scope set of the legal team.

General Counsel Morales confirmed Mr. Swig's statement and emphasized that the panel is a very narrow specialized area of finance law.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (WITH MR. ROMERO AND MS. CHEU ABSENT), THAT RESOLUTION NO. 84-2009, APPROVING A PANEL OF OUTSIDE LEGAL COUNSEL FOR PUBLIC FINANCE/BOND COUNSEL FOR THREE YEARS AND AUTHORIZING LEGAL SERVICES CONTRACTS WITH PANEL MEMBERS ON AN AS-NEEDED BASIS, BE ADOPTED.

- (e) Resolution No. 85-2009, Authorizing a Personal Services Contract with the San Francisco Housing Development Corporation, a California nonprofit public benefit corporation, in an amount not to exceed \$235,000, for homeowner assistance and housing development activities, Citywide Affordable Housing Program.

Presenter: Chris Harris, Agency Staff

Speakers: Regina Davis, Ace Washington

Commissioner Covington put forth a motion to move Agenda Item 4(f). Ms. Covington asked Ms. Davis how many certificate of preference holders they have been able to assist.

Ms. Regina Davis indicated that she did not have the exact figure, there have been many, but would follow up in providing accurate information to the Commission.

Commissioner Singh inquired as to their process in preventing foreclosures.

Ms. Davis stated that they have hired a foreclosure specialist, Mr. Zack Westin who has been licensed and trained through Neighbor Works. SFHDC and Mr. Westin work through the loss litigation units within the many funders; there are 30 different funding entities that have foreclosed on properties in the southeastern section of the City. Ms. Davis stated that SFHDC provides all services free of charge with the exception of development services.

Commissioner Singh seconded the motion.

ADOPTION: IT WAS MOVED BY, SECONDED BY, AND UNANIMOUSLY CARRIED (WITH MR. ROMERO AND MS. CHEU ABSENT), THAT RESOLUTION NO. 85-2009, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH THE SAN FRANCISCO HOUSING DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$235,000, FOR HOMEOWNER ASSISTANCE AND HOUSING DEVELOPMENT ACTIVITIES, CITYWIDE AFFORDABLE HOUSING PROGRAM, BE ADOPTED.

5. **MATTERS NOT APPEARING ON AGENDA:** None

6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS**

Speakers: Ace Washington

7. **REPORT OF THE PRESIDENT:** None

8. **REPORT OF THE EXECUTIVE DIRECTOR:**

Director Blackwell updated the Commission at the State level regarding the Budget which continues to have implications to Redevelopment Agencies throughout.

9. **COMMISSIONERS' QUESTIONS AND MATTERS:**

Commissioner Covington congratulated Director Blackwell and staff on their work in securing funds in the amount of \$10.5M from the State Department of Housing and Community Development for the Infill Infrastructure Grant Program for use in the development of 223 affordable and market-rate rental housing at 5800 Third Street. Ms. Covington stated the item would be before the Commission in October.

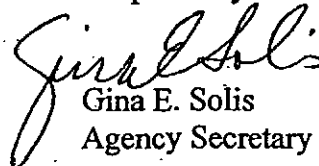
Commissioner Swig reported that the Jazz District Grant Committee fulfilled their goal in a conscience and thoughtful fashion in providing financial opportunities and grants to various applicants. He stressed that it was important to inform the public that both phases were consistent with each other; all applicants were held to the same rigor resulting in a nice balance between new developing businesses, existing businesses, non-profit, and for profit businesses. Mr. Swig thanked Commissioner Breed for providing the leadership on the committee and thanked the committee members for their voluntary support in supporting the community in a very important endeavor.

10. **CLOSED SESSION:** Pursuant to Government Code § 54957.6 to confer with Agency designated representatives regarding negotiations with the Service Employees International Union (SEIU) Local 1021 representing the Agency's Local 1021 bargaining unit and with the International Federation of Professional and Technical Engineers (IFPTE) Local 21 representing the Engineers and Architects bargaining unit, the Management/Supervisory bargaining unit, and the Professional/Technical bargaining unit. Agency negotiators: Fred Blackwell, James B. Morales, and Amy Lee.

11. **ADJOURNMENT:**

It was moved by Commissioner Singh, seconded by Commissioner King, and unanimously carried that the meeting be adjourned at 6:30 p.m.

Respectfully submitted,


Gina E. Solis
Agency Secretary

ADOPTED: