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**MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
16th 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 16th 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 January 19, 2010
- (b) Approval of Minutes: Regular Meeting of February 2, 2010
- (c) Authorizing the application for Statewide Park Program Grant Funds, of an amount not to exceed \$750,000, for improvements to and renovations of Shoreview Park, located at the northeast corner of Beatrice Lane and Lillian Court. (Resolution No. 21-2010)
- (d) Authorizing the application for Healthy Urban Food Enterprise Development Center grant funds, of an amount not to exceed \$100,000, for physical improvements to Super Save Market, located at 4517 Third Street on the northeast corner of Third Street and McKinnon Street; Bayview Hunters Point Redevelopment Project Area. (Resolution No. 22-2010)
- (e) Authorizing a Second Amendment to the Amended and Restated Predevelopment Loan Agreement, Grant Agreement, and Disposition and Development Agreement, each with Berry Street LLC, a California Limited Liability Company, to expand the definition of eligible household to include households earning up to 120% of Area Median Income, in conjunction with the development and sale of 131 units of low- and moderate-income first-time homeownership housing at 330 Berry Street and 335 Berry Street; Mission Bay North Redevelopment Project Area. (Resolution No. 23-2010)
- (f) Authorizing a First Amendment to the Ground Lease Agreement with the City and County of San Francisco to change the permitted uses and related terms to allow for non-parking uses of a portion of Assessor's parcel 0817, Lot 30, known as Central Freeway Parcel K, and adopting environmental findings and a Statement Of Overriding Considerations pursuant to the California Environmental Quality Act; Citywide Tax Increment Housing Program. (Resolution No. 24-2010)

Commissioner Covington requested Item 4(f) be pulled from the Consent Agenda.

Commissioner Singh requested that Item 4(c) be pulled from the Consent Agenda.

**ADOPTION:** IT WAS MOVED BY COMMISSIONER COVINGTON, SECONDED BY COMMISSIONER SINGH, AND UNANIMOUSLY CARRIED, THAT ITEM 4(a) MINUTES OF THE REGULAR MEETING OF JANUARY 19, 2010; ITEM 4(b) REGULAR MEETING OF FEBRUARY 2, 2010; ITEM 4(d) RESOLUTION NO. 22-2010, AUTHORIZING THE APPLICATION FOR HEALTHY URBAN FOOD ENTERPRISE

DEVELOPMENT CENTER GRANT FUNDS, OF AN AMOUNT NOT TO EXCEED \$100,000, FOR PHYSICAL IMPROVEMENTS TO SUPER SAVE MARKET, LOCATED AT 4517 THIRD STREET ON THE NORTHEAST CORNER OF THIRD STREET AND MCKINNON STREET; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA; ITEM 4(e) RESOLUTION NO. 23-2010, AUTHORIZING A SECOND AMENDMENT TO THE AMENDED AND RESTATED PREDEVELOPMENT LOAN AGREEMENT, GRANT AGREEMENT, AND DISPOSITION AND DEVELOPMENT AGREEMENT, EACH WITH BERRY STREET LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, TO EXPAND THE DEFINITION OF ELIGIBLE HOUSEHOLD TO INCLUDE HOUSEHOLDS EARNING UP TO 120% OF AREA MEDIAN INCOME, IN CONJUNCTION WITH THE DEVELOPMENT AND SALE OF 131 UNITS OF LOW- AND MODERATE-INCOME FIRST-TIME HOMEOWNERSHIP HOUSING AT 330 BERRY STREET AND 335 BERRY STREET; MISSION BAY NORTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

**REGULAR AGENDA**

- (c) Authorizing the application for Statewide Park Program Grant Funds, of an amount not to exceed \$750,000, for improvements to and renovations of Shoreview Park, located at the northeast corner of Beatrice Lane and Lillian Court, Resolution No. 21-2010

Presenter: Licinia McMorrow, Agency Staff

Speakers: None

Vice President Singh asked with the park being less than one acre, why is the cost so much money (\$1.25 M).

Ms. McMorrow stated that the cost of parks similar in size have had similar budgets. She stated there is a Letter Agreement with the Department of Public Works for the design of the park which will be rebuilt from the ground up.

Vice President Singh put forth a motion to move Item 4(c).

Commissioner Bustos seconded Mr. Singh's motion.

President Swig asked for clarification that the item was not coming out of the current Redevelopment Agency budget, that it is a separate application for funds from another Agency, and all that was being requested is approving the application for the funds.

Ms. McMorrow stated Mr. Swig was correct.

**ADOPTION:** IT WAS MOVED BY COMMISSIONER SINGH, SECONDED BY COMMISSIONER BUSTOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 21-2010, AUTHORIZING THE APPLICATION FOR STATEWIDE PARK PROGRAM GRANT FUNDS, OF AN AMOUNT NOT TO EXCEED \$750,000, FOR IMPROVEMENTS TO AND RENOVATIONS OF SHOREVIEW PARK, LOCATED AT THE NORTHEAST CORNER OF BEATRICE LANE AND LILLIAN COURT, BE ADOPTED.

- (g) Authorizing a First Amendment to the Ground Lease Agreement with the City and County of San Francisco to change the permitted uses and related terms to allow for non-parking uses of a portion of Assessor's parcel 0817, Lot 30, known as Central Freeway Parcel K, and adopting environmental findings and a Statement Of Overriding Considerations pursuant to the California Environmental Quality Act; Citywide Tax Increment Housing Program. (Resolution No. 24-2010)

Presenter: Sally Oerth, Agency Staff

Speaker: Ace Washington

Commissioner Covington stated as a result of public comment, she asked if the project was located in the former Western Addition A-2 area.

Ms. Oerth stated it was not.

Commissioner stated it has been some time since the Loma Prieta earthquake and asked if there was a reason why the Agency has three parcels that are not in pre-development.

Ms. Oerth stated staff is working on the parcels in conjunction with the rest of the Agency's housing program. Unlike Redevelopment project areas which generate a source of funds, citywide housing is used to fund the majority of the parcels. Ms. Oerth indicated that since there are a number of demands on those funds, they have done one parcel at a time since it is difficult to do multiple parcels in the area at one time. Parcel A, Parkview Terrace has completed construction, Parcel G & Q are in construction, and Parcel C are in pre-development which staff will be requesting for construction funding later in the year. Ms. Oerth stated they do not anticipate offering Parcel K this fiscal year given the budget constraints; it is still in the pipeline but do not think construction will start within three years which is the term they are seeking.

Commissioner stated that Hayes Street has become a vibrant center of the neighborhood and Parcel K has been sitting for so long on what is the business strip of the community. She stated that the parcel is now being used as a parking lot with Zip Cars and other city vehicles. Ms. Covington asked: (1) what is going to happen to the cars; (2) with the three year plan of interim food spaces, what kind of spots are they going to be; will they be converted trailers or

coaches that pop up in different places around the city, (3) the people who commit to a three year term on a lease on the site, are they going to feel grandfathered in after the three years. Ms. Covington's concern is that they would be left something that was meant to be temporary and becomes permanent.

Ms. Oerth stated that it is everyone's intent to be clear throughout the process that they are interim uses and have made it clear to everyone throughout the process that they do anticipate developing the spaces for affordable housing and they will continue to convey that message. Ms. Oerth stated one of the terms they are including in the amendment is that whomever they sublease the site to waive any relocation benefits, and have made it clear that it is short term interim use for a site that will be developed for affordable housing.

Commissioner Covington asked if there have been any discussions with shop keepers in the area.

Ms. Oerth stated the item has been discussed at the Hayes Valley Merchants Association who supported the proposal.

Mr. Rich Hillis, Mayor's Office, commended the Agency for how quickly they have built the projects on the freeway parcels. He stated that the private parcels have lagged due to the economy and waited until the Market Octavia plan was adopted before the parcels were put out to bid. Mr. Hillis stated the plans are to sell the parcels within the next two years. The agreement with the Agency is a percentage of the money from selling the parcels comes back to the Agency to help build the housing which will help with the funding for Parcels K, P, and U. Mr. Hillis stated that the Zip Cars are a component of the proposal they have for Parcel K; there will be equal to or more Zip Cars in car share spaces in the new interim use than what is there now. Mr. Hillis indicated that they are anticipating four or five temporary carts/trucks which has been very successful in other cities and could be moved to another parcel in three years; the carts are the equivalent size of small trucks which would be stationary.

Commissioner Breed stated she had concerns that once a business gets settled, they wouldn't want to leave. Ms. Breed asked how long it would take to prepare the parcel for such uses.

Mr. Hillis stated it would only take about 60 days since it is a mobile effort. He stated that they have had the same concerns and are working with developers citywide to take on projects to utilize vacant parcels. Mr. Hillis indicated that the Merchants and the Hayes Valley Neighborhood Association requested this use and understand it is an interim use.

Commissioner Breed asked if the decision has been made as to who will be on the particular parcels.

Mr. Hillis stated they have issued an RFP for all the parcels for interim uses.

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

Commissioner Singh seconded Ms. Covington's motion.

President Swig stated that he would like to reiterate Ms. Covington's suggestion that they look to the group that was awarded grants for developing businesses in the Fillmore Arts Jazz District six months ago, the incubators in particular. Mr. Swig asked as this moves forward that Urban Solutions and Staff, who have had experience on this activity, contact those grantees so they would have an opportunity of having a preference and an option to be on that site with their mobile facilities

**ADOPTION:** IT WAS MOVED BY COMMISSIONER COVINGTON, SECONDED BY COMMISSIONER SINGH, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 24-2010, AUTHORIZING A FIRST AMENDMENT TO THE GROUND LEASE AGREEMENT WITH THE CITY AND COUNTY OF SAN FRANCISCO TO CHANGE THE PERMITTED USES AND RELATED TERMS TO ALLOW FOR NON-PARKING USES OF A PORTION OF ASSESSOR'S PARCEL 0817, LOT 30, KNOWN AS CENTRAL FREEWAY PARCEL K, AND ADOPTING ENVIRONMENTAL FINDINGS AND A STATEMENT OF OVERRIDING CONSIDERATIONS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

- (h) Workshop on the Hunters Point Shipyard Phase 2-Candlestick Point Integrated Development Project, including the Transportation Plan and Amendments to the Bayview Hunters Point and Hunters Point Shipyard Redevelopment Plans; Bayview Hunters Point Redevelopment Project Area and Hunters Point Shipyard Redevelopment Project Area

Presenter: Tiffany Bohee, Al Thom, Tom Evans

Speakers: Ron Lee, Michael Tsang, Dr. Ahimoa Porter Sumchai, Richard Ow, Francisco DaCosta, Kevin Jefferson, Rev. Arnold Townsend, Rev. Amos Brown, Jarhonda Jones, Ace Washington, Dedria Smith, Espanola Jackson

Commissioner Bustos asked for further information on unbundling parking.

Mr. Thom stated the proposal is that with the housing units provided, there would also be a parking provision for the units. He stated that you can choose not to have a parking space if you do not drive, do not have car, or wish to keep the housing costs low.

Commissioner Bustos stated that he brought this issue up due to it not being practical to families, particularly poor families, if they need to travel from one part of the city to another, and asked if there are any provisions for units that have families so they can be provided a parking space.

Mr. Thom stated the cost of the parking is already embedded in the unit; when a housing unit is bought it is part of the cost; they are separating it out so they have a choice.

Mr. Evans stated one of the exceptions to the unbundling requirements is affordable housing. The affordable housing units for a variety of reasons, including the funding structure, will not be required to be unbundled.

Commissioner Bustos stated he wanted to make sure low income families have an opportunity to have a parking space.

Commissioner Breed stated that transportation in the Bayview is very important when trying to move forward with the plan to redevelop the area. Ms. Breed stated it takes quite some time to get around in the area and other areas in the City and requested that there be more outreach in the area where residents reside in the Bayview areas that will mostly be impacted, particularly in the Shipyard area. Ms. Breed would also like to have included in the plan specific outlines that show hills/inclines since there are quite a few hills that are very steep in the Bayview. Ms. Breed asked if the roads/bike/walking routes are realistic and asked what are the plans were for parking the bikes. Ms. Breed stated that she thought the plan was good overall but preferred that there be more detailed discussion on each area.

Mr. Thom agreed with Ms. Breed's point about topography, not just for bicycles but for people who get off the bus and have to face a hill.

Commissioner Breed stated she would like to explore the issue more once they have more community input. Ms. Breed stated she would like more of a direct outreach in the way of discussions or surveys to residents who take public transportation in the Bayview and ask them, what are some of the obstacles they face, what are the routes they take, how long does it take them; a clearer understanding of what they are experiencing now and how the plan will impact them and make it better. Ms. Breed stated there may be information from the residents that may make the plan better.

Mr. Thom indicated a lot of what drove the plan is direct responses from the community, meeting with focus groups, discussions about some of the challenges and barriers they face with transportation. Mr. Thom stated the multi colored transit network was out of the direct request from the community which shows the local lines separated from the regional lines. Mr. Thom stated they will continue outreach and will provide the Commission with background on the outreach.

Commissioner Covington asked what MTA's commitment was to the process since there are new bus lines. Ms. Covington stated that it seems as though the services for the citizens of the City and County of San Francisco are contracting, not expanding.

Mr. Thom stated that MTA is working directly with people who are struggling to help the service become sustainable. Some of the challenges are competition on the existing street, what slows the buses down, what congestion interferes with the reliability of the bus operation, why people wait 45 minutes for a bus, and other issues. Mr. Thom stated this is an opportunity for them to design the transit system almost from scratch to make sure they are designing the roadways that allow buses to have their own lanes, a rarity in San Francisco. He is working with the service planning group who know on a painful daily basis the cuts they are being asked to make because of the budget situation. Mr. Thom indicated that they have an opportunity to work with a funding mechanism not just in terms of the infrastructure, but building the roadways and networks so they can carry buses, look for ways where they can fund the operation and phase the operations so there is an affordable transit service. Mr. Thom stated one of the mechanisms they will be providing is the ability to dedicate revenues from the project to sustain Muni. Muni has a charter provision that allows them as a new service area to dedicate the revenues, which includes taxes for property, sales, parking, transfer tax; all taxes that come back to the general fund. Since it is a new service area, the charter allows them to dedicate a certain percentage to make sure the Muni service is sustainable. What Mr. Thom has been doing is making sure that they are phasing that service in that it never gets ahead of the revenue stream or lags too far behind. They have a detailed spreadsheet of the entire length of the project through build out that shows where the revenues come in. He is working with the people who care the most, the Muni service planning staffs who is dealing with the finances at this time, and challenging him to make sure they are doing their homework, looking at the revenue projections to make sure they meet the service costs.

Commissioner Covington appreciated Mr. Thom's detailed response to the funding stream. Ms. Covington asked for further information on the 28L bus.

Mr. Albert stated the 28L is an extension of the 28 line which runs through the Richmond/Sunset area, through City College and the Balboa Park station area, and will also run along Geneva. The 28L is a project that came out of the Transit Effectiveness program that extends it past the Bart station to the front door of the Shipyard. They are proposing that the 28L stop there and are working in partnership with the development to bring it through the front door of the Shipyard on Harney through the Candlestick area. The bridge then becomes the transit only lanes that helps the 28L come into the heart of the HPSY and terminates at the Hunters Point Transit Center. The 28L has its own lanes throughout the Candlestick Point and HPSY area with dedicated transit lanes giving it reliability and travel speed.

Commissioner Covington asked if the off-street pathways shared with pedestrians are considered as Class No. 1.

Mr. Albert stated Class No. 1 has room for both pedestrians and bicycles, sometimes separated. They have worked with both pedestrian and bicycle

advocates to make sure safety was a primary concern in the design of the bike and ped network. Mr. Albert also stated the bike path in the State Park area is separate from the pedestrian area for safety concerns; where there is a right-of-way constraint; there will be bike lanes on the Class 2 system.

Commissioner Covington asked in reference to the four lane egress across Yosemite Slough Bridge, if the four lanes of traffic area leaving the stadium how would emergency vehicles get in on game day.

Mr. Albert stated the design for the bus rapid transit lanes accommodate emergency vehicles. The advantage is buses having professional drivers and having shared their right-of-ways with emergency vehicles in the past. The traffic lanes and bus lanes will always be separated which provides the extra emergency vehicle access and avoids problems with the congestion factors on the automobile roadways.

Commissioner Covington asked for information about the funding sources for the cleanup of the shipyard and who is responsible.

Ms. Bohee, Mayor's Office, stated that the federal government funds the Navy's cleanup of the shipyard and regulators oversight. Per the Agency's conveyance agreement with the Navy, the Navy is obligated to clean the shipyard to the intended use. In the case where there is an intended use, there is a stadium site, the cleanup standards for research and development are exactly the same for a stadium site, and in addition, the environmental remedies whether it's for residential or research and development use, are the same. The Navy would be required or whoever implements the project would still be required to provide for a cover remedy; the building, the street, open space, and vapor barriers for particular areas where the regulators feel that that is necessary within a building.

Commissioner Covington asked why there was so much confusion about the cleanup of the shipyard.

Ms. Bohee stated that it has taken quite some time for the Navy to get going, in the last five years there has been a total half a billion dollars spent on the cleanup to date that has accelerated as a result of the Agency's involvement over the past two years. The regulators are charged with making sure that the shipyard cleanup in all forms and all cases is safe for the people and the environment. Ms. Bohee stated that no development will happen until the regulators weigh in on that.

Commissioner Bustos asked what can be done to ensure people that the shipyard is being cleaned up.

Ms. Bohee stated the City, the Agency, and the Department of Public Health continue to have ongoing hearings, such as at the Board of Supervisors, the Department of Public Health, small group meetings at resident's homes in the Bayview and the Shipyard, public meetings sponsored by the City and the

Agency, as well as the Navy continues to conduct such meetings. She stated that they will continue their outreach process with more workshops, meetings with the PAC and CAC, meetings with the regulators and the Navy to make sure the message gets out.

Commissioner Singh commended staff for a very good and detailed workshop.

President Swig stated the environmental issue is very confusing and suggested that in the future when staff presents a workshop on environmental issues, they should always provide environmental maps showing where the problems are and provide in-depth details in order to avoid fears from the community as expressed by Ms. Espanola Jackson.

President Swig asked for further information about the site where the stadium might not be.

Mr. Evans stated the stadium site is for the most part mixed used residential with some neighborhood commercial.

President Swig asked if the space at one point was planned for millions of square feet of R&D.

Mr. Evans stated there were two stadium alternatives analyzed in the Draft EIR. One showing all R&D with an additional 2.5M square feet of R&D space, and the other alternative shows all residential.

President Swig had previously suggested at a prior meeting if there was a possibility of building a hotel on the opposite side of the R&D space but was informed that there is a significant amount of contamination on the site. Mr. Swig stated an overlay of the contamination explanation is important so the Commission is assured they are making the right decisions for the community with regard to the environment and risking people's lives and exposure to environmental issues.

Mr. Evans stated the conditions on Parcel C are environmentally more challenged than the conditions at the stadium site which remains restricted for R&D outside the overlays closer to Building 101. The earlier version of the urban design plan presented at previous presentations was focused on R&D; the introduction of residential in the area is a newer addition which began with the Draft EIR published last fall.

President Swig asked that more focus be placed on the environmental issues to put to rest the concerns of the neighborhood and concerned citizens that correct and safe decisions are being made environmentally for people to function in those areas. Mr. Swig reiterated that he wanted to assure the community that the Agency is making the best intentions for their safety.

- (i) Resolution No. 25-2010, Approving An Amendment of the Agency's Fiscal Year 2009-2010 Budget To: (1) Increase The Amount Of Bond Proceeds To Be Received By The Agency In An Amount Not To Exceed \$28.0 Million; (2) Increase Expenditure Authority By \$28.8 Million, Which Includes \$16.483 Million That Is Borrowed From The Low And Moderate Income Housing Fund (LMIHF), for Payment to the Supplemental Educational Revenue Augmentation Fund (SERAF); And Making Findings That There Are Insufficient Funds From Sources Other Than The LMIHF to Make the SERAF Payment; Establishing A Repayment Obligation In The Amount Of \$16.483 Million to the LMIHF By June 30, 2015; And Amending The Agency's Fiscal Year 2009-10 Statement Of Indebtedness.

Presenter: Amy Lee, Agency Staff

Speakers: Ace Washington

Commissioner Bustos put forth a motion to move item 4(j).

Commissioner Covington seconded Mr. Bustos' motion.

**ADOPTION:** IT WAS MOVED BY COMMISSIONER BUSTOS, SECONDED BY COMMISSIONER COVINGTON, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 25-2010, APPROVING AN AMENDMENT OF THE AGENCY'S FISCAL YEAR 2009-2010 BUDGET TO: (1) INCREASE THE AMOUNT OF BOND PROCEEDS TO BE RECEIVED BY THE AGENCY IN AN AMOUNT NOT TO EXCEED \$28.0 MILLION; (2) INCREASE EXPENDITURE AUTHORITY BY \$28.8 MILLION, WHICH INCLUDES \$16.483 MILLION THAT IS BORROWED FROM THE LOW AND MODERATE INCOME HOUSING FUND (LMIHF), FOR PAYMENT TO THE SUPPLEMENTAL EDUCATIONAL REVENUE AUGMENTATION FUND (SERAF); AND MAKING FINDINGS THAT THERE ARE INSUFFICIENT FUNDS FROM SOURCES OTHER THAN THE LMIHF TO MAKE THE SERAF PAYMENT; ESTABLISHING A REPAYMENT OBLIGATION IN THE AMOUNT OF \$16.483 MILLION TO THE LMIHF BY JUNE 30, 2015; AND AMENDING THE AGENCY'S FISCAL YEAR 2009-10 STATEMENT OF INDEBTEDNESS, BE ADOPTED.

- (j) Workshop on the Agency's Fiscal Year 2010/11 Budget

Presenter: Amy Lee, Olsen Lee, Stephen Maduli-Williams

Speakers: Ace Washington

Commissioner Bustos asked how many Agency staff members are working on the certificate of preference program.

Mr. Lee stated there are two full time staff and a manager, support of the legal division, and the entire Agency at some point is involved in some manner.

Mr. Blackwell stated since staffing of the Certificate of Preference Program in the last two years, they have issued more Certificates on an annual basis than what has been issued in the last decade combined. Mr. Blackwell stated the impact of staffing the program has been substantial.

President Swig asked if there is a conversion of part timers to FTE's, how will the FTE cap be maintained.

Ms. Lee stated in referring to FTE count, they are considered permanent as well as limited term.

Mr. Blackwell clarified that equal term does not necessarily equal part-time, they were limited term assignments that have now become permanent.

President Swig expressed his concern about debt service.

Ms. Lee stated the bond issuance amount has been significantly reduced for the next fiscal year. In addition to this year's current budget process, they are looking at past balances in both tax exempt and taxable bond proceeds; if there are unspent proceeds they are looking at paying down some of the debt using those unspent balances.

President Swig stated last year's bonds were issued in the range of 3-5% and it was anticipated that the bonds that would be issued in the upcoming year would be in the range of 7-11%. Mr. Swig asked where that would be coming from.

Ms. Lee stated for tax exempt bonds they are seeing lower rates, for taxable they are seeing higher rates of up to 9% which is a rate most public entities have been receiving. Ms. Lee indicated the 2008/09 bonds were issued in September 2009 due to the timing of the market and how the market would receive the bonds.

President Swig asked that in a future session staff provide a year to date status, what has been spent to date so the Commission can see some comparisons between what was proposed and what actualized and see where there might have been some areas that were under spent or areas that came in more than anticipated.

Ms. Lee indicated in preparing the budget staff used the report of year to date actuals.

Mr. Blackwell indicated this is a case where the past may not be a good benchmark for the future since some projects get delayed, some don't. While they may get a sense of past trends, it would not necessarily be an accurate predictive for future spending.

President Swig stated the public and the Commission may be interested in how the budget has been managed; how the Agency performed versus what was anticipated a year ago.

Ms. Lee stated the information would be provided.

- (k) Resolution No. 26-2010, Authorizing a Personal Services Contract with Twin III Maintenance Company, a sole proprietorship, for a term of one year with two one-year options in an amount not to exceed \$297,022 (including a \$50,000 contingency) to provide cleaning, maintenance and roving site inspection services on an as-needed basis for five Agency-owned properties; All Redevelopment Project Areas and City-Wide Housing Sites.

Presenter: Audrey Kay, Agency Staff

Speakers: Robert Wade, Edmond Juicy Larry

President Swig expressed his appreciation for Mr. Wade's service and support.

Commissioner Breed asked why West Coast Maintenance was not selected.

Ms. Kay stated there was a new RFP issued and Twin III's budget and scope of service presented a good proposal.

Commissioner Breed asked what the difference is between the two companies.

Ms. Kay stated Twins III bid came in at \$80,316 and West Coast Maintenance's bid came in at \$143,760.

Mr. Blackwell pointed out that on page two of the staff report shows the proposed costs associated with the scope of work associated with the RFP. West Coast Maintenance was significantly higher than all the other bids.

Commissioner Breed asked if the cost of the contract was specified prior to bidding.

Ms. Kay stated most of the companies inquired as to the current contract amount prior to bidding.

Commissioner Breed asked if staff researched background information on Twin III.

Ms. Kay stated a reference check was conducted which came back with excellent references.

Commissioner Breed stated she would not be able to support the item at this time until she receives more information on Twin III, and for reasons of loyalty

and people who have done work for the Agency regardless of fees. Ms. Breed stated she has a concern with a business that has been doing a good job for the Agency being left out of the process regardless of being the highest bidder.

Commissioner Singh stated Twin III came as the third highest bidder but West Coast's bid came in with a much higher bid. Mr. Singh asked if the Agency has worked with Twin III before.

Ms. Kay stated the Agency has not worked with Twin III before but they placed a bid on the contract three years ago and West Coast beat them out for the contract with a lower bid at that time.

Commissioner Singh stated since staff performed cross references on Twin III, he did not feel there would be any problems and put forth a motion to move Item 4(I).

Commissioner King agreed with Ms. Breed's comments and asked how many years did West Coast Maintenance have the contract and who had the contract prior to West Coast Maintenance.

Ms. Kay stated West Coast Maintenance had the contract for three years and that prior to this contract Agency staff maintained the properties.

Mr. Blackwell stated the bundling of several properties and packaging them for one contract was new within the last three years which West Coast Maintenance had the three year contract for the bundled services. Mr. Blackwell pointed out that they are not recommending the lowest bidder in this case due to balancing the proposed price, background, and skills in terms of being able to do the work. They are proposing the third highest bidder since they believed Twin III possessed the dual desires in terms of efficiency from the economic point of view and also brings in someone who has the capacity to do the job well. Mr. Blackwell stated the main reason they are not recommending West Coast Maintenance is due to their bid which was far higher than some of the lower bids; it is not a case of staff being unhappy with the work, but due to the level of efficiency in terms of how they are using the resources.

Commissioner King stated he understood the decision.

Commissioner Bustos stated based on the staff report he believes the process was fair with staff performing their due diligence with the pre-bid conference. Mr. Bustos seconded Mr. Singh's motion.

Commissioner Breed expressed her concern about maintaining the relationships with the people around the properties and asked that those relationships should continue to exist. Ms. Breed stated she did have a problem with Mr. Wade's bid which came in very high in comparison to the rest of the bids, but does not feel that should be a reason to discontinue using Mr. Wade's services. Ms. Breed stated there have been times where the Agency has made executive decisions as

Commissioners and have, in the interest of dealing with sensitive situations, have changed the rules. She stated in this case she did not feel the need to support a new company primarily due to the population and how she was communicated to as a Commissioner in the past of how West Coast Maintenance staff dealt with and were sensitive to the needs of the people they were impacting by coming into their neighborhoods and being questioned about where did they come from and then forging those relationships so there wasn't a lot of drama like there had been in the past. Ms. Breed stated she would like to continue the item to take more time to look into the situation or make an executive decision to leave the amount at the \$80,000 recommendation but change the company or make some type of decision to move the item forward in a different way.

Commissioner King asked for clarification of Ms. Breed's recommendation.

Commissioner Breed suggested the item be continued or direct staff to work with West Coast Maintenance Service to continue the contract with them.

Commissioner Bustos stated he felt there was a fair process with businesses submitting their bids and going through a process. He stated that the Commission relies on staff to do their due diligence and believes they did so.

Commissioner Breed stated there are times, in order to do some things right, they need to change the rules. She feels it's best to deviate from the process in this case to better serve the community.

Commissioner King stated the key is in working with the community which West Coast Maintenance has been doing well.

President Swig asked Ms. Rita Harvey-Tyler, proprietor of Twin III, her experience specifically in tough blighted neighborhoods that have high instances of graffiti and homelessness.

Ms. Harvey-Tyler stated, specifically relating to San Francisco, they provide pressure water services for Cal Trans at the Transbay Terminal where there is a high incident of high vagrancy, and graffiti work for DPW at 2323 Cesar Chavez where they work with the blight ordinance as far as moving graffiti throughout the city. Most of the graffiti work they perform is in the Tenderloin area on Geary Street. Ms. Harvey-Tyler stated they have had a lot of experience over the years with homeless people just as Mr. Wade has experienced. She stated her company also cares about the homeless population where she and her husband have built a relationship with the homeless population they have come to know by providing the services throughout the city. Ms. Harvey-Tyler indicated that she understood Ms. Breed's concerns about the homeless population, about how people are treated and believes people should be treated equal just as she would like to be treated. Ms. Harvey-Tyler indicated that the fact that someone is homeless and they have issues and concerns of littering and leaving debris throughout the city is just as much as her concern as it is Mr.

Wade's. She stated that she realizes Mr. Wade has had the contract for a few years and understand the hardship in losing the contract, but she has bid several contracts and prides herself on her company to do a good job for people and has come up against the same situation countless times as Mr. Wade. Ms. Harvey-Tyler stated when she had previously bid the contract and did not get the job; she was equally as upset and understanding about the loyalty of being able to keep work and priding herself with working with the customer and the people in the community because it also impacts them equally. They interact with everyone with regards to the homeless situation and drug situation because they make it a point to make sure everyone in the community are safe and that they are doing a good job. Ms. Harvey-Tyler stated she felt she passed on the best dollar amount in the bidding process to do the work since they are already providing removal of graffiti and pressure water services with DPW. In addition to the number of days proposed, she believes regardless if they are not scheduled to work a certain day but are in the area, they take care of any situation at hand instead of leaving it for the day they are scheduled to work. They give extra services since that is how they take pride themselves in doing their work by giving good customer service and good interaction with the people and the communities so they make sure they minimize the concerns and issues the Agency receives from property owners and business people who live and work in the area. Ms. Harvey-Tyler stated she appreciated the opportunity to speak but just as Mr. Wade's in the situation of loosing services, she too is in the same situation when bidding jobs. She would like to generate income where she can and hire people within the community where she is providing services and also gives back to the community. Ms. Harvey-Tyler stated she will not provide less than what Mr. Wade is providing and does not believe it will be a problem for people to come to know them because she believes they will realize that they too are just as concerned about them and the Agency in making sure the job gets done and everyone is equally happy.

President Swig stated there are two clearly competent firms but there is a process. Mr. Swig stated the RFP process is full of integrity and a fair process by staff. He thanked Mr. Wade for his hard work and determination in supporting the Agency. Mr. Swig indicated if the Commission deviates from the process, it would undermine the Agency's creditability and would cause high quality people from bidding on future jobs. Mr. Swig respectfully disagreed with Ms. Breed but shares her sensitivity, it is not about the money but it is about the process and the Agency's integrity. Mr. Swig recommended that the contract be reviewed at the end of one year to hold the new vendor accountable for the number she bid and would like the opportunity for the Executive Director to review the circumstance after one year and if the bid did not have integrity, he suggested that the contract be re-bid based on the terms and conditions as approved.

Commissioner King stated for the record that the Commission does not have to approve what staff is recommending.

President Swig agreed with Mr. King that the Commission should not rubber stamp items that come before them for their approval.

Commissioner Breed stated for clarification that her comments did not have anything to do with the company being proposed for the contract. Ms. Breed indicated that she understands and respects what Mr. Swig stated about the process but reiterated that there are times when you need to do certain things in order to make a difference for the people.

President Swig stated there was a motion and a second, and indicated that he would be taking a roll call.

Commissioner King – Aye  
Commissioner Bustos – Aye  
Commissioner Singh – Aye  
Commissioner Breed – Abstained  
Commissioner Swig - Aye

President Swig stated there were four in favor, and one abstention.

**ADOPTION:** IT WAS MOVED BY COMMISSIONER SINGH, SECONDED BY COMMISSIONER BUSTOS, AND UNANIMOUSLY CARRIED, (WITH COMMISSIONER BREED ABSTAINING, AND COMMISSIONER COVINGTON ABSENT) THAT RESOLUTION NO. 26-2010, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH TWIN III MAINTENANCE COMPANY, A SOLE PROPRIETORSHIP, FOR A TERM OF ONE YEAR WITH TWO ONE-YEAR OPTIONS IN AN AMOUNT NOT TO EXCEED \$297,022 (INCLUDING A \$50,000 CONTINGENCY) TO PROVIDE CLEANING, MAINTENANCE AND ROVING SITE INSPECTION SERVICES ON AN AS-NEEDED BASIS FOR FIVE AGENCY-OWNED PROPERTIES; ALL REDEVELOPMENT PROJECT AREAS AND CITY-WIDE HOUSING SITES, BE ADOPTED.

- (l) Resolution No. 27-2010, Authorizing a Disposition and Development Agreement with Hunters View Associates, L.P., for the real property located at the Southeast corner of Fairfax and Keith Streets, Assessor's Block 4720, Lot 27 (a portion), subject to a final McEnerney judgment by the San Francisco Superior Court, and in conjunction with the development of 83 units of very low income rental housing, and adopting environmental findings pursuant to the California Environmental Quality Act; Bayview Hunters Point Redevelopment Project Area, Citywide Tax Increment Housing Program.

Presenter: Erin Carson, Agency Staff

Speakers: None

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

Commissioner Singh seconded Ms. Breed's motion.

**ADOPTION:** IT WAS MOVED BY COMMISSIONER BREED, SECONDED BY COMMISSIONER SINGH, AND UNANIMOUSLY CARRIED, (WITH MS. COVINGTON ABSENT) THAT RESOLUTION NO. 27-2010, AUTHORIZING A DISPOSITION AND DEVELOPMENT AGREEMENT WITH HUNTERS VIEW ASSOCIATES, L.P., FOR THE REAL PROPERTY LOCATED AT THE SOUTHEAST CORNER OF FAIRFAX AND KEITH STREETS, ASSESSOR'S BLOCK 4720, LOT 27 (A PORTION), SUBJECT TO A FINAL MCENERNEY JUDGMENT BY THE SAN FRANCISCO SUPERIOR COURT, AND IN CONJUNCTION WITH THE DEVELOPMENT OF 83 UNITS OF VERY LOW INCOME RENTAL HOUSING, AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, CITYWIDE TAX INCREMENT 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.**

Edmund Juicy Lemon

7. **REPORT OF THE PRESIDENT:**

- Reminded the Commission of the request from Matthew Goudeau, Director of the Mayor's Office of Protocol and Appointments to fill out the Mayoral Appointee form due April 10<sup>th</sup>.
- Requested the Board Secretary to forward the Commissioners Form 700 due April 1<sup>st</sup>.
- Reported the Commissioners Retreat will be held on Tuesday, June 22<sup>nd</sup> at the South Beach Harbor.
- The Commission is scheduled for a tour of BVHP; the first group scheduled March 16<sup>th</sup>, and the second on March 31<sup>st</sup>. Mr. Swig would like the residents of BVHP to know that the Commissioners are all up to date and will be taking a site seeing tour of the most important project at the moment.

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

- Director Blackwell stated a joint meeting with the Planning Commission for approval of the various documents related to the Candlestick Shipyard project. Associated with the approval, the Commission will be receiving periodically are binders of information related to the D for D, the Redevelopment Plan, the Disposition and Development Agreements and various attachments which includes the housing plan, community benefits plan, sustainability plan, and others. Mr. Blackwell stated that the Commission as well as the PAC and CAC will be receiving the documents as soon as they become available for their review.

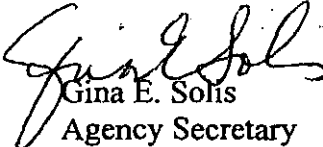
9. **COMMISSIONERS' QUESTIONS AND MATTERS:** None.

10. **CLOSED SESSION:** None.

11. **ADJOURNMENT:**

It was moved by Commissioner Breed, seconded by Commissioner Singh, and unanimously carried that the meeting be adjourned at 7:50 p.m.

Respectfully submitted,

  
Gina E. Solis  
Agency Secretary

**ADOPTED:**