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**MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
2<sup>ND</sup> DAY OF MARCH 2010**

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 2nd day of March 2010, at the place and date duly established for holding of such a meeting.

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, President  
Darshan Singh, Vice President  
London Breed  
Miguel M. Bustos  
Francee Covington  
Leroy King

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: Regular Meeting of December 15, 2009

(b) Approval of Minutes: Regular Meeting of January 5, 2010

Vice President Singh put forth a motion to move items 4(a) and 4(b).

Commissioner Bustos stated that he was present at the December 15, 2009 Commission meeting and vote "Aye". Mr. Bustos seconded Mr. Singh's motion.

President Swig asked the Secretary when the remaining minutes are scheduled to be on the Agenda.

The Secretary stated they will be on the March 16<sup>th</sup> Commission meeting agenda.

**ADOPTION:** IT WAS MOVED BY MR. SINGH, SECONDED BY MR. BUSTOS, AND UNANIMOUSLY CARRIED, THAT THE REGULAR MEETING OF DECEMBER 15, 2009 (WITH MR. BUSTOS PRESENT AND VOTING "AYE"), AND THE REGULAR MEETING OF JANUARY 5, 2010, BE ADOPTED.

**REGULAR AGENDA**

(c) Resolution No. 18-2010, Authorizing a Letter Agreement with the Department of Public Works of the City and County of San Francisco in an amount not to exceed \$600,000 for the Completion of Construction Documents, Capital Improvement Costs and Construction Costs for the Newcomb Avenue Model Block Streetscape Improvements and making findings pursuant to California Health and Safety Code Section 33445; Bayview Hunters Point Redevelopment Project Area.

Presenter: Lila Hussain, Agency Staff

Speakers: Sandra Michelotti

Commissioner Breed stated that she was excited about the opportunity to change a neighborhood that is surrounded by concrete by bringing in trees and other basic items that is taken for granted by others. It is Ms. Breed's hope that there are other changes; not only on the particular block of Newcomb, but that the program is used as a model to make more changes in the area where crime is a major problem in the area. Ms. Breed stated that she was happy about the residents coming together in making this work and how it made a difference. She was glad the Agency was able to provide support and create a real

neighborhood and felt that the residents who have lived in the area for so many years deserve this opportunity. Ms. Breed stated that she appreciates efforts from Staff and the residents that live in the area in trying to obtain other funding sources besides Agency funding and suggested that it be continuous throughout the duration, not only after the completion of the project but maintaining it for the long run. Ms. Breed put forth a motion to move item 4(c).

Commissioner Bustos stated that he was glad that Ms. Michelotti was present to speak and represent the community since one of his questions was what percentage of long term residents actually agreed to this and wanted it to happen. Mr. Bustos stated that he is a native San Franciscan and there have been a lot of changes in the City, it saddens him when long term residents who have invested in these communities do not get to benefit from it. Mr. Bustos asked what other outreach opportunities will be provided who live on other blocks.

Ms. Dandridge stated staff will be revisiting blocks that were initially selected five years ago and staff will conduct broader outreach to other blocks. The focus has historically been improvements in the Towne Center and all likelihood will continue if there is a second model block. Staff will have internal discussions and present them to the PAC for their support.

Commissioner Bustos stated that he lives in the Mission and is aware that Folsom is a great street during the day but can get pretty scary at night, especially for the seniors due to the trees that are huge and block the sidewalk. Mr. Bustos suggested staff keep that in mind as they go through looking at the model project.

Commissioner Covington stated that it is a great plan, happy to see it almost come to fruition, and something to look forward to by year's end. She applauded everyone that worked on the project, particularly the residents for having passion for the project. Ms. Covington understands the Commission desired this to be a pilot program so it could be replicated in other parts of the Bayview but with \$2M per block, she is wondering how that is going to happen. Ms. Covington stated that she was concerned about the costs, not for the pilot program which is showing what is possible, but what is replicable.

Ms. Hussain stated in regards to the costs and finding other sources, what can be done is partner more with the Planning Department as part of their Better Streets initiative and apply for more transportation funding sources for streetscape improvements, and to make sure that the San Francisco County Transportation Authority has Bayview slated for priority improvements for streetscape. Ms. Hussain stated that currently there is a Bayview Neighborhood transportation plan being done by the San Francisco County Transportation Authority where streetscape improvements have been identified which put the Agency in a better position for broader sources of funds from the region and county and state funds for streetscape improvements. Ms. Hussain stated after the current project is implemented, staff will evaluate the project as part of the grant program

requirement to see how improvements can be made in phases on other blocks and not a whole scale block by block but phase in certain types of other improvements that can be done on other blocks.

Commissioner Covington stated, in moving forward, staff look at a plan that includes sprucing up as many blocks as possible for a certain amount of money so a number of blocks are attractive instead of isolated pockets.

Commissioner Covington asked for information about the loans that were given to the homeowners; how long a period of time those loans are for and what the parameters are.

Ms. Dandridge stated as part of the private element of the model block program, the Agency adopted a loan program. The loans are \$75,000 for basic home improvements with a deferment of 15 years, at the end of the 15 year period residents can apply for another 15 year referral.

Commissioner Covington asked when would repayment begin and if there was a payment plan.

Ms. Dandridge stated that the repayment begins at the end of 30 years; payments can be made but the loan is deferred for 15 years and at the end of the 15 years they can reapply for another 15 year deferral.

Commissioner Covington asked if it has to be owner occupied.

Ms. Dandridge stated that the owner has to be income qualified to participate in the loan program. The loan limits was increased to 100% of area medium income. Ms. Dandridge stated that she would get back to the Commission as to whether it has to be owner occupied.

Commissioner Covington stated that she asked the question if it had to be owner occupied because the block is being improved and it may get into a situation where they may become rental property which is not what is desired. Ms. Covington asked after a 30 year deferment, does the loan have to be paid in a lump sum.

Ms. Dandridge stated that the Agency would have to be paid back after the 30 year term. The idea was that after the 30 years they would have paid their mortgage off so that they could refinance the house to pay the Agency back. Ms. Dandridge confirmed that it would have to be paid back in a lump sum.

Commissioner Covington asked who will be responsible for maintaining the plantings that are on public property.

Mr. Andres Power, City Planning staff, stated that the ownership is by the City of Public Works, the maintenance responsibility is that of the fronting property owner. For this particular property, they are looking at dividing day to day

maintenance responsibilities which is part of the maintenance agreement they entered into with the residents. The idea would be that the residents would take on the day to day responsibility, and the maintenance of street trees and structural maintenance will be the responsibility of the Department of Public Works.

Commissioner Covington asked if there have been discussions with PG&E about putting some of the overhead power lines underground.

Mr. Powers stated that the wire was undergrounded along Newcomb about a year ago. There is a 20 year plan throughout the City for undergrounding of PG&E utilities with funds that are allocated at the State level on 20 year cycles. The city has expended those funds until the year 2020. On the citywide level, there will be very little undergrounding that will be happening with the exception are in Redevelopment Areas.

Commissioner Covington seconded Ms. Breed's motion to adopt item 4(c).

President Swig requested that staff prepare a brief outline of the loan terms for clearer clarification of key conditions, including what is subordinated to what, what happens if there is a default, and if you have to be a resident owner.

President Swig asked Mr. Blackwell how the project can be moved forward to create a formalized model block program with an outline of timelines. He was struck by the fact that the project was recognized on June 21, 2005, with the completion date as December 31, 2010, and if they continued with that type of schedule block by block, it would take too many years to complete.

Mr. Blackwell stated that the model block concept is a very important element of the Bayview Plan with quite a bit of activity on the creation of new affordable housing on Third Street, such as facades and tenant improvements in the area. One of the core elements of the planning process was to make sure that existing residents and homeowners also benefited from the positive effects of redevelopment in the Bayview; the model block program is key to making that happen. Mr. Blackwell stated there are issues with regards to going to scale with the model block program such as costs which exceeds what the Agency is able to provide, plus the Bayview project is not an area that produces tax increment to enable them to do large scale projects such as this one. Mr. Blackwell stated they need to begin with a work plan which needs to be based on their experience with the first model block, and come up with a spending plan that allows them to get to scale in a timely manner. Mr. Blackwell indicated that once they have an opportunity to analyze what can or cannot be replicated from the block, staff will come back and report with a more realistic timeframe and scalable strategy. Mr. Blackwell also stated that this would not just be a tax increment or Agency funded endeavor; because of the different budget times, the notion of the general fund taking over a large piece of this work seems unlikely.

President Swig asked when Mr. Blackwell would be able to get back to the Commission with an outline that recognizes the potential of an ongoing program that takes into consideration either geography or priorities related to future model blocks, and shows the residents of the Bayview that this will not be the one and only model block for the next 20 years.

Director Blackwell stated he is not able to give a realistic time. He will discuss this with staff and possibly come back to the Commission at the next meeting with a timeline.

President Swig stated that it would be the general Commissioner's feeling that this should not be the only block that is ever developed in this project and that the Commission is very serious about serving the needs of the neighborhood by doing more model blocks. Mr. Swig asked that there be more focus on this and some priority associated with it so it does not lag for decades to come.

President Swig asked for clarification if there is only \$600,000 of the \$1.2M to complete the project.

Ms. Dandridge stated with the approval of the Letter Agreement, the project is fully financed.

Commissioner Breed stated it was her understanding that the goal was that these homes stay within the families for generations to come and that were going to be benefiting from the particular improvements. She indicated that the homes should be owner occupied although she is not sure if the loan terms stipulated that; she requested that information be included along with details of the terms of the loan. Ms. Breed stressed that she wants to make sure that the residents who have lived in the Bayview for generations have an opportunity to benefit. She also would like to make sure the neighborhood does not turn into rentals.

**ADOPTION:** IT WAS MOVED BY MS. BREED, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED; THAT RESOLUTION NO. 18-2010, AUTHORIZING A LETTER AGREEMENT WITH THE DEPARTMENT OF PUBLIC WORKS OF THE CITY AND COUNTY OF SAN FRANCISCO IN AN AMOUNT NOT TO EXCEED \$600,000 FOR THE COMPLETION OF CONSTRUCTION DOCUMENTS, CAPITAL IMPROVEMENT COSTS AND CONSTRUCTION COSTS FOR THE NEWCOMB AVENUE MODEL BLOCK STREETScape IMPROVEMENTS AND MAKING FINDINGS PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 33445; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, BE ADOPTED.

**AGENDA ITEMS 4(d) AND 4(e) WERE PRESENTED TOGETHER, BUT ACTED ON SEPARATELY**

- (d) Resolution No. 19-2010, Approving an Amended and Restated Memorandum of Understanding with The Regents of the University of California, a California public corporation, for the expansion of UCSF facilities in the Mission Bay South Redevelopment Project Area to Block X3, and adopting environmental findings and a statement of overriding considerations pursuant to the California Environmental Quality Act; Mission Bay South Redevelopment Project Area.

Presenter: Amy Neches, Agency Staff, Catherine Reilly, Agency Staff

Speakers: Corrine Woods

Commissioner Bustos indicated, given the current economic times, not only with the University but the State system, there's no money. Mr. Bustos asked how they can make sure this actually happens.

Ms. Neches stated it is beyond the Agency's ability to fund the hospital. UCSF has been a great partner to the City and Mission Bay by coming up with the funding, both through State sources and through private philanthropy to build out the campus before the scheduled time. Ms. Neches stated they are doing extremely well with their fund raising, grant funding, and bond funding for the first phase of the hospital. They believe their efforts will succeed in funding the second phase of the hospital.

Assistant Vice Chancellor Lori Yamaguchi of UCSF stated they have a budget of \$1.6B for the Phase One project which \$600,000,000 is expected to come from philanthropy, and another \$700,000,000 from medical center debt financing, with the remainder coming from a combination of reserves as well as limited state funds. Phase Two in part relates to a plan for UCSF to comply with the State seismic regulations which establishes different milestones for ensuring that their in-patient or clinical facilities comply with the regulations. Ms. Yamaguchi stated the milestone they are trying to move with the Phase One project is 2015 with another milestone in 2030 which requires them to do something with the Moffitt Hospital at Parnassus which may trigger some additional development of the clinical facilities. Further, they have a Phase 1A project as part of their hospital development plan that anticipates a cancer outpatient building on the site once funds are secured, which will occur after 2014, but before 2030.

Commissioner Bustos asked if they could expand on the first round of people in the community who will be given an opportunity for housing.

Ms. Neches explained the first phase which is the 160 units will be 112 units that will be affordable to households of 60% of area median income, and 48 units for those who earn up to 100% of area median income which are relatively low, which have been designed to be available to UCSF blue collar employees.

After years of negotiations, the final agreement was to give first priority to UCSF employees for the following reasons: (1) difficult for UCSF to invest its money into a facility that they cannot demonstrate serves primarily UCSF employees, or patients; (2) after a study of their employee base and salaries, many are of relatively low income that will be working in the hospital, therefore, the first priority is UCSF's employees and helps meet the housing demand they are creating. Ms. Neches stated it took many years of negotiations to reach the final agreement on affordable housing and for UCSF to agree to mitigate the loss of tax increment. The first priority is to UCSF employees who are certificate of preference holders; the second priority is to make it equally available to all UCSF employees. (UCSF will have to submit their marketing plan to ensure they comply.) If they are unable to fill the housing with their own income qualifying employees, it then becomes a third priority to all San Francisco residents who are certificate of preference holders, with any remaining units, it would then be offered to all income qualifying San Francisco residents.

Commissioner Bustos asked if the proposed helipad at Potrero will not be built due to the helipad proposed at UCSF.

Ms. Neches stated the helipad was reviewed through the EIR and extensive community process held by UCSF, and approved by the Board of Supervisors. It is her understanding that General Hospital is still pursuing its own plan but does not know the current status.

President Swig requested that the Secretary provide Commissioner Bustos the minutes when Block 7 East was discussed which will provide the information on the questions Mr. Bustos was asking.

Commissioner Covington applauded UCSF's vision for the beautiful campus in San Francisco. Ms. Covington indicated that the garage was an eyesore and met with Mr. Spaulding who assured Ms. Covington, after a public process, that there would be mitigation of the eyesore.

Assistant Vice Chancellor Lori Yamaguchi stated that the campus has also been as distressed about the appearance of the garage as Ms. Covington mentioned; UCSF's capital project staff has been working diligently with the contractor. The problem with the garage was the execution of the design, particularly the exterior cladding and faulty insulation of that cladding which resulted in removing all of the glazing which was part of the design; the glazing was falling off the building which became a hazard and was addressed. They have been negotiation with the contractor on a settlement on determining who is responsible for the cost of mitigating the cladding problem and have reached an agreement on implementing the solution. They were informed that there is a desire to move ahead as quickly as possible to address the problem which will result in the garage looking as it was originally designed. The glazing will mask the concrete that is visible.

Commissioner Covington asked if there will be additional planting.

Assistant Vice Chancellor Lori Yamaguchi stated that the current design does not contemplate landscaping at the side of the garage but was not certain.

Commissioner Covington asked how many certificate of preference holders have been identified in the UCSF's workforce.

Ms. Reilly stated that they have talked to UCSF to ensure when it is time for the marketing plan, that they work with Agency staff to provide them the certificate of holder's names.

Commissioner Covington indicated that there have been quite a few meetings concerning workforce development and asked if there have been any discussion with Mr. Maduli-Williams concerning how UCSF can collaborate with the Agency to make sure as many people in the Bayview can be trained and qualified to get the new jobs as they go on line.

Mr. Stuart stated there have not been any discussions as yet on staffing after its operational, but more so during the construction phase. There is a Memorandum of Understanding as part of the process they are required to do and are committed to employ as much of the community as they possibly can in the actual construction process. Mr. Stuart stated the major work thus far has been the demolition of the warehouse which is 15% of the labor from the local community, and 10% of the hours for the demolition was from the local community. In preparation for the start of construction in December of this year, there was a meeting held with the local community agencies of which 14 different community organizations attended. Out of that they created the workforce collaborative that is now in place and meet on a monthly basis to discuss the bidding process and what the opportunities are. The collaboratives are seeking through all the communities to build a registry of everyone that is qualified, what their trades are, and what their union status' are.

Commissioner Covington stated that she supports the effort of amending and extending the Memorandum of Understanding, but also supports the community's effort to find jobs at UCSF that lead to meaningful careers. She is aware that Lennar has been able to hire 50% of workers during this phase of construction because they are currently at the horizontal process. Ms. Covington urged that they have extensive conversations with Rhonda Simmons from the Mayor's Office, and with Mr. Maduli-Williams and Agency staff in working forward towards being prepared for jobs that will be going on line at UCSF. She stated it should be done now while the building plans are in the blueprint stage, not after the buildings are built; it would be too late. Ms. Covington encouraged UCSF to help employ people who are willing to work and train them with skills they need to possess in order to get those positions. Ms. Covington put forth a motion to move item 4(d).

Commissioner Singh expressed his support of the project. Mr. Singh asked if there is a helipad at Parnassus.

Ms. Neches stated that no other hospital in San Francisco has a helipad, this would be the first. San Francisco General Hospital has been pursuing the plan for a helipad but does not know what the current status is.

Commissioner Singh asked how many times they expect the helipad to be used.

Ms. Neches stated it will only be used during the day for urgent patient transport, mainly for very sick children, and possibly occasional night trips. The location and the flight path were carefully studied in order to minimize the impact on the community and have satisfied community concerns.

Commissioner Singh asked what the completion date is.

Ms. Neches stated that the hospital, including the helipad will be completed the end of 2014.

Commissioner Singh seconded Ms. Covington's motion.

President Swig noted for the record that Ms. Breed had to leave the meeting but there is still a quorum.

**ADOPTION:** IT WAS MOVED BY MS. COVINGTON, SECONDED BY MS. COVINGTON (WITH MS. BREED ABSENT FOR THIS VOTE), AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 19-2010, APPROVING AN AMENDED AND RESTATED MEMORANDUM OF UNDERSTANDING WITH THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, A CALIFORNIA PUBLIC CORPORATION, FOR THE EXPANSION OF UCSF FACILITIES IN THE MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA TO BLOCK X3, AND ADOPTING ENVIRONMENTAL FINDINGS AND A STATEMENT OF OVERRIDING CONSIDERATIONS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- (e) Resolution No. 20-2010, Approving a Disposition and Development Agreement with The Regents of the University of California, a California public corporation, for the purchase of the western portion of Block 7 and for the development of an affordable housing project thereon, and adopting environmental findings pursuant to the California Environmental Quality Act; Mission Bay South Redevelopment Project Area.

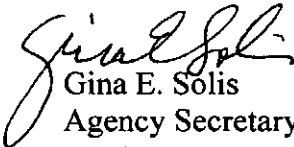
**ADOPTION:** IT WAS MOVED BY MS. COVINGTON, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED (WITH MS. BREED ABSENT FOR THIS VOTE), THAT RESOLUTION NO. 20-2010, APPROVING A DISPOSITION AND DEVELOPMENT AGREEMENT WITH THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, A CALIFORNIA PUBLIC CORPORATION, FOR THE PURCHASE OF THE WESTERN PORTION OF BLOCK 7 AND FOR THE DEVELOPMENT OF AN AFFORDABLE HOUSING PROJECT THEREON, AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; MISSION BAY SOUTH REDEVELOPMENT PROJECT ARE, BE ADOPTED.

5. **MATTERS NOT APPEARING ON AGENDA:** None
6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS.** None
7. **REPORT OF THE PRESIDENT:** None
8. **REPORT OF THE EXECUTIVE DIRECTOR:**
  - Mr. Blackwell report that there is one technical issue to resolve with the Board of Supervisors in reference to payment to the State due in May. If it is prolonged, it is highly likely that the judge who is hearing the lawsuit brought by CRA will likely grant an injunction and not make Agencies pay while the judge is looking at the case and making a determination. It is fairly likely that the Agency will not be paying in May but will be ready to pay if it is determined. Mr. Blackwell stated that it is anticipated that if it is approved to finance shortly, that would mean that there will not be affordable housing projects that will stalled.
  - Mr. Blackwell stated that the Agency's budget is due at the Mayor's office May 1; there will be three workshops and actions related to the budget scheduled for the next three Commission meetings. A number of requests from other City agencies that are doing work in the project areas are inquiring about the Agency's ability to support their efforts. Mr. Blackwell reported that he is in the process of meeting with the Mayor's Budget Office and the Controller's office to reconcile those issues and making sure it is being approached in a coordinated and systematic way.
9. **COMMISSIONERS' QUESTIONS AND MATTERS:** None.
10. **CLOSED SESSION:** None.

11. **ADJOURNMENT:**

It was moved by Commissioner Singh, seconded by Commissioner Covington, and unanimously carried that the meeting be adjourned at 5:40 p.m.-

Respectfully submitted,

  
Gina E. Solis  
Agency Secretary

**ADOPTED:**