

**MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
18th DAY MAY OF 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 18th day of May 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 April 20, 2010.
- (b) Authorizing Renewal of the Microsoft Enterprise Agreement through DELL, Inc. at a cost not to exceed \$75,000 for a term of three years from July 1, 2010 through June 30, 2013. (Resolution No. 50-2010)
- (c) Approving a federal CDBG-R grant agreement with the Mayor's Office of Housing and an associated letter agreement with FOCIL-MB, LLC, a California Limited Liability Corporation, for the receipt and use of CDBG-R grant funds for Long Bridge Street infrastructure (adjacent to 1000 4th Street), and adopting environmental findings pursuant to the California Environmental Quality Act; Mission Bay South Redevelopment Project Area. (Resolution No. 51-2010)
- (d) Authorizing a First Amendment to the Personal Services Contract with Kelley and VerPlanck LLC, a California Corporation, to extend the term for one year from June 30, 2010 to June 30, 2011, and to increase the Contract amount by \$152,500, for a total aggregate amount not to exceed \$302,500, to conduct a Historic Resources Survey and to further refine the Context Statement; Bayview Hunters Point Redevelopment Project Area. (Resolution No. 52-2010)
- (e) Authorizing a Personal Services Contract with L. Luster & Associates, a California corporation, for consultant services to perform a Labor Market Analysis on the construction industry and related professions in San Francisco, for a term of 12 months, in an amount not to exceed \$125,000, and, authorizing Letter Agreements with the San Francisco Public Utilities Commission and the Office of Economic and Workforce Development to provide partial funding for the Contract; All Redevelopment Project Areas. (Resolution No. 53-2010)

Commissioner Covington requested Item 4(e) be pulled from the Consent Agency because the PLA is a revolutionary device for the Agency at every point and would like staff to explain what the PLA is.

ADOPTION: IT WAS MOVED BY COMMISSIONER COVINGTON, SECONDED BY COMMISSIONER SINGH, AND UNANIMOUSLY CARRIED THAT THE MINUTES OF THE REGULAR MEETING OF APRIL 20, 2010; RESOLUTION NO. 50-2010; AUTHORIZING RENEWAL OF THE MICROSOFT ENTERPRISE AGREEMENT THROUGH DELL, INC. AT A COST NOT TO EXCEED \$75,000 FOR A TERM OF THREE YEARS FROM JULY 1, 2010 THROUGH JUNE 30, 2013; RESOLUTION NO. 51-2010, APPROVING A FEDERAL CDBG-R GRANT AGREEMENT WITH THE MAYOR'S OFFICE OF HOUSING AND AN ASSOCIATED LETTER AGREEMENT WITH FOCIL-MB, LLC, A CALIFORNIA LIMITED LIABILITY CORPORATION, FOR THE RECEIPT AND USE OF CDBG-R GRANT FUNDS FOR LONG BRIDGE STREET INFRASTRUCTURE (ADJACENT TO 1000 4TH STREET), AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL

QUALITY ACT; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA; RESOLUTION NO. 52-2010, AUTHORIZING A FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH KELLEY AND VERPLANCK LLC, A CALIFORNIA CORPORATION, TO EXTEND THE TERM FOR ONE YEAR FROM JUNE 30, 2010 TO JUNE 30, 2011, AND TO INCREASE THE CONTRACT AMOUNT BY \$152,500, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$302,500, TO CONDUCT A HISTORIC RESOURCES SURVEY AND TO FURTHER REFINE THE CONTEXT STATEMENT; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA; RESOLUTION NO. 53-2010, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH L. LUSTER & ASSOCIATES, A CALIFORNIA CORPORATION, FOR CONSULTANT SERVICES TO PERFORM A LABOR MARKET ANALYSIS ON THE CONSTRUCTION INDUSTRY AND RELATED PROFESSIONS IN SAN FRANCISCO, FOR A TERM OF 12 MONTHS, IN AN AMOUNT NOT TO EXCEED \$125,000, AND, AUTHORIZING LETTER AGREEMENTS WITH THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION AND THE OFFICE OF ECONOMIC AND WORKFORCE DEVELOPMENT TO PROVIDE PARTIAL FUNDING FOR THE CONTRACT; ALL REDEVELOPMENT PROJECT AREAS, BE ADOPTED.

REGULAR AGENDA

- (e) Authorizing a Personal Services Contract with L. Luster & Associates, a California corporation, for consultant services to perform a Labor Market Analysis on the construction industry and related professions in San Francisco, for a term of 12 months, in an amount not to exceed \$125,000, and, authorizing Letter Agreements with the San Francisco Public Utilities Commission and the Office of Economic and Workforce Development to provide partial funding for the Contract; All Redevelopment Project Areas. (Resolution No. 53-2010)

Presenter: Stephen Maduli-Williams

Speakers: Ace Washington, Yolanda Jones

Mr. Maduli-Williams stated the ultimate goal of a project labor agreement is to initially ensure there is peace among the trades that are working within a city or targeted zone or on a particular project with certain elements related to the communication, and the ability of unions to negotiate different projects of work among themselves. He stated another current model is the Public Utility Commission's (PUC) PLA which addresses more on the relationships among the unions in terms of who does what work but does not address the workforce issue; the goal is to have a PLA be either through a new one, an amended one, take an existing one like the PUC PLA but have it address not only the relationship among the unions but address the workforce element as it relates particularly to local hire. Mr. Maduli-Williams stated that it is the expectation

that a PLA would provide information into how many new people are hired, how many people from a respective project area or community are hired, what trades they work in, what type of absorption do they want by trade both on an initial new hire standpoint as well as a journeyman standpoint. The focus is primarily on the workforce component since that is one of the bigger issues in the southeast side of the city.

Commissioner Covington asked how the project labor agreement would get the Agency where it wants to be, and if the PLA is better than what had been used in the past.

Mr. Maduli-Williams stated that the Agency has not had a workforce development policy but has a good policy at Bayview that is the forerunner of the whole effort to have a uniform approach to workforce development for the agency. He stated there has been a lot of confusion among contractors and developers particularly as it relates to how to enforce the policy they have in the Bayview. There is the issue of the city having their First Source Agreement with the fifty percent local hire requirement, and fifty percent local hire within the Agency, including the good faith effort which has caused a lot of confusion amongst not only the contractors but other people as well asking the question what does a good faith effort really mean? Mr. Maduli-Williams stated it translates to what are the actual percentages of local hire that you are actually able to generate and deliver. He indicated without a clear workforce development policy that everyone is part of, it is difficult to reach the goal of having significant local hired numbers.

Director Blackwell indicated another potential benefit associated with the project labor agreement as it relates to local hire is that with the Bayview policy, the good faith goals in the Bayview area are trumped by the collective bargaining agreements that stand between the contractors, the general contractors and the unions themselves. A project labor agreement would trump the collective bargaining agreement and have the ability to supersede other agreements in order to meet the local hire goals that would be a part of the project labor agreement.

Commissioner Covington stated that she has, for almost a year, been involved with the workforce meetings on a monthly basis concerning workforce development and is very pleased to have reached this point. She asked Mr. Maduli-Williams what they hope to gain by conducting the labor market analysis.

Mr. Maduli-Williams stated the ultimate goal is to remove blight and a better understanding of who's actually there, what their actual challenges are, what kind of economic development strategy do they need to get them employed, what type of jobs, and who it is that actually lives in the Bayview.

Commissioner Covington asked Ms. Luster to describe their participation on workforce development.

Ms. Laura Luster of L. Luster & Associates stated they have been asked to look at six main areas and come up with an analysis of the following: the first part is to look at the supply of workers. At the time the city does not have actual data to tell them how many workers are in the construction skilled trades and if they are actually San Francisco residents. They have better data about apprentices but know very little about the numbers of journeymen and how they are broken down in terms of each skilled trade, they will be looking at that. The other thing that they will be doing is looking at demand. Ms. Luster indicated that they have been asked to look at the city's ten-year plan, the San Francisco Redevelopment Agency development projects, and the PUC's projects to map the construction work and to generate workforce projections from that work so that they will have a much clearer sense of exactly what's going to be the demand in the city over the next five to ten years. They have also been asked to analyze existing project labor agreements emphasizing what types of provisions within those project labor agreements local hire can impact. Ms. Luster introduced Jake Sloan, a member of her team who was one of the negotiators of the Port of Oakland's PLA which was a very innovative project labor agreement that had very important social justice provisions including provisions specifically for local hire, as well as for smaller contractors. Mr. Sloan will bring his experience from the Port of Oakland and other project labor agreements that are considered models by looking a number of PLA's including the ones from Los Angeles and Cleveland. Ms. Luster stated they will also be analyzing existing city policies and present ideas in terms of existing policies, as well as doing the same thing for the existing local hire programs. They will be analyzing how can PLA's and other types of programs the City may be able to generate positively impact the hiring of San Francisco residents on city-sponsored projects and potentially on privately-sponsored projects. Ms. Luster indicated that they have been asked to concentrate initially on getting that supply and demand data in terms of the workforce projections because those are critical elements that the Agency Commission, the Public Utilities Commission, the Mayor's Office, and the community needs to know to have the specific data that they can explain and make informed decisions in moving forward.

Commissioner Covington thanked Ms. Luster for her clear and concise presentation of the proposed work. Ms. Covington put forth a motion to move item 4(e).

Commissioner Breed asked what the outreach efforts were in the Bayview Hunters Point community when the RFP first came out.

Mr. Chris Iglesias stated there was extensive outreach specifically to firms that are certified to do this type of work; economists, labor market, the agency's directory of available firms, HRC's directory, and advertised in the city's various outreach publications that included the Bayview, Hunter's Point, Western Addition, and all the major neighborhoods.

Commissioner Breed asked whether there were direct community mailers and other processes the Agency does in order to outreach to the community in general.

Mr. Maduli-Williams stated the normal process of community outreach was done.

Commissioner Breed stated there seems to continuously be outreach effort problems as it relates to the Bayview Hunters Point in particular, and complaints from members of the public about not receiving information, be it notification of community meetings or when an RFP is out. Ms. Breed asked for clarifications in clearly stating what those outreach efforts are, specifically as it relates to the Bayview Hunter's Point community.

Mr. Iglesias stated that he was not certain about the outreach efforts for this particular project; they usually follow the traditional procurement process of posting online, noticing of RFP's sent out to small businesses who reside in the Bayview community for distribution and outreach.

Commissioner Breed asked if Ms. Jones bid on the project.

Mr. Iglesias stated she did not, not to his knowledge.

Commissioner Breed stated she would like to see more of an effort towards outreach in the Bayview Community with regards to contracts and other relevant information, and all efforts should be made to inform the community of all job opportunities that are available to them especially during these hard economic times. Ms. Breed also requested that staff follow-up with Ms. Jones on opportunities with the agency. She added that she was very happy to see the Agency moving in this direction, and how important it is in understanding the community that the Agency serves but, as she mentioned before, there are other jobs besides construction. Ms. Breed believes this is the first step in the right direction towards understanding the opportunities that will be available to members of the community and the analysis is what is needed in order to get people ready in the appropriate markets as it relates to construction and simultaneous to the work that the Agency is doing with the unions and others in order to ensure that the Agency is not basically asking people to comply with fifty percent local, but are instituting some sort of mechanism in order to make sure that it happens. Ms. Breed stated she seconded Ms. Covington's motion because she knows of the great work of Luster & Associates and their involvement in the community; she is very confident that they will deliver what it is that is expected of them which, she believes, will make things better in moving forward in the future.

Commissioner King stated that San Francisco is a labor town and that people don't work in this town unless you're part of the labor movement. Mr. King indicated that he was very proud of the labor movement agreeing on this project and also praised Laura Luster for her involvement in working with the

communities past and present, he is very well aware of all the good work she's done and is glad Ms. Luster is involved in this program, and believes she will help move this forward successfully. Mr. King stated what is very interesting is that the youth will be trained in trades that will enable them to use those skills to find jobs not only in San Francisco but outside the state. Mr. King stated that he appreciated Director Blackwell in moving this forward in helping create opportunities for youth that will help teach them skills they otherwise wouldn't have been given an opportunity to do so elsewhere. He also thanked Mr. Iglesias and all involved in moving this important matter forward.

ADOPTION: IT WAS MOVED BY COMMISSIONER COVINGTON, SECONDED BY COMMISSIONER BREED, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 53-2010, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH L. LUSTER & ASSOCIATES, A CALIFORNIA CORPORATION, FOR CONSULTANT SERVICES TO PERFORM A LABOR MARKET ANALYSIS ON THE CONSTRUCTION INDUSTRY AND RELATED PROFESSIONS IN SAN FRANCISCO, FOR A TERM OF 12 MONTHS, IN AN AMOUNT NOT TO EXCEED \$125,000, AND, AUTHORIZING LETTER AGREEMENTS WITH THE SAN FRANCISCO PUBLIC UTILITIES COMMISSION AND THE OFFICE OF ECONOMIC AND WORKFORCE DEVELOPMENT TO PROVIDE PARTIAL FUNDING FOR THE CONTRACT; ALL REDEVELOPMENT PROJECT AREAS, BE ADOPTED.

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

- (f) Authorization of the Executive Director to enter into Personal Services Contracts for the design and fabrication of artworks and related services with nine artists, as follows: 1) Jerry Barrish in an amount up to \$125,000 for a sculpture; 2) Jessica Bodner in an amount up to \$71,794 for a sculpture; 3) Marion Coleman in an amount up to \$33,850 for collages on porcelain enamel panels; 4) Matthew Geller in an amount up to \$121,000 for a circular bench; 5) Heidi Hardin in an amount up to \$33,800 for custom tiles; 6) Mildred Howard in an amount up to \$379,000 for structures enhancing perspectives within the HPS landscape; 7) Rebargroup Inc. in an amount up to \$64,500 for a climbing structure; 8) Eric Powell in an amount up to \$89,000 for a custom-designed metal fence; and 9) Jason Webster in an amount up to \$30,800 for a metal figure; and Authorizing the Executive Director to amend of said contracts, in his discretion, in order to allocate any savings in fabrication and/or installation of the artwork to artists(s) who may incur cost overruns; Hunters Point Shipyard Redevelopment Area. (Resolution No. 54-2010)

Presenter: Amabel Akwa-Asare, Helene Fried

Speakers: Scott Madison, Barbara Ockel, Alma Robinson, Dorris Vincent, Sergio Gomez, Marcia Dale-LeWinter, Marvellus Lucas, Rene de Guzman, Sanju (Judy Shannon), Marilyn Kuksht,

Commissioner Bustos indicated that he grew up in the Mission District and was once asked what it was like to grow up with all the murals. His response was that the murals tell a story about our past and gives us a sense of the future. He expressed his appreciation of the fact that there will be art for young people that will tell them the story of their past, with a look into their future in the Bayview Hunters Point. Mr. Bustos thanked staff and Ms. Friedman for creating a process that was inviting, encouraging, and inspiring. He stated that the artwork was incredible and a wonder to see such creativity that's woven into the sense of history and a sense of culture. He indicated that he was very touched by the fact that there is a part that acknowledges the women in Bayview as he believes behind every community there are strong women, and believes that was an important piece to add to it. Mr. Bustos suggested to Ms. Bodner that they reach out to the Ohlone people since the memorial is a tribute to the first peoples of the area and believes it would only be proper and respectful that they be incorporated somehow to include their blessing as this monument is put up. Mr. Bustos thanked those involved in including the value of involving young people in this process of creating that future. Mr. Bustos put forth a motion to approve this item with the hopes that his fellow Commissioners would agree.

Commissioner Singh stated he was part of the jury for selection of the artists work and commended Ms. Akwa-Asare, Ms. Fried, and Mr. Kaslofsky for their work on the project and presentation which was very informative and thorough. Mr. Singh thanked all the artists and congratulated them for their hard work in creating art pieces the community and all of San Francisco will enjoy and appreciate. Mr. Singh seconded Mr. Bustos' motion.

Commissioner Breed inquired as to why the installation of the art pieces was separated out since the installation was included as part of the bid. She expressed her concern about the artists' ability to install their own work.

Ms. Akwa-Asare stated that they originally planned that the artist would select their subcontractors to install the arts but after discussing this with EDA, their funding source, and also looking at design build guidelines that are in the public contracting code, they realized that they needed to separate the two pieces and bid out installation separately which is a legal requirement they are following. Ms. Akwa-Asare discussed the implications with the artists and what this will mean for the art; the first task is that all the artists will provide engineering drawings that will allow staff to put out bid documents for installation. The artists will be involved in every step of the installation and will oversee their individual project.

Commissioner Breed asked if there would be any consideration taken if the artists have their own installers who meet the appropriate guidelines through the RFP process.

Ms. Akwa-Asare stated that they would be invited to bid as anyone else who meets all the required qualifications.

Commissioner Breed asked why there weren't any murals or mosaic murals included in the art pieces. She felt there was a lack of color and vibrancy.

Ms. Akwa-Asare stated they had a few constraints due to the funds from the Economic Development Administration which is an agency who handles construction projects, and stated there were a lot of strings attached.

Commissioner Breed asked if murals are included or not.

Ms. Akwa-Asare stated they were specifically excluded.

Commissioner Breed expressed her concern on the upkeep and vandalism such as what they've experienced with Ms. Howard's blue bridge in the Western Addition. She also asked who will provide the cost of upkeep, where will the funds come from, and who will provide security as well.

Ms. Akwa-Asare stated that they have asked all the artists to provide them with maintenance information on how to best maintain their art work. The funds for the maintenance will come out of the Community Facilities District No. 8 which is specifically defined to provide funds for the maintenance of the art set aside; it will be the agency's responsibility and fall under park maintenance which includes all the artwork that is in the parks.

Commissioner Breed pointed out that she is aware that there are some artists who have lived, worked, or currently have studios in the shipyard, and stated that there is no Bayview African-American or Asian artists who are in this selection, and asked why not.

Ms. Akwa-Asare stated that some of the artists in the Bayview are not public artists and they tried to make sure that every opportunity was given for emerging artists. She indicated that there was considerable outreach and from the thirty-two finalists, for example, she remembered Malik Sinafero being one of the finalists but was not one of the nine selected by the jury.

Commissioner Breed stated she had a problem with an artist such as Malik not being selected.

Ms. Akwa-Asare stated there were many reasons why artists were selected or not selected, one reason could have been that the art is not seen to be technically feasible; the nine jury members made the final decision.

Commissioner Breed asked if there were stipends paid for the youth program.

Ms. Akwa-Asare stated that she has been in discussions with Ms. Alma Robinson who has experience in running youth programs on the general idea of what the stipend should be; staff will provide information to the Commission once they discuss the matter further.

Commissioner Breed expressed her concern that there are no African-Americans Bayview residents that are a part of this program. She indicated the project is a great opportunity but did not include enough information on the upkeep, but in moving forward, she would like to find a solution in addressing her concerns about engaging artists from the community in future projects. Ms. Breed indicated that she understands the challenges and restrictions the jury had, what she does not understand is that there are many local talented artists from the Bayview community who weren't selected to be part of the program, not taking away the amazing work from the artists which she respects wholeheartedly, but still has concerns.

Commissioner Covington asked whether there will be monies available in the future for other public art opportunities.

Mr. Kaslofsky stated there is a percentage for the arts already included for Phase Two of the DDA for additional public art.

Commissioner Covington wanted to emphasize that point so that people wouldn't feel that this is just a one-time opportunity. She indicated it was the first opportunity which went fairly well and concerns addressed by the Commissioners will be considered for future projects. Ms. Covington stated that she was particularly happy to see that her comments concerning the timeline and individual budgets for the artists were addressed, and that each artist receives enough money to do a good project instead of the twenty-five thousand dollars or less that was originally suggested. At this time Ms. Covington asked each artist various questions about the panels displaying their artwork which can be viewed at www.sfdevelopment.org/hps/publicart.

Ms. Covington congratulated all the artists and wished them well.

President Swig thanked all involved in the project and all the artists, not just the finalists but any artist who sought to respond to this project. He stated it takes time, brain power, creativity, and resources, and expressed his sincere appreciation for all the effort and time it took to respond to the project. He thanked Ms. Helene Fried for her oversight and working closely with the Commission, staff, the committee who was responsible for the selection, and the individuals who came out and spoke even though they did not make the final selection group. He stated that it was very important to get their feedback which helps the Commission understand that the right thing is being done in the community. Mr. Swig agreed with concerns expressed by Ms. Breed and stated that there be more focus on the community and

representation from the Bayview for future projects. He stated that representation from the community, regardless of ethnic diversity or cultural diversity, getting involvement from the community, is critical to the whole process because the Commission demands inclusion on every other aspect of the Bayview Hunter's Point project and the same rigor should also be used when it comes to public art. He understands that there were critical restrictions due to the grant maker but he wanted to let staff know that it is in the forefront of at least two commissioners' minds that inclusion is very important to the Commission for the future. Mr. Swig also expressed his concern with the maintenance issue and requested that there be solid maintenance plans and funding for the maintenance, and that those agencies responsible for maintenance seriously understand the importance of maintaining the art in the way it should be maintained.

Commissioner Breed expressed her appreciation of art in terms of the city and public art, and her being very protective of what is happening in the Bayview since she constantly hears from residents about their frustration. She stated it will be expressed through job opportunities, through the arts, and in opportunities to introduce young people to art which is why it is important to her that this is taken seriously in utilizing more funds to provide stipends in order to encourage youth to get involved in the arts in the Bayview Hunter's Point community.

ADOPTION: IT WAS MOVED BY COMMISSIONER BUSTOS, SECONDED BY COMMISSIONER SINGH, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 54-2010, AUTHORIZATION OF THE EXECUTIVE DIRECTOR TO ENTER INTO PERSONAL SERVICES CONTRACTS FOR THE DESIGN AND FABRICATION OF ARTWORKS AND RELATED SERVICES WITH NINE ARTISTS, AS FOLLOWS: 1) JERRY BARRISH IN AN AMOUNT UP TO \$125,000 FOR A SCULPTURE; 2) JESSICA BODNER IN AN AMOUNT UP TO \$71,794 FOR A SCULPTURE; 3) MARION COLEMAN IN AN AMOUNT UP TO \$33,850 FOR COLLAGES ON PORCELAIN ENAMEL PANELS; 4) MATTHEW GELLER IN AN AMOUNT UP TO \$121,000 FOR A CIRCULAR BENCH; 5) HEIDI HARDIN IN AN AMOUNT UP TO \$33,800 FOR CUSTOM TILES; 6) MILDRED HOWARD IN AN AMOUNT UP TO \$379,000 FOR STRUCTURES ENHANCING PERSPECTIVES WITHIN THE HPS LANDSCAPE; 7) REBARGROUP INC. IN AN AMOUNT UP TO \$64,500 FOR A CLIMBING STRUCTURE; 8) ERIC POWELL IN AN AMOUNT UP TO \$89,000 FOR A CUSTOM-DESIGNED METAL FENCE; AND 9) JASON WEBSTER IN AN AMOUNT UP TO \$30,800 FOR A METAL FIGURE; AND AUTHORIZING THE EXECUTIVE DIRECTOR TO AMEND OF SAID CONTRACTS, IN HIS DISCRETION, IN ORDER TO ALLOCATE ANY SAVINGS IN FABRICATION AND/OR INSTALLATION OF THE ARTWORK TO ARTISTS(S) WHO MAY INCUR COST OVERRUNS; HUNTERS POINT SHIPYARD REDEVELOPMENT AREA, BE ADOPTED.

- (g) Authorizing a First Amendment to the Personal Services Contract with Helene Fried & Associates, a sole proprietorship, to extend the contract term by two years, expand the scope of services provided under the Contract, and to increase the contract amount by an amount not to exceed \$70,000, for a total aggregate contract amount not to exceed \$300,000, to provide consulting and support services for selection, installation and maintenance of public art for Hunters Point Shipyard, Parcel A; Hunters Point Shipyard Redevelopment Project Area. (Resolution No. 55-2010)

ADOPTION: IT WAS MOVED BY COMMISSIONER BUSTOS, SECONDED BY COMMISSIONER SINGH, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 55-2010, AUTHORIZING A FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH HELENE FRIED & ASSOCIATES, A SOLE PROPRIETORSHIP, TO EXTEND THE CONTRACT TERM BY TWO YEARS, EXPAND THE SCOPE OF SERVICES PROVIDED UNDER THE CONTRACT, AND TO INCREASE THE CONTRACT AMOUNT BY AN AMOUNT NOT TO EXCEED \$70,000, FOR A TOTAL AGGREGATE CONTRACT AMOUNT NOT TO EXCEED \$300,000, TO PROVIDE CONSULTING AND SUPPORT SERVICES FOR SELECTION, INSTALLATION AND MAINTENANCE OF PUBLIC ART FOR HUNTERS POINT SHIPYARD, PARCEL A; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- (h) Authorizing a Third Amendment to the Agreement for Operation of a Museum Facility with the Museum of the African Diaspora, a California nonprofit public benefit corporation, to restructure the schedule of payments for operations of the museum located on a portion of Parcel EB-2A to provide an additional \$250,000 in Fiscal Year 2009-2010 and an additional \$150,000 in Fiscal Year 2010-2011; Yerba Buena Center Redevelopment Project Area. (Resolution No. 56-2010)

Commissioner King put forth a motion to move item 4(h). He stated the Agency knew four years ago that MoAD would have a hard time collecting funds and getting support, but due to the economic trend going on at this time he stated that it is the basic responsibility of the Agency to support its' cultural facilities and a responsibility under the charter of the redevelopment plan. He stated that it is hard economically for anyone at this particular time and wanted MoAD's Board to understand that it is the Agency's responsibility to make sure MoAD receives the support and necessary funds to keep it operating. Mr. King stated that MoAD is not just a museum for San Francisco but for people who come to visit from all over the world. Mr. King asked that his fellow Commissioners continue to support MoAD.

Commissioner Singh stated that he had the pleasure of meeting the Chairman and the Executive Director and complimented them on doing a great job. He pointed out that attendance has grown twenty percent each year and fully supports MoAD. Mr. Singh seconded Mr. King's motion.

Commissioner Breed asked if there have been any discussions on an endowment and opportunities for MOAD in order to make sure that the Agency is supporting these organizations for the long-haul.

Director Blackwell stated there have been no discussions about an endowment since he's been at the agency. He was not certain whether there were any discussions or any agreements between Millennium and MoAD in establishing an endowment such as how the developer has agreed towards contributing and making a donation to the establishment of an endowment towards the Mexican Museum. Director Blackwell asked Ms. Pickering if she had any information on an endowment made towards MoAD through Millennium.

Ms. Pickering stated it was not an endowment but the value of the St. Regis space together with the direct and indirect contributions by the developer total approximately \$8.3 million, so in effect that was an endowment.

Commissioner Breed stated, in moving forward, she wants to see not only MoAD succeed but also as it relates to the arts. She wants to make sure the Agency is doing everything possible to set these organizations up to be successful and would like to begin to figure out ways in which the Agency can come up with long-term strategic plans since it is a reflection on the Agency. Ms. Breed stated there has been over \$50M invested for MoAD alone which is a huge public investment, and if MoAD fails, that will not only be problematic financially, but very problematic for the African-American community in San Francisco.

Ms. Pickering stated that failure is not an option.

Commissioner Breed stated that was her point and expressed her excitement about the direction MoAD is heading. Ms. Breed indicated that all organizations in their infancy go through trials and tribulations and commended MoAD staff that stepped up and hung in there through many trials and transitions, in particular, Denise Bradley who has always been very supportive of MoAD. Ms. Breed thanked the Board for their hard work and their commitment and everyone who has put in a lot of work and hours to seeing MoAD succeed. She looks forward to the long-term sustainability of MoAD. Ms. Breed thanked Ms. Pickering for her hard work and support of MoAD as well.

Commissioner Covington thanked staff of the current board and predecessor boards and Agency staff as well. Ms. Covington pointed out that there have been four executive directors in a very short period of time and is very impressed with the leadership of the current Director, Ms. Stanislaus' abilities and creative thinking of how to come up with a reliable revenue stream for MoAD. She encouraged MoAD to look at how they can sustain themselves after the Agency exits Yerba Buena. Ms. Covington stated that it was very encouraging to hear about developing exhibitions that can travel so that

MoAD can be paid for those exhibitions, and also encouraged MoAD to capitalize on the name which is recognized worldwide. She wished MoAD the best.

Commissioner Bustos thanked MoAD staff for their dedication and commitment, as well as Agency staff. Mr. Bustos suggested that there be a meeting with St. Regis since they are benefiting from having MoAD in their location and discuss, as a good neighbor, in helping sustain MOAD on a yearly basis. Ms. Bustos asked, along with the motion that staff talk to the St. Regis about the possibility of being a lifetime partner with the MoAD.

President Swig stated for the benefit of the audience and the listening audience, no additional funds are being offered to MoAD; this is an acceleration of funding that had already been allocated. He indicated that the acceleration of funds means that those funds are not going to be there several years from now and the issue of sustainability is very critical as well as the issue of raising endowment. Mr. Swig stated that this Commission has been very supportive behind the cultural institutions; the Yerba Buena Center, the Museum of Modern Art, the Museum of the African Diaspora, the Contemporary Jewish Museum, including the Mexican Museum where the Commission unanimously supported all of its initiatives for the future. Mr. Swig stated that sustainability is critical and the responsibilities of the museums in creating a strategic plan are critical.

ADOPTION: IT WAS MOVED BY COMMISSIONER KING, SECONDED BY COMMISSIONER SINGH, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 56-2010, AUTHORIZING A THIRD AMENDMENT TO THE AGREEMENT FOR OPERATION OF A MUSEUM FACILITY WITH THE MUSEUM OF THE AFRICAN DIASPORA, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO RESTRUCTURE THE SCHEDULE OF PAYMENTS FOR OPERATIONS OF THE MUSEUM LOCATED ON A PORTION OF PARCEL EB-2A TO PROVIDE AN ADDITIONAL \$250,000 IN FISCAL YEAR 2009-2010 AND AN ADDITIONAL \$150,000 IN FISCAL YEAR 2010-2011; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- (i) Authorizing a Second Amendment to the Regulatory and Grant Agreement with Octavia Court, Inc., a California nonprofit public benefit corporation, to increase the Grant in an amount not to exceed \$660,351, for a total aggregate amount not to exceed \$4,647,651, for the development of 15 units of very low-income rental housing for persons with developmental disabilities on Central Freeway Parcel Q, southwest corner of Octavia Street and Oak Street; Citywide Tax Increment Housing Program. (Resolution No. 57-2010)

Commissioner Covington stated she opposed the project when it was first proposed and continues to express her concerns about the location since she is very familiar with Hayes Valley and is fully aware of the problems of the

safety and traffic issues on Oak Street; the speed cars travel through the intersections which pose a dangerous situation for pedestrians, walking across the street, red lights monitors that have not been operational since February 2010, and signs that are not big enough for people to see. She suggested that there be a sign large enough for people to see and possibly stripping the intersection. She does not believe everything that can be possibly done to ensure the safety of pedestrians has been done and encouraged anyone that may have any suggestions to contact Director Blackwell. Ms. Covington stated that she noticed overwhelmingly people of color had a picket line for about three weeks around the project in terms of hiring and were holding signs referring to Lim Mechanical. She asked staff if they were aware of this.

Mr. Pickle, Executive Director of West Bay Housing stated the protest was due to some change orders on the project; specific work was needed and they ended up with two different plumbing subcontractors on the job at the same time, one a union job and non-union job. Mr. Pickle stated, to his knowledge, there was not any particular ethnic or racial dimension to it; there was simply a union versus non-union job. He indicated that he would research the matter and will provide further information.

Ms. Covington stated just going from her visual over a period of three weeks, the picketers were African American. Ms. Covington also stated that in most projects the Agency is working on there is usually a sign indicating that the development is being sponsored by the San Francisco Redevelopment Agency but noticed there was not such sign on this site.

Ms. Sims stated the sign is a movable sign primarily set on the Octavia Street side.

Commissioner Covington asked to that someone speak to the issues of traffic safety.

Mr. Jack Fleck, City Traffic engineer with SFMTA reported that in November of 2007 the San Francisco newspaper had a headline that Oak and Octavia had the highest number of collisions of any intersection in the city. He noted that a few changes were made in April of that year including installing a signal with the green arrow in the intersection; people would be coming down Oak Street and would see that green arrow and then a red ball signal but would get mixed up thinking they could go through, causing quite a few collisions. Mr. Fleck indicated in the twenty months after opening the Octavia Boulevard, there were about twenty collisions reported. They have since changed the signal to stay as a red ball so the driver receives a stronger message to stop resulting in fewer accidents, and is no longer considered one of the highest collision intersections in the city. Mr. Fleck reiterated that the point he made back in 2007 is that even the pattern of those collisions, there were no pedestrian collisions. He also stated that in crossing Oak an advanced stop line could be added to push cars back a bit to give pedestrians a little extra feeling of comfort since the traffic is very heavy and will also improve the

visibility for all the drivers of the pedestrians. Mr. Fleck indicated that the signal timing is set at a National standard in terms of walking speed but will look into adding a more time to allow pedestrians to cross the intersection.

Commissioner Covington asked if a sign call be placed mid block saying “No right turn on red at the next intersection” so that people have a heads-up halfway up the hill that they are not to try make a right turn on red since it’s too late once people are there for them to regroup.

Mr. Fleck stated they normally do not put signs as such because a red arrow by itself means you can’t go.

Commissioner Covington stated people aren’t looking at the red arrow.

Mr. Fleck stated because of the complaints they have taken the extra step of adding a no turn on red which is already beyond standard design of an intersection.

Commissioner Covington stated that it may be beyond a normal design of an intersection, but she does not believe they have gone far enough to ensure pedestrians safety and need to put up another sign.

Mr. Fleck indicated there is no such sign as described by Ms. Covington.

Commissioner Covington asked that one be made.

Mr. Fleck indicated if they don’t meet national standards, the sign can work to their detriment in terms of lawsuits by putting something up that causes confusion or doesn’t meet what is called a Manual and Uniform Traffic Control Devices. Mr. Fleck stated that they will try to find something and are committed to finding something that will work.

Commissioner Covington requested the Commission Secretary schedule an appointment with the Director of Parking and Traffic, Mr. Fleck, and herself since the matter is too important to her.

President Swig stated he would like to be included in the meeting.

Commissioner Covington asked for an explanation on the \$600,000 overage.

Ms. Sims indicated that there were several factors that contributed to the overages. One was the unfortunate management of the project early on due to the fact that there were three architects. The original architect was terminated because the then Executive Director thought getting a new architect would be less expensive. Secondly, with fifteen units on a development site heating systems were to have been factored in but the Executive Director of West Bay at the time did not know that; she was not familiar with San Francisco or the fact that there are certain code restrictions and certain standards. The other

piece is the economics of scale and the inordinate amount of steel. Also, because of the new code and a portion of it is five stories, there was a tremendous amount of steel used which they were not sure that that was a cost effective way to go. Unfortunately, staff learned that after construction had already started and they were already in the middle of construction. Ms. Sims stated the Agency is receiving a significant amount of funding from the Department of Housing and Urban Development to help construct the project. In addition to that, as Mr. Pickle indicated, the Agency is also receiving a \$100,000 in operations annually after residents move in. HUD expects an initial front closing which means the project has to close when it's a HUD 811 or a HUD 202 before everything is completed.

Commissioner Covington stated that she still believes at some point there should have been some oversight as an agency to mitigate the overage.

Ms. Sims indicated the previous Executive Director started to make unilateral decisions and the West Bay Board then found out that she had excluded the partner, Satellite Housing. The previous Executive Director resigned and a new Executive Director was brought in. Ms. Sims stated that staff will have much more control over their projects from here on out; it was a lesson learned.

Commissioner Covington asked how people are going to be selected for the twelve units.

Ms. Sims stated the lottery for Octavia Court was held the week prior with a total of three hundred applications having been mailed out, and a hundred and ten were returned. Ms. Sims indicated that a total of twenty or thirty individuals stated they were certificate of preference holders and staff is working with the property management company, John Stewart Company, to verify if in fact they are certificate of preference holders.

Commissioner Covington stated that she would be very interested in knowing the final count of certificate of preference holders and looks forward to the opening and will come with her portable stop sign to make sure she arrives safely. Ms. Covington put forth a motion to move this item.

Commissioner Breed asked if the residents are severely mentally disabled people and what type of assistance was provided. She asked if they are supported by Golden Gate Regional Center.

Mr. Pickle indicated that the mailing went out to case managers, service providers, family agencies, advocacy groups, additional public meetings were held, and training sessions were held to advise people about the application process and the timelines for the application process.

Commissioner Breed asked what Golden Gate Regional's role was with their clients since she believes they are using standard methods of communication

to communicate with a group of people who don't communicate in the traditional form of what is being communicated to her.

Mr. Pickle indicated that was not entirely accurate.

Commissioner Breed indicated that it is accurate from her perspective and her relationships with some people who are Golden Gate Regional clients who don't have the same kind of understandings of what Mr. Pickle is talking about. She stated that she is trying to understand what kind of efforts were put into those outreach components to make sure that the group that they serve such as The Ark and all other entities that serve this particular population are receiving sufficient support in assisting their clients in applying for this particular opportunity.

Mr. Pickle stated there were multiple training sessions to give people guidance as to how to assist someone with disabilities with the application process on a step by step basis. There were multiple follow up mailings, emails, as well as community meetings that would enable them to work with the people that they serve.

Commissioner Breed asked what the process on how the best candidates were chosen in applying for the housing opportunities.

Mr. Jim Shorter, Director of Golden Gate Regional stated that Mr. Pickle met regularly with social workers from each county to discuss the project, and each social worker reviewed their caseloads, spoke and educated the families, and assisted those who needed assistance in filling out the application. Mr. Shorter stated the caseload size is quite high at GGRC.

Commissioner Breed stated that is the point that she was getting at; her own experience with the fact that she knows people who don't get return phone calls from their case managers at Golden Gate Regional. Prior to this item coming up, Ms. Breed indicated that she asked some questions about whether or not they were informed of this project, whether or not they had been contacted by their case manager, did they receive some assistance in completing the application, and they didn't seem very familiar with that. Ms. Breed expressed her concern about the capacity and the communication of this opportunity for people.

Mr. Shorter stated another way of reaching these individuals is by attending day programs such as The Ark, and The Tool Works as another means of reaching out to them; it wasn't just the GGRC social worker, it could also be the day program representative and any other service that is involved with their clients.

Commissioner Breed stated that she believes with Golden Gate Regional Center, they have more clients than they can handle and should be taken into

consideration if clients aren't getting the kind of support and services they need in terms of finding out about a great opportunity such as this.

Mr. Shorter stated he agreed that Octavia Court is a great opportunity and would like to make sure every consumer at Golden Gate Regional Center is given the opportunity to be in that lottery to move into one of those apartments. Mr. Shorter stated if there are any concerns about something GGRC is not doing, they should take it up with the social worker that is not calling back and talk to that supervisor, Mr. Shorter also offered that he be contact.

Commissioner Breed asked what organization will be managing the units.

Mr. Pickle indicated that the John Stewart Company will be the property management agent and West Bay Housing will be seeking HUD property manager certification. They will have an onsite manager who will be working for West Bay Housing and living onsite. HUD will be providing the operating subsidy to make up the difference between what tenants can pay and the operating costs. Mr. Pickle indicated that typically in a fifteen unit project, there are enough funds provided for the property manager onsite to be full time. They are in the process of working with Golden Gate Regional Center to create another funding stream that might supplement the hours there and envision that role to be a supportive property manager onsite in the sense of providing some resident coordination, and building problematic elements. Mr. Pickle indicated that they will continue to consult with Golden Gate Regional Center and Tool Works for additional onsite hours for service coordination.

Commissioner Breed thanked Mr. Shorter and Mr. Pickle for the information and stated that she believes it is a great project and is very excited about it. She too expressed from the beginning that she had problems with the location because of the population. Ms. Breed stated that one of the biggest frustrations that has been expressed to her by members of this particular populations not wanting to be a part of a group home and wanting their own place, this is a great step in the right direction. She hopes the agency can build more of these types of housing throughout San Francisco in a more safe area. Ms. Breed stated that she understands the problems with having the experience of dealing with an architect who was frustrating to deal with and understands the issues around this project and the management. She stated it is no excuse for the agency not to be on top in making sure their investments are protected at all cost but understands how easily it can go under the radar. Ms. Breed suggested that staff pay closer attention to ensure that Agency projects are a success and move forward and not continue to cost the Agency so much money. In reference to the traffic, Ms. Breed suggested that there be some sort of steel barrier to protect people from oncoming traffic. She stated that she would also like to participate in the meeting Ms. Covington requested to figure out a better way in protecting the type of population anticipated for the site. She asked that there be some type of implementation for some

barriers or other mechanisms that will protect people from crossing the intersection. Ms. Breed stated this was a great occasion in approving this project but her main concern is serious traffic concerns as well as extreme cost overruns. She stated it puts a damper on the spirit of what is being accomplished and would like to be part of the meeting to come up with some solutions. Ms. Breed seconded Ms. Covington's motion.

Commissioner Singh stated that he too agrees with Ms. Covington and Ms. Breed concerns; he passes through the intersection a few times a day and sees that it is a very bad situation for people trying to cross. Mr. Singh asked if the small units are one bedroom units and are 475 sq.ft.

Ms. Simms stated Mr. Singh is correct.

Commission Singh asked what the layout was.

Mr. Pickle stated the nine one-bedrooms measure at 475 sq.ft, five of which are under 98 sq.ft. Mr. Pickle indicated that the typical HUD one-bedroom requirement is 540 sq.ft, with some one-bedroom units that are 523/524 sq.ft. as well.

Commissioner Singh asked what the total square footage for the whole building was.

Ms. Sims indicated that the construction cost is \$571 per square foot.

Commissioner Singh stated that the cost is close to \$9M on the project with no land cost.

Ms. Sims indicated that approximately half of that is agency funding and the total development cost is \$9.5M.

Commissioner Singh stated the cost would be \$600,000 per unit which he has never heard that type of cost per unit before.

President Swig stated the item is expected to pass because the group that it serves is a very needy group and deserving of this housing, and stated that is where the good news stops. Mr. Swig stated there should be an accountability of staff and the agency to manage horrific developments, in this instance a project that is going over nearly twenty percent. Mr. Swig also pointed out that in another testimony he heard, "well you know we are without housing experience but we went in there trying." Mr. Swig asked that in the future, when staff is evaluating RFP's and evaluating what choices to make when choosing a developer that they pick people who have housing experience because he believes this will happen again. Mr. Swig also questioned why West Bay Housing was chosen in the first place who was not HUD certified for management. Mr. Swig stated when this first came up he was very enthusiastic about the project but also shared the same concerns as Ms.

Covington about traffic, but unfortunately with the project going over budget and all the mistakes that have taken place Mr. Swig asked Director Blackwell what steps the Agency can taking as recourse for a developer performing so poorly; a developer that goes through three architects, a developer that doesn't recognize the facts about market conditions with regards to steel or doesn't recognize the facts that the planning commission is going to uphold the standards. Mr. Swig asked Director Blackwell what is the Agency's recourse on bad developers or developers that do not perform?

Director Blackwell stated that one avenue would be to put them in default when there are terms of the contract agreements that aren't met; secondly, when there is an RFP offered in the future staff will take into account the developers past experience and track record when considering developers for future development as a partner with the Redevelopment Agency; thirdly, the more short-term pathway is each one of the agreements the Agency has with developers for projects such as this includes a developer fee, a fee covering administrative expenses which is what the developer gets paid to move the project successfully through which the Agency has the ability to dock or take away a developer fee when the Agency's thinks it's appropriate.

President Swig asked if this circumstance applies in this case.

Director Blackwell stated in this case, this is a project that has a very small developer fee. There are two developers on this project that are sharing a \$300,000 fee that has been in place since 2007 over three years. Mr. Blackwell stated the fee is so small in this case that they did not see an avenue to dock the fee that would be able to pay for the cost overrun.

President Swig stated that he would like the Agency to use this project as a case study of setting agency policy in the future with regard to better selection of developers with regard to the general oversight, with consideration of not trying to value engineer when value engineering is not realistic. He would like to use this as a learning tool and turn a big negative into a positive.

Director Blackwell mention on the issue of developer selection, that it is also important to make sure that there are opportunities through the Agency's developments to help emerging organizations get experience and to make sure the Agency is spreading the opportunity around. Mr. Blackwell stated he would like to make it clear that there is a fine line between making sure the most qualified is selected versus making sure the Agency is spreading the opportunity and not having a closed circle in terms of the people that the Agency works with on the development process.

President Swig stated that the Commission is sympathetic to that philosophy, a partnership with someone who is strong to mentor one who is not as strong yet. Mr. Swig indicated on the subject of traffic, if you look from right to left on Oak Street as far as the parallel lines, and the lanes in the first lane to the right, you can hardly tell that it's a right hand turn lane. He indicated that

ninety percent of the time that lane does not become available until the last thirty feet and that lane should be available for at least a hundred fifty to two hundred feet which he stated is going to cause the people who live on that block to complain because they want to use it as parking. Mr. Swig asked what's more important, three parking places or three people getting killed. He stated some of the issues are (1) the need to redesign the right turn signage; (2) the police department needs to be stationed between 6am – 9am in the morning, and again between 4pm – 7pm in the evening by pulling people over and sending a message. Mr. Swig stated the Commission is staffed with experts on the traffic situation in the area by virtue of the fact that they drive it twice or three times a day and stated that he will attend the meeting once it's scheduled, along with Ms. Covington and Ms. Breed.

Commissioner Singh indicated in looking at the operating expenses, the project operation indicates there is \$177,000 deficit every year and asked who pays for that.

Director Blackwell stated that the operation of the building is basically on a break even basis. What is not paid for by thirty percent of the tenants' rent is covered under what is called the PRAC, a subsidy provided by HUD through their 811 program which covers the balance of the operations of the building and some benefits; what is not shown on the operating cost are the services provided by the Regional Center in addition to the building operation. (They will be providing some case management assistance that will be ongoing for the residents.)

Olson Lee, Deputy Executive Director of Housing stated there is no deficit because it is operating on the break even basis. He indicated that it is unfortunate and he takes full responsibility since he is the Director of Housing. He stated that he not only takes responsibility for this project but for the entire portfolio. Mr. Lee stated that he knows the Commission is very upset about this particular project which they should rightfully be upset since the goal of the housing program is not to have a situation like this; housing takes this very seriously. He indicated that they tried to go through the process of mentorship with an experienced non-profit from the East Bay that has over twenty years of experience in developing housing but didn't realize that the newer non-profit would make basically unilateral decisions without consulting their partner, and without consulting the agency. He stated that this is not the outcome that staff wants in a particular project nor is it the outcome staff brings to the Commission on a regular basis; he and housing staff accept responsibility for this and accept the criticism for this. He stated that staff worked through the process both after the initial architect was summarily fired to try to salvage the project and they kept trying to salvage the project through this process in part because the final product which is the affordable housing for developmentally disabled individuals is a great product and staff shares the Commission's concerns.

Commissioner Singh asked Mr. Lee how many projects the agency has that is losing money like this.

Mr. Lee indicated that there has never been a project that has gone this far over the budget. They've had projects that have had higher cost overruns but as a percentage of overall cost they were smaller. Mr. Lee stated that he and his staff do accept the responsibility for the cost overrun of the fifteen units and indicated that they will work harder in the future to make sure that this doesn't happen again.

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:**
 - Reminded the listening audience and the public that there will be no Commission meeting on Tuesday, June 1st.
 - There will be a joint meeting between Planning and Redevelopment Commission on June 3rd, 5:00 p.m. in the Board of Supervisors chambers.
8. **REPORT OF THE EXECUTIVE DIRECTOR:**
 - Director Blackwell reported that the agency is about \$28.7M lighter; the Agency had to pay the State based on the State budget process. The California Redevelopment Association sued the State; they lost that lawsuit, and are now filing an appeal. As part of that appeal, they also asked for a stay so that agencies would not have to pay on the May 10th deadline and the State request was denied. The Agency will owe the State in the upcoming year another \$6M that was included in the budget the Commission approved. Mr. Blackwell indicated that the good news in all this is that the Governor's revised budget for this fiscal year just came out and there is not another take of Redevelopment Agency funds in that revised budget proposal from the Governor.
 - Director Blackwell reported in terms of the June 3rd joint meeting with the Planning Commission, the documents that are associated with the various actions are voluminous. The documents will be sent on Thursday, two weeks in advance of the meeting and then the following Thursday, the Commission will receive the memos and resolutions that are associated with the documents.
9. **COMMISSIONERS' QUESTIONS AND MATTERS:** None.
10. **CLOSED SESSION:** Pursuant to Government Code Section 54957(b) regarding the position of the Executive Director.

11. ADJOURNMENT:

It was moved by Commissioner Breed, seconded by Commissioner Covington, and unanimously carried that the meeting be adjourned at 9:30 p.m.

Respectfully submitted,

Gina E. Solis
Agency Secretary

ADOPTED: