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**MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
3rd DAY OF NOVEMBER 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 3rd day of November 2009, at the place and date duly established for holding of such a meeting.

Acting President 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, Acting President
London Breed
Francee Covington
Leroy King
Darshan Singh

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) Approval of Minutes: Meeting of October 6, 2009
- (b) Resolution No. 117-2009, Authorizing a First Amendment to a Housing Opportunities for Persons with AIDS Supportive Services Agreement with Larkin Street Youth Services, a California nonprofit public benefit corporation, in an amount not to exceed \$148,713 for a total aggregate amount not to exceed \$1,193,145, for July 1, 2007 to June 30, 2010, for its Assisted Care Facility at 129 Hyde Street to provide program operating and service costs for youth living with HIV/AIDS; Housing Opportunities for Persons with AIDS Program.
- (c) Resolution No. 118-2009, Authorizing a First Amendment to a Housing Opportunities for Persons with AIDS Supportive Services Agreement with Dolores Street Community Services, a California nonprofit public benefit corporation, in an amount not to exceed \$40,595 for a total aggregate amount not to exceed \$1,478,645, for July 1, 2007 to June 30, 2010, for the Richard M. Cohen Residence, located at 220 Dolores Street, to provide program operating and service costs for people living with HIV/AIDS; Housing Opportunities for Persons with AIDS Program.
- (d) Resolution No. 119-2009, Authorizing a First Amendment to a Housing Opportunities for Persons with AIDS Supportive Services Agreement with Maitri, a California nonprofit public benefit corporation, in an amount not to exceed \$60,889 for a total aggregate amount not to exceed \$1,537,390, for July 1, 2007 to June 30, 2010, for its residential care facility located at 401 Duboce Street, to provide program operating and service costs for people living with HIV/AIDS; Housing Opportunities for Persons with AIDS Program.
- (e) Resolution No. 120-2009, Authorizing a First Amendment to a Housing Opportunities For Persons with AIDS Supportive Services Agreement with Catholic Charities CYO, a California nonprofit public benefit corporation, in an amount not to exceed \$182,653, for a total aggregate amount not to exceed \$4,532,713, for July 1, 2007 to June 30, 2010, for the Leland House, located at 141 Leland Avenue, to provide program operating and service costs for people living with HIV/AIDS; Housing Opportunities for Persons with AIDS Program.
- (f) Resolution No. 121-2009, Authorizing a First Amendment to a Housing Opportunities For Persons with AIDS Supportive Services Agreement with Catholic Charities CYO, a California nonprofit public benefit corporation, in an amount not to exceed \$129,889 for a total aggregate amount not to exceed \$2,260,645, for July 1, 2007 to June 30, 2010, for the Peter Claver Community located at 1340 Golden Gate Avenue, to provide program operating and service costs for people living with HIV/AIDS; Housing Opportunities for Persons with AIDS Program.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED, THAT THAT MINUTES FROM THE REGULAR MEETING OF THE REGULAR MEETING OF OCTOBER 6, 2009; RESOLUTION NO. 117-2009, AUTHORIZING A FIRST AMENDMENT TO A HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS SUPPORTIVE SERVICES AGREEMENT WITH LARKIN STREET YOUTH SERVICES, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$148,713 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$1,193,145, FOR JULY 1, 2007 TO JUNE 30, 2010, FOR ITS ASSISTED CARE FACILITY AT 129 HYDE STREET TO PROVIDE PROGRAM OPERATING AND SERVICE COSTS FOR YOUTH LIVING WITH HIV/AIDS; HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM; RESOLUTION NO. 118-2009, AUTHORIZING A FIRST AMENDMENT TO A HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS SUPPORTIVE SERVICES AGREEMENT WITH DOLORES STREET COMMUNITY SERVICES, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$40,595 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$1,478,645, FOR JULY 1, 2007 TO JUNE 30, 2010, FOR THE RICHARD M. COHEN RESIDENCE, LOCATED AT 220 DOLORES STREET, TO PROVIDE PROGRAM OPERATING AND SERVICE COSTS FOR PEOPLE LIVING WITH HIV/AIDS; HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM; RESOLUTION NO. 119-2009, AUTHORIZING A FIRST AMENDMENT TO A HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS SUPPORTIVE SERVICES AGREEMENT WITH MAITRI, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$60,889 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$1,537,390, FOR JULY 1, 2007 TO JUNE 30, 2010, FOR ITS RESIDENTIAL CARE FACILITY LOCATED AT 401 DUBOCE STREET, TO PROVIDE PROGRAM OPERATING AND SERVICE COSTS FOR PEOPLE LIVING WITH HIV/AIDS; HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM; RESOLUTION NO. 120-2009, AUTHORIZING A FIRST AMENDMENT TO A HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS SUPPORTIVE SERVICES AGREEMENT WITH CATHOLIC CHARITIES CYO, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$182,653, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$4,532,713, FOR JULY 1, 2007 TO JUNE 30, 2010, FOR THE LELAND HOUSE, LOCATED AT 141 LELAND AVENUE, TO PROVIDE PROGRAM OPERATING AND SERVICE COSTS FOR PEOPLE LIVING WITH HIV/AIDS; HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM; RESOLUTION NO. 121-2009, AUTHORIZING A FIRST AMENDMENT TO A HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS SUPPORTIVE SERVICES AGREEMENT WITH CATHOLIC CHARITIES CYO, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$129,889

FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$2,260,645, FOR JULY 1, 2007 TO JUNE 30, 2010, FOR THE PETER CLAVER COMMUNITY LOCATED AT 1340 GOLDEN GATE AVENUE, TO PROVIDE PROGRAM OPERATING AND SERVICE COSTS FOR PEOPLE LIVING WITH HIV/AIDS; HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM, BE ADOPTED.

REGULAR AGENDA

President Swig called a recess of the Redevelopment Agency Commission meeting and called the Special meeting for the City and County of San Francisco Redevelopment Financing Authority to consider items on the Financing Authority Agenda, after which the Redevelopment Agency Commission reconvened to consider the remaining agenda.

1(a) Resolution No. 5-2009, Authorizing the Issuance of 2009 Series E Taxable Tax Allocation Revenue Bonds (San Francisco Redevelopment Projects) in an initial aggregate principal amount not to exceed \$115,500,000; approving forms of an Indenture of Trust, Loan Agreements, Official Statement and Bond Purchase contract; authorizing the negotiated Sale of the Bonds, and authorizing and approving other matters properly relating thereto (Bayview Hunters Point Redevelopment Project Area – Project Area B, Embarcadero-Lower Market (Golden Gateway) Approved Redevelopment Project Area E-1, Hunters Point Redevelopment Project Area, India Basin Industrial Park Redevelopment Project Area, Mission Bay North Redevelopment Project Area, Mission Bay South Redevelopment Project Area, Rincon Point-South Beach Redevelopment Project Area, South of Market Redevelopment Project Area, Transbay Redevelopment Project Area, Western Addition Redevelopment Project Area A-2 and Yerba Buena Center Approved Redevelopment Project Area D-1).

1(b) Resolution No. 6-2009, Authorizing the Issuance of the 2009 Series F Tax Allocation Revenue Bonds (San Francisco Redevelopment Projects) in an initial aggregate principal amount not to exceed \$7,500,000; approving forms of an Indenture of Trust, Loan Agreements, Official Statement and Bond Purchase contract; authorizing the negotiated Sale of the Bonds, and authorizing and approving other matters properly relating thereto (Bayview Hunters Point Redevelopment Project Area – Project Area B, South of Market Redevelopment Project Area, Transbay Redevelopment Project Area, and Yerba Buena Center Approved Redevelopment Project Area D-1).

Presenter: John Daigle, Agency Staff

Speakers: None

Mr. Daigle noted that there was a technical error in the staff memo and resolution on the first item; the correct number is \$107.2M; \$7.5M is the correct number for the tax exempt series F bonds, and the balance of the \$107.2M is for the taxable series E bonds. Corresponding corrections have been made.

Commissioner Covington asked if the remaining 10% of the \$107.2M would be allocated for administration costs.

Commissioner Covington put forth a motion to move items 1(a & b).
Commissioner Breed seconded Ms. Covington's motion.

Mr. Daigle clarified that the 10% will be going towards administration costs and 90% would go towards the projects as well as the CRAF. (The breakdown of the 10%/90% is for the need to establish a cash debit reserve.). Mr. Daigle stated they were able to fund the reserve funds in the past which provided one year of debt service for the security of the bond holders should revenues prove insufficient.

Speakers: None

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 123-2009, AUTHORIZING THE EXECUTION OF LOAN AGREEMENTS IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$7,500,000 RELATING TO THE ISSUANCE OF THE 2009 SERIES F TAX ALLOCATION REVENUE BONDS (SAN FRANCISCO REDEVELOPMENT PROJECTS) BY THE CITY AND COUNTY OF SAN FRANCISCO REDEVELOPMENT FINANCING AUTHORITY; APPROVING THE FINAL OFFICIAL STATEMENT AND BONDS PURCHASE CONTRACT RELATING TO THE BONDS, AND AUTHORIZING AND APPROVING OTHER MATTERS PROPERLY RELATING THERETO (BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA – PROJECT AREA B, SOUTH OF MARKET REDEVELOPMENT PROJECT AREA, TRANSBAY REDEVELOPMENT PROJECT AREA, AND YERBA BUENA CENTER APPROVED REDEVELOPMENT PROJECT AREA D-1), BE ADOPTED.

President Swig adjourned the Special meeting of Redevelopment Financing Authority and reconvened the Redevelopment Agency Commission meeting to consider the remaining agenda.

- (g) Authorizing the execution of Loan Agreements in an aggregate principal amount of not to exceed \$115,500,000 relating to the issuance of the 2009 Series E Taxable Tax Allocation Revenue Bonds (San Francisco Redevelopment Projects) by the City and County of San Francisco Redevelopment Financing Authority; approving the final Official Statement and Bond Purchase contract relating to the Bonds, and authorizing and

approving other matters properly relating thereto (Bayview Hunters Point Redevelopment Project Area – Project Area B, Embarcadero-Lower Market (Golden Gateway) Approved Redevelopment Project Area E-1, Hunters Point Redevelopment Project Area, India Basin Industrial Park Redevelopment Project Area, Mission Bay North Redevelopment Project Area, Mission Bay South Redevelopment Project Area, Rincon Point-South Beach Redevelopment Project Area, South of Market Redevelopment Project Area, Transbay Redevelopment Project Area, Western Addition Redevelopment Project Area A-2 and Yerba Buena Center Approved Redevelopment Project Area D-1). (Resolution No. 122-2009)

- (h) Resolution No. 123-2009, Authorizing the execution of Loan Agreements in an aggregate principal amount of not to exceed \$7,500,000 relating to the issuance of the 2009 Series F Tax Allocation Revenue Bonds (San Francisco Redevelopment Projects) by the City and County of San Francisco Redevelopment Financing Authority; approving the final Official Statement and Bonds Purchase contract relating to the Bonds, and authorizing and approving other matters properly relating thereto (Bayview Hunters Point Redevelopment Project Area – Project Area B, South of Market Redevelopment Project Area, Transbay Redevelopment Project Area, and Yerba Buena Center Approved Redevelopment Project Area D-1).

Mr. Daigle again pointed out for the record that there was a technical error in the staff memo and resolution on the first item; the correct number is \$107.2M; \$7.5M is the correct number for the tax exempt series F bonds, and the balance of the \$107.2M is for the taxable series E bonds. Corresponding corrections have been made.

Commissioner Breed put forth a motion to move items 4(g and h).
Commissioner Breed seconded Ms. Covington's motion.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 122-2009, AUTHORIZING THE EXECUTION OF LOAN AGREEMENTS IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$115,500,000 RELATING TO THE ISSUANCE OF THE 2009 SERIES E TAXABLE TAX ALLOCATION REVENUE BONDS (SAN FRANCISCO REDEVELOPMENT PROJECTS) BY THE CITY AND COUNTY OF SAN FRANCISCO REDEVELOPMENT FINANCING AUTHORITY; APPROVING THE FINAL OFFICIAL STATEMENT AND BOND PURCHASE CONTRACT RELATING TO THE BONDS, AND AUTHORIZING AND APPROVING OTHER MATTERS PROPERLY RELATING THERETO (BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA – PROJECT AREA B, EMBARCADERO-LOWER MARKET (GOLDEN GATEWAY) APPROVED REDEVELOPMENT PROJECT AREA E-1, HUNTERS POINT REDEVELOPMENT PROJECT AREA, INDIA BASIN INDUSTRIAL PARK REDEVELOPMENT PROJECT AREA, MISSION

BAY NORTH REDEVELOPMENT PROJECT AREA, MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, RINCON POINT-SOUTH BEACH REDEVELOPMENT PROJECT AREA, SOUTH OF MARKET REDEVELOPMENT PROJECT AREA, TRANSBAY REDEVELOPMENT PROJECT AREA, WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2 AND YERBA BUENA CENTER APPROVED REDEVELOPMENT PROJECT AREA D-1); AND RESOLUTION NO. 123-2009, AUTHORIZING THE EXECUTION OF LOAN AGREEMENTS IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$7,500,000 RELATING TO THE ISSUANCE OF THE 2009 SERIES F TAX ALLOCATION REVENUE BONDS (SAN FRANCISCO REDEVELOPMENT PROJECTS) BY THE CITY AND COUNTY OF SAN FRANCISCO REDEVELOPMENT FINANCING AUTHORITY; APPROVING THE FINAL OFFICIAL STATEMENT AND BONDS PURCHASE CONTRACT RELATING TO THE BONDS, AND AUTHORIZING AND APPROVING OTHER MATTERS PROPERLY RELATING THERETO (BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA – PROJECT AREA B, SOUTH OF MARKET REDEVELOPMENT PROJECT AREA, TRANSBAY REDEVELOPMENT PROJECT AREA, AND YERBA BUENA CENTER APPROVED REDEVELOPMENT PROJECT AREA D-1), BE ADOPTED.

- (i) Resolution No. 124-2009, Approving an Amendment of the Agency's Fiscal Year 09/10 Budget to allocate \$35 million for payment to the Educational Revenue Augmentation Fund.

Presenter: Amy Lee, Agency Staff

Speakers: None

Commissioner Covington made a motion to move item 4(i) with the stipulation not to exceed \$35M.

Commissioner Breed seconded Ms. Covington's motion.

President Swig asked General Counsel Morales if there was any action needed on the request that the resolution have a cap of \$35M.

General Counsel Morales stated the resolution caps the \$35M.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 124-2009, APPROVING AN AMENDMENT OF THE AGENCY'S FISCAL YEAR 09/10 BUDGET TO ALLOCATE \$35 MILLION FOR PAYMENT TO THE EDUCATIONAL REVENUE AUGMENTATION FUND, BE ADOPTED.

AGENDA ITEMS 4(j) AND (k) WERE PRESENTED TOGETHER BUT ACTED ON SEPARATELY

- (j) Resolution No. 125-2009, Authorizing a Fifth Amendment to the Hunters Point Shipyard Phase 1 Disposition and Development Agreement and a First Amendment to the Community Benefits Agreement between the Redevelopment Agency of the City and County of San Francisco and HPS Development Co., L.P.; Hunters Point Shipyard Redevelopment Project Area.
- (k) Resolution No. 126-2009, Conditionally approving the combined Basic Conceptual and Schematic Designs for residential projects on Blocks 53 and 54 at Hunters Point Shipyard and adopting environmental findings pursuant to the California Environmental Quality Act; Hunters Point Shipyard Redevelopment Project Area.

PRESIDENT SWIG CALLED FOR A 5 MIN RECESS DUE TO TECHNICAL DIFFICULTIES

Presenter: Thor Kaslofsky

Speakers: Marcia Dale-LeWinter, Gary Banks, Pastor Josiah Bell, Dr. Veronica Hunnicutt, Rev. Arelious Walker, Manny Flores

Commissioner Covington emphasized Mr. Flores' comments that there are a many developers in the City and County of San Francisco who are abandoning their projects or putting them on terminal hold, and commended the developers for continuing to move the project forward. Ms. Covington stated that there has been a tremendous amount of time, energy, creativity, and money that will finally produce a community everyone will enjoy and appreciate. Ms. Covington asked for information about security for the new development and how many units will be wheelchair accessible.

Mr. Maze stated out of the 159 units in the two blocks, 69 of those units are entirely accessible with elevators; the three story townhouses are not wheelchair accessible. Mr. Maze stated security is passive and will rely on neighborhood watch.

Commissioner Covington expressed her concern for the safety of the neighborhood since a large majority of the buyers are going to be women with children and noted that she was concerned about the glass doors. She stated that the first level of access is extremely important and an important selling feature but most importantly, safety is paramount. Ms. Covington asked what the plans were for lighting in public spaces and if there was going to be any solar generation in the areas.

Mr. Maze indicated they have not gone into such details at this stage of the project but a green sustainable consultant was brought in by Lennar to inject

that side in the project. Mr. Maze stated that he will make sure Ms. Covington's concerns are addressed.

Commissioner Covington put forth a motion to move item 4(k).

Commissioner Breed expressed her concern on the size of the units; she does not think the square footage is sufficient for the project. Ms. Breed stated that she has yet to receive a reply from her request at a previous meeting as to changing the size of the units since she feel the units were too small. She asked that her request be taken seriously in exploring future opportunities with the shipyard; what the size of units need to be and height restrictions should also be looked into. Ms. Breed clarified that the town homes are not accessible and noted that one block consists of town homes and the other block, which do not have town homes, are where all the accessible units are located. Ms. Breed requested that staff communicate to the public that the number of affordable units are not being reduced.

Commissioner Singh asked what the price level is that will not be affordable.

Mr. Jack Roberts stated the units range from \$375,000 for one bedroom up to \$700,000 for the 3 bedroom town homes; two bedrooms range from \$500,000-\$600,000.

Commissioner Swig thanked staff and the CAC for their endurance, hard work, flexibility, and a common sense approach in making the project work. Mr. Swig underscored what he has been said before, about how difficult the environment is and will not get any easier for the next couple of years. Mr. Swig stated on behalf of his fellow Commissioners their appreciation to all involved for the continued dedication and hard work.

Mr. Swig asked how the ratios were established and is there the opportunity to change 3 bedrooms down to 2 bedrooms to adjust accordingly to expand those smaller 600 square foot units.

Mr. Roberts stated they have been looking at what the revenue potential is and the cost side; they are in the beginning phases of development, testing the market, following the market in terms of trying to judge what price points they will be able to achieve. Mr. Roberts noted that they are a little cautious and restraint in their pricing until there is more of an established neighborhood. He noted that the townhomes are geared more towards families which are typically the 3 bedroom units in most cases; the flats in block 51 and 53b will be primarily one and two bedrooms and does not see as deep a market in 3 bedroom homes in a podium type condominium building. He stated that families with children prefer to be in a more single family type environment.

Commissioner Swig asked for information about parking, transportation, the width of the streets, both personal and private transportation, and the availability of public transportation to the neighborhood.

Mr. Kaslofsky stated the streets are 30 feet wide which can accommodate parking on both sides of the streets, with the exception of a bus stop at the foot of Innes. On Block 51, there are no parking zones except for the fire hydrants.

Mr. Kava stated there are 212 covered parking spaces for the 159 units, a 1.35 ratio. He stated they are also counting on street parking that would be available which amounts to 42 spots for guests for others who may have more than one car. In total, there are 254 parking spaces inside the units and the surrounding blocks for the 159 units.

Commissioner Swig asked what the typical ratio in an intercity type development was, and what a quasi suburban development would be.

Mr. Kava stated in an urban area, anything around 1 and under, and indicated that there are certain parts in the city where not even one for one is allowed. There is a maximum number of parking stalls for each unit allowed which is less than one per unit.

Mr. Kaslofsky stated that there is only one single bus line, the 19, that goes to the shipyard. He indicated that at this point MTA is not planning to add additional lines except to service the potential phase two development. MTA will increase the frequency of the bus as the occupancy were to grow in the hilltop; any larger public transportation improvements will be coming as the result of the Phase Two development.

Commissioner Swig suggested, with the anticipated growing population in the community, that they encourage MTA to revisit and review their capacities since there will be two person working households either working in the city or elsewhere. Mr. Swig requested that staff review with MTA on the future needs of the community. Mr. Swig stated the construction direct costs line item have increased from \$67M to \$76M, a total of 15%, and construction indirect costs increased from \$26M to \$39M which is a 50% increase; the ratio of construction indirect costs have far exceeded the growth over direct costs. Mr. Swig asked for the description of what are indirect costs are.

Mr. Collin Elliott stated that direct costs are costs such as putting the roads and infrastructure in the ground; the indirect are referred to as costs for services of architects, civil engineers, lawyers, environmental consultants, fees, permits, design work; added costs that are extended in time.

Commissioner Breed inquired as to what the plans are to train the residents of the Bayview and what is currently being done to prepare residents for the job opportunities that will exist when the project gets underway. Ms. Breed noted if residents are being prepared for the jobs other than construction jobs, it is imperative that relationships with the union need to be forged to ensure that locals are part of the unions as well. Ms. Breed asked who will be selling the homes.

Mr. Kaslofsky stated that staff will address all of the Commissioners concerns in an informational memorandum and will also include information on the tremendous amount of workforce initiatives being proposed.

Commissioner Singh seconded Ms. Covington's motion.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 126-2009, CONDITIONALLY APPROVING THE COMBINED BASIC CONCEPTUAL AND SCHEMATIC DESIGNS FOR RESIDENTIAL PROJECTS ON BLOCKS 53 AND 54 AT HUNTERS POINT SHIPYARD AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, , BE ADOPTED.

(I) Workshop on Mater Project Labor Agreements (PLA)

Presentation by Claudine del Rosario, Stephen Maduli-Williams, Agency Staff

Mr. Blackwell stated one of the primary benefits to redevelopment as a process is the notion of being able to deliver jobs to project area residents both during the construction phase of a project, but also the permanent part of a project. The Agency enjoys one of the best reputations in terms of having aggressive policies and programs to deliver local hire, but time to time there are conflicts on particular sites around the extent to which there are local hiring conflicts between contractors, Unions, as well as developers on the jobs that are being created. Mr. Blackwell stated that over the last 18 months to two years, there has been a significant bump in the road with regard to the economy where they have been increases in unemployment both at the community level, among union members, as well as contractors not having opportunities as they have had in the past either. As a result of that, there have been instances over the last year where the conflicts at work sites have escalated and there have been times where there have been work stoppages and concerns about workplace safety given the level conflict that is going on the sites. Mr. Blackwell stated that during that period, they have been working hard on coming up with solutions. They have been holding workshops with the Commission on improvements to the Agency's workforce development system, making changes to that system, strengthening partnerships with the City to make sure that there is sound infrastructure in place, not only for job training but also placement. In addition, they have constructed, in addition to the working group who have been meeting for years on contracting matters, have recently put together a working group just on employment related issues so as to have a broader cross section of people engaged in the conversation about workforce development and how to meet those goals. Over the last few months they have been aggressively exploring the development of area wide master Project Labor Agreements (PLA) for the southeast and part of the City. Mr. Blackwell stated that before getting too

much farther down the road of having these discussions, they been having in discussions with various construction trades, contractors, as well as developers and community members about the PLA. Mr. Blackwell stated the purpose of the workshop is to provide an update, and to give the Commission a sense of what their current thinking is of why they would like to pursue a PLA and what they think the potential benefits are and to give the Commission a sense of the timeline. Mr. Blackwell stated that they anticipate, through this process, to collect a significant amount of data, both related to the projects that are in the pipeline, the potential effect of a PLA, as well as a significant amount of data on the existing population in San Francisco and their participation on the trades and the opportunities and the pool of people they may be talking about. Mr. Blackwell stated staff anticipates coming back to the Commission in December or January for approval to negotiate through the data collection process and their ongoing discussions with the various stakeholders.

Speakers: Terry Anders, Michael Theriault, Joshua Arce

Commissioner Covington complimented those who have participated in the Workforce on Development Task Force. She stated that they have held a series of eight meetings and a part of those meetings was discussion on the prototype agreement in the Los Angeles area. Ms. Covington stated that the Agency's senior staff along with the Executive Director went to Los Angeles to find out how they have been able to develop a blanket agreement as opposed to development by development basis. Ms. Covington stated that it was imperative that there be as much local hiring as we possibly can and that a good relationship is developed with the unions so they fully understand what the Agency is trying to do. Ms. Covington asked Mr. Maduli-Williams to speak on the Workforce Task Force and to give a synopsis as to why the 50% hiring goal for local hiring had not been met in the past.

Mr. Maduli-Williams stated Director Blackwell came to a conclusion that he wanted to create a workforce working group similar to the working group related to SBE contracting, in order to place the Agency in a better position in terms of local hiring; particularly knowing that there is at least \$2 billion worth of upcoming work in the southeast. The Workforce group which includes developers, contactors, CBO's, as well as Agency, and City staff have had at least eight meetings to discuss issues related to workforce and to help the Agency plot a course and a path forward in terms of addressing some of the workforce concerns in the southeast. After meeting with the Workforce Group, some of the questions they came up with are: what are some of the strategies needed to employ, how to move forward from contemplation and planning to executing all that needs to make things happen. Mr. Maduli-Williams stated, in terms of why the Agency has not met the 50% hiring goal, he is not sure if anyone has an answer, both within the Agency or the City family. He stated that one thing is that it is a Labor supply issue; there is not enough supply of union workers by trades to consistently hit the 50% number. The other component prior to the last 2-3 years is that the

construction industry had been busy. Mr. Maduli-Williams stated that another reason why they would like to order labor market studies is to have a breakdown of the different trades and their percentage of work.

Commissioner Covington asked Ms. Simmons to talk about the various academies that will be going on line soon.

Ms. Simmons stated that she has been charged with setting out a larger policy agenda which she presented some time ago on a larger workforce plan for the City and County, not only for construction workforce. She has developed a series of sector academies and have expanded to be more inclusive of additional academies they feel San Franciscans will have an opportunity for employment and engage female and young adults in the workforce efforts. They have developed a healthcare academy in partnership with City College; a green collar academy that will focus on automotive, weatherization, and solar installation in partnership with City College, a non-profit sector to try to train up and coming groups. The non-profit sector is a very viable sector in San Francisco with about 60,000-70,000 people working in various community based non-profits in San Francisco. Ms. Simmons stated that she also hopes to expand to include a transportation academy, and are waiting to see what the market looks like to determine what other startups they may want to include. Ms. Simmons stated that the idea of the sector academies is that they are no more than 14-18 weeks of training to get a population of people that have not been in workforce, engage in a particular sector, get some baseline training, and get into entry level jobs. She initially identified seven sectors that included bio-tech, in addition to hospitality, retail, digital media, and information technology prior to the recession but hopes to expand the notion of the short term academies once the recession is over. The partnership model is City College as the training provider, the City will contract with community based organizations to provide all the wrap around supports and case management outreach, and the City will play a strong role in placement when they are done with the sectors. Ms. Simmons state, along with the community based organizations; they will try to leverage the opportunities they have through First Source Hiring and place local hiring policy goals to get people placed.

Commissioner King stated that he did not appreciate that the head of the Building Trades was not allowed to speak, and unless there is no agreement with the building trades, the program will not go forward. Mr. King stated that San Francisco is a labor town and there will not be any support unless Mr. Theriault gives the support.

Commissioner Covington stated that she asked Ms. Simmons to speak since she had not had any occasion to speak before on the subject matter before, and believed there may have been some misunderstanding and asked Mr. Theriault to come up to speak. Ms. Covington stated that Mr. Theriault has been to all eight meetings and is a very active member of the Working Group Task Force.

Mr. Theriault stated that he is weary of mandates coming down from the Commission that would lead him to say they cannot negotiate which is why he started to say what some of the standard subjects of negotiations would be and what they should be weary of in terms of mandates. He was talking about the local hiring goals and good faith efforts, he understands that good faith efforts do not have a great deal of credence in the City, thinks they should watch what goes on in City College over the next few months to see how that is implemented and what the results are so they will actually know what a vigorous pursuit of good faith efforts means in terms of achieving local hire. Mr. Theriault stated they would then know when they enter into negotiations what their parameters are in terms of actually working with good faith efforts or going beyond them. Among the details of that effort at City College is a letter to all contractors detailing a set of rational good faith efforts, the hiring of a community monitor to patrol the job and the dispatch systems on a regular basis to see what's done, and regular community meetings on a monthly basis to hear the concerns of the community and to have issues brought forward so that the community monitor can pursue those. Mr. Theriault stated that this is going to be a public sector PLA as he understands it. With public sector PLAs you are obliged to allow non union contractors to bid on and obtain the work. An issue that inevitably comes up in allowing non union contractors to bid on and obtain the work is the use of their core employees; employees who have been employed by those contractors for a period of time. In some jurisdictions such as Contra Costa counties in private sector PLAs, there are no core employees. He stated that non union contractors, if they're going to obtain the work, have to get all the workers from the union which is true in recent PLAs in San Mateo County as well. Mr. Theriault stated that there are core employees in the City College PLA to a limit of five per contractor; there are core employees in the San Francisco Unified School District on the sliding scale depending on the dollar value of contracts, core employees in the PUC PLA up to a limit of 7 per trade per contractor. (For instance, if a contractor were employing laborers, carpenters and operating engineers it would mean that 21 core employees that are not in the union.) Mr. Theriault stated there is no control over who those employees are, and therefore have no control over the compensation of the workforce while they are core employees. He stated that it is something very much to bear in mind in the course of pursuing the PLA and the Commission is probably in a position to where they either have to take the difficult step of saying that there will be no core employees under a public sector PLA or, in order to accept the private sector PLA's, they will need to fulfill the requirements of which you are looking for provided they are clear on those requirements and have negotiated them in advance. Mr. Theriault's other concern is the list of trades and the difficulties they will have in fulfilling the local hiring provisions. As he understands it, the goal is project-wide which does not mean then that a specific contractor or specific trade has to have 50% of its workforce from the district that is well beyond what Los Angeles has achieved. He indicated that it is not to say it is something that can be worked towards, but it is well beyond what has already been achieved in the most rigorous of PLA local hiring provisions in the country. Mr. Theriault also

noted that in considering consultants for the negotiations, he heartedly encouraged that they have someone as well versed on this matter as him.

Commissioner Covington thanked Mr. Theriault for his comments and clarifications and for pointing out various areas for them to continue their discussions. Ms. Covington asked Mr. Theriault, in terms of background, had he been attending all the meetings from the beginning, if the meetings have been collegial, and if there were other union members at the table attending the meetings.

Mr. Theriault stated he has attended most meetings, all meetings have been collegial, and stated that there have been contractors, along with union contractors attending the meetings.

Commissioner Breed stated that she attended the last meeting and recalled one of the things mentioned is the willingness of the unions to begin to work together to open the doors for locals in the area. Ms. Breed thanked everyone for their commitment in trying to make the program work for the City.

Commissioner King stated the labor movement removed barriers over 30 years ago. He indicated that his brother was a boilermaker from Local 6 who broke the barriers 30 years ago because they did not have any blacks or minorities in any unions. Mr. King stated San Francisco is a labor town and encouraged staff to include heads of the labor movement in discussions and to get their commitment.

Mr. Blackwell stated that he wanted to assure the Commissioners that they will turn over every rock in terms of everyone's participation. He stated that he went to the Executive Committee of the Building Trades to discuss the PLAs with electricians, carpenters, laborers, plumbers, pipe fitters, and machine operators in attendance, and plans to continue that level of communication in openness and dialogue with the unions. Mr. Blackwell stated in terms of both relationships with the unions and in terms of the relationship with the communities that are going to be impacted by this, he stated that this has the potential to be adopted citywide that can incorporate more areas and more city departments. He stated that the potential in terms of process is vast and is important to get it right in terms of process, including having the type of relationship Mr. King spoke of with the Unions.

Mr. Swig thanked Mr. King for his leadership and making sure that Mr. Theriault spoke for the proper amount of time, but unfortunately, they are governed by two-three minute rules; and Mr. Theriault was a victim of the 2-minute rule. He also appreciated Ms. Covington's understanding of the rules and for being able to stimulate the opportunity for Mr. Theriault to speak. He thanked Mr. Theriault for his understanding and patience. Mr. Swig stated that what he sees is the important piece, Commissioner King. He stated that the opportunity is that there be future Leroy King's in the community, and through negotiations and opportunities as discussed, they will have leaders

such as Mr. King in the spirit of the PLA initiative. He stated that he looks forward to the next phase to this as well as his fellow Commissioners.

- (m) Authorizing a tax increment loan agreement with MSPDI Turk, LLC, a wholly-owned subsidiary of Michael Simmons Property Development, Inc., a California corporation, in an amount not to exceed \$16,072,427 for the development of 32 condominium units for low- and moderate-income, first-time homebuyers at 1345 Turk Street, and adopting environmental findings pursuant to the California Environmental Quality Act; Citywide Tax Increment Housing Program. (Resolution No. 127-2009)

Presenter: Michelle Davis

Speakers: None

Commissioner Singh asked what the term of the loan was.

Ms. Davis stated the \$1.8M loan will be repaid from sales proceeds once the condos are built. After each unit is sold and the construction loan is paid off, the agency will then receive \$1.818M with the balance of the funds staying with the units as a long term subsidy in the Agency's affordable limited equity program. The subsidy will stay with the units when a buyer sells a unit, that subsidy will roll over to the next buyer to keep the unit affordable over the long term for 55 years.

Commissioner Covington put forth a motion to move item 4(m).

Ms. Breed seconded Ms. Covington's motion.

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MS. BREED, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. RESOLUTION NO. 127-2009, AUTHORIZING A TAX INCREMENT LOAN AGREEMENT WITH MSPDI TURK, LLC, A WHOLLY-OWNED SUBSIDIARY OF MICHAEL SIMMONS PROPERTY DEVELOPMENT, INC., A CALIFORNIA CORPORATION, IN AN AMOUNT NOT TO EXCEED \$16,072,427 FOR THE DEVELOPMENT OF 32 CONDOMINIUM UNITS FOR LOW- AND MODERATE-INCOME, FIRST-TIME HOMEBUYERS AT 1345 TURK STREET, AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

- (n) Workshop regarding the schematic design for 73 units of very low income rental housing at 6600 Third Street, pursuant to an Acquisition and Predevelopment Loan with Third and LeConte Associates LP, a California Limited Partnership; Bayview Hunters Point Redevelopment Project Area; Citywide Tax Increment Housing Program.

Presenter: Kate Hartley

Speakers - Linda Richardson

Commissioner Breed inquired as to whether the project had been discussed and shown to members living in the neighborhood.

Michael Simmons stated he has met on four occasions with the Bayview Hill Neighborhood Association and their concerns were tenant selection; the tenants concerns were who the tenants will be and how they will integrate into the neighborhood. They held several community meetings and a working group and came to a number of mitigation measures with the community which will be incorporated into a MOU.

Commissioner Breed asked how large the units were.

Mr. Simmons stated that the studios are 330 square feet, equivalent to an SRO unit, two bedrooms 1,000 sq.ft. , three bedrooms 1,200 sq.ft.

Commissioner Breed requested that the bathrooms be moved closer to the bedrooms and not the kitchen as they are currently designed.

Commissioner Covington stated that she too agrees it is a good design and 73 units for formerly homeless is significant. She asked if there are any provisions for young people who have aged out of the foster care system.

Mr. Simmons stated that they do not have units set aside but will be working with case managers in the shelters and local resource centers to identify individuals who are ready to make the next step to permanent housing.

Commissioner Covington requested that before the young people become homeless, case workers should be made aware and that they are about to age out of the systems and she requested that they have a direct route for applying for the studio apartments. She would like that addressed before they become homeless.

Kate Hartley stated that they are in discussions with HAS and has formally addressed the transition aged youth issue. Staff is pursuing the issue to ensure that the young adults are brought into the development.

- (o) Authorizing a Second Amendment to the Tax Increment Loan Agreement with 365 Fulton, L.P., a California Limited Partnership, to revise the loan disbursement budget and schedule of performance for the development of 120 units of very-low income supportive housing on Central Freeway Parcel G, southeast corner of Gough and Fulton Streets, Citywide Tax Increment Housing Program. (Resolution No. 128-2009)

Presenter: Erin Carson

Speakers: None

ADOPTION: IT WAS MOVED BY MS. COVIINGTON, SECONDED BY MR. SING, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 127-2009, AUTHORIZING A TAX INCREMENT LOAN AGREEMENT WITH MSPDI TURK, LLC, A WHOLLY-OWNED SUBSIDIARY OF MICHAEL SIMMONS PROPERTY DEVELOPMENT, INC., A CALIFORNIA CORPORATION, IN AN AMOUNT NOT TO EXCEED \$16,072,427 FOR THE DEVELOPMENT OF 32 CONDOMINIUM UNITS FOR LOW- AND MODERATE-INCOME, FIRST-TIME HOMEBUYERS AT 1345 TURK STREET, AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

AGENDA ITEMS 4(p) AND (q) WERE PRESENTED TOGETHER BUT ACTED ON SEPARATELY

- (p) Resolution No. 129-2009, Authorizing an Amended and Restated Housing Opportunities for Persons with AIDS Capital Loan Agreement in an amount not to exceed \$243,487, for a total aggregate amount not to exceed \$1,493,487, with The Black Coalition on AIDS, a California nonprofit public benefit corporation, for the rehabilitation of Brandy Moore House, an 11-bed Transitional Housing Site, 1761 Turk Street; Housing Opportunities for Persons with AIDS Program.
- (q) Resolution No. 130-2009, Authorizing an Amended and Restated Housing Opportunities for Persons with AIDS Capital Loan Agreement in an amount not to exceed \$331,488, for a total aggregate amount not to exceed \$806,488, with Baker Places, Inc., a California nonprofit public benefit corporation, for the rehabilitation of Ferguson Place, a 12-bed transitional housing site, 1249 Scott Street; Housing Opportunities for Persons With AIDS Program.

Presenter: Pam Sims

Speakers: None

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MS. BREED, MS. COVINGTON ABSTAINED, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 129-2009, AUTHORIZING AN AMENDED AND RESTATED HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS CAPITAL LOAN AGREEMENT IN AN AMOUNT NOT TO EXCEED \$243,487, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$1,493,487, WITH THE BLACK COALITION ON AIDS, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR THE REHABILITATION OF BRANDY MOORE HOUSE, AN 11-BED TRANSITIONAL HOUSING SITE, 1761 TURK STREET; HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM, BE ADOPTED.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 130-2009, AUTHORIZING AN AMENDED AND RESTATED HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS CAPITAL LOAN AGREEMENT IN AN AMOUNT NOT TO EXCEED \$331,488, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$806,488, WITH BAKER PLACES, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR THE REHABILITATION OF FERGUSON PLACE, A 12-BED TRANSITIONAL HOUSING SITE, 1249 SCOTT STREET; HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS PROGRAM, BE ADOPTED.

- (r) Resolution No. 131-2009, Authorizing a Letter Agreement with the City of San Francisco Department of Public Works for Phase I Infrastructure Task Force Services for the Hunters View Housing Development at Middle Point and West Point Roads, for an aggregate amount not to exceed \$430,000; Bayview Hunters Point Redevelopment Project Area.

Presenter: Erin Carson, Agency Staff

Speakers: None

ADOPTION: IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 131-2009, AUTHORIZING A LETTER AGREEMENT WITH THE CITY OF SAN FRANCISCO DEPARTMENT OF PUBLIC WORKS FOR PHASE I INFRASTRUCTURE TASK FORCE SERVICES FOR THE HUNTERS VIEW HOUSING DEVELOPMENT AT MIDDLE POINT AND WEST POINT ROADS, FOR AN AGGREGATE AMOUNT NOT TO EXCEED \$430,000; BAYVIEW HUNTERS POINT 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**

REPORT OF THE PRESIDENT:

- President Swig reported that there has been a lot of discussion in the newspapers and a request from certain parties regarding the relocation of the high speed rail allowing it to come to downtown San Francisco. Mr. Swig stated that it was very important that the Agency Commission take a position on this and requested that Mr. Blackwell put the issue of the high-speed rail and its ultimate location, downtown San Francisco, on the agenda with the result of a resolution on the subject.
- Acknowledged Commissioner King receiving the Silver Spur award recognizing Mr. King as a great leader in the community. Mr. Swig congratulated Mr. King on the wonderful achievement in recognition of a tremendous career

7. **REPORT OF THE EXECUTIVE DIRECTOR:** None

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 7:55p.m.

Respectfully submitted,

Gina E. Solis
Agency Secretary

ADOPTED: