

**MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
17TH DAY AUGUST 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 6 day of July 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:

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

The following Commissioner was absent: Rick Swig, President

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 May 18, 2010
- (b) Approval of Minutes: Regular Meeting of June 15, 2010
- (c) Resolution No. 106-2010, Authorizing a Second Amendment to the Reimbursement Agreement with the California State Lands Commission to perform work related to land exchange negotiations and public trust issues for the Candlestick Point - Hunters Point Shipyard Phase 2 Project in the amount of \$50,000, for a total aggregate amount not to exceed \$100,000; Bayview Hunters Point and Hunters Point Shipyard Redevelopment Project Areas.

ADOPTION: IT WAS MOVED BY COMMISSIONER BUSTOS, SECONDED BY COMMISSIONER KING, AND UNANIMOUSLY CARRIED, THAT THE REGULAR MINUTES OF MAY 18, 2010 AND JUNE 15, 2010; RESOLUTION NO. 106-2010, AUTHORIZING A SECOND AMENDMENT TO THE REIMBURSEMENT AGREEMENT WITH THE CALIFORNIA STATE LANDS COMMISSION TO PERFORM WORK RELATED TO LAND EXCHANGE NEGOTIATIONS AND PUBLIC TRUST ISSUES FOR THE CANDLESTICK POINT - HUNTERS POINT SHIPYARD PHASE 2 PROJECT IN THE AMOUNT OF \$50,000, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$100,000; BAYVIEW HUNTERS POINT AND HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREAS, BE ADOPTED.

REGULAR AGENDA

- (d) Resolution No. 107-2010, Authorizing the Executive Director to enter into a First Amendment with Alten Construction, Inc., a California Corporation, to increase the contract amount by \$679,431 and to approve change orders for an aggregate amount not to exceed \$2,714,372 for the Community Facilities Demonstration Project at Lot D, subject to authorization by the Economic Development Administration, Hunters Point Shipyard; Hunters Point Shipyard Redevelopment Project Area.

Presenter: Kevin Masuda, Agency Staff

Speakers: None

Commissioner Covington asked if the shipyard construction sites would be following the same two step process; the first step being a temporary electrical path and the second step as the permanent electrical path since it was her understanding that the original plan for all electrical was to be underground;

Mr. Masuda stated that all the lots, with the exception of six, have the permanent underground infrastructure.

Commissioner Covington requested information on the possible uses for the building.

Mr. Masuda stated one of the uses would be for CAC meetings three times a week at night, the other for City Build's Clean Tech Training Academy.

Commissioner Covington asked if there would be on-site management, and whether the facility would be available for others to rent for functions.

Mr. Masuda indicated the facility would be available for functions on a rental basis.

Mr. Kaslofsky stated staff is in the beginning stages of discussions with the on-site administrative support team currently managing reservations.

Commissioner Covington asked if CityBuild would be paying the Agency for the rental space.

Mr. Kaslofsky indicated staff is discussing lease negotiations and arranging for what would be a multi-tenant use.

Commissioner Covington asked if the Agency would continue paying for the use of the building where the CAC meets.

Mr. Kaslofsky stated the CAC currently meet at two locations; one location is onsite at the Shipyard where sub-committee meetings are held, the other is located at the Southeast community facility located at 1800 Oakdale where the full CAC meet for a nominal fee of \$180. He indicated that the building would not be able to accommodate full CAC meetings, only the sub-committees. There are no costs associated with the use of the trailers that are currently on site.

Commissioner Covington indicated there will be a need for the CAC for the next 15-20 years and asked why would not there be a facility large enough for the CAC to meet if this is their designated facility.

Mr. Kaslofsky stated the program they envisioned was to host CityBuild's Clean Tech Academy, reserve a portion of the space for other uses, and to replace the onsite trailers currently there. Staff is in discussions with Lennar to see if the Welcome Center currently being designed will be able to host the larger CAC meetings.

Commissioner Covington stated the CAC works very hard and expressed that it would be great for them to have a home where it would be easily accessible to them as opposed to meeting across town.

Commissioner Covington asked if there were any costs related to the vertical landscape.

Mr. Kaslofsky stated the Community Facilities Maintenance District No. 8 (CFD8) would be maintaining the 26 acres of open space under the current maintenance schedule and fees associated with CFD8.

Commissioner Covington asked for a breakdown of how many people concerning workforce have been hired from the BVHP area. She stated it was very important to her that there is a breakdown of people locally.

Mr. Villacarlos indicated there are 35% of San Francisco local residents working on the project; 33% are 94124 residents.

Commissioner Covington stated with 29% local participation, and 33% minority, she asked if those hired were all from the surrounding area.

Mr. Villacarlos stated they were not all from the surrounding area; of the San Francisco residents working on the project 33% are 94124 residents.

Commissioner Covington asked if anything could be done to boost the numbers the Agency is trying to achieve.

Mr. Villacarlos stated since the project is an EDA funded project, the Agency is implementing the EDA requirements for local participation, which is to the greatest extent feasible. What has been implemented in the project area is 50%, which is the workforce hiring requirement, and are currently at 36% from San Francisco.

Commissioner Covington asked who determines what is feasible and what is not.

Mr. Villacarlos stated staff is working closely with the General Contractor to make sure that the core crews they are bringing onto the project area, as well as the individuals they are hiring as new hires, are from the local project area. He stated they work hand in hand with the contractor, as well as CityBuild and local unions to make sure they are referring, to the greatest extent possible, local 94124 residents to the project.

Commissioner Covington stated it was not clear to her who reviews the figures, the numbers, the geography, and the project, and who determines that they have not reached the goal to the greatest extent feasible.

Mr. Stephen Maduli-Williams stated when using Federal money, the Agency follows their procedures. Where the Agency has an iron clad policy of 50%, if it was Agency money in terms of tax increment, it would be clear the hiring goal is 50%, but when using Federal dollars, their rules and policies trump the Agency's goals. Mr. Maduli-Williams indicated that there is the EDA policy and what the Agency is trying to implement is Agency policy even though by law the contractor is only bound by EDA goals.

Commissioner Covington stated "to the greatest extent feasible" translates to her into "good faith efforts" which also translate into "not getting it done", as in the past. She indicated that if it continues on this track it would not be good for people in the Bayview by having people come in to do work that they can

do themselves and enable them to support their families. Ms. Covington requested that she would like to see workforce numbers from here on out for all the Bayview and surrounding areas on each project. She cautioned staff that she was very gentle this time around but stated that she would not be as gentle the next time and will make a case about why the Agency is not meeting their own goals and numbers, which she stated, was not acceptable.

Mr. Maduli-Williams stated even though they start with the EDA guidelines they always operate under the premise that they want 50% local hiring and relay that message to their contractors; it is staffs goal to achieve 50% hire.

Commissioner Covington put forth a motion to move item

Commissioner Bustos thanked Ms. Covington for bringing up the workforce issues. He stated many requests for funds will be coming through the Commission for the Bayview and the surrounding areas, and requested that the Commission be provided with workforce numbers in everything that comes through on how it is affecting local residents, specifically from the 94124 area code. Mr. Bustos asked if anyone would be using the \$400,000 from the Arts and Tech programs that was being transferred.

Mr. Kaslofsky stated the Arts and Tech district has a variety of sources for the use of those funds, primarily for Building 813, which is proposed as a Clean Tech and R&D building. The funds are interchangeable to the extent that Building 813 is meant to be a sustainable project. Mr. Kaslofsky indicated they have had discussions with EDA about reprogramming some of those funds, which will be used for Building 813. Not all EDA funded projects will affect Building 813.

Mr. Bustos seconded Ms. Covington's motion.

ADOPTION: IT WAS MOVED BY COMMISSIONER COVINGTON, SECONDED BY COMMISSIONER BUSTOS, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 107-2010, AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A FIRST AMENDMENT WITH ALTEN CONSTRUCTION, INC., A CALIFORNIA CORPORATION, TO INCREASE THE CONTRACT AMOUNT BY \$679,431 AND TO APPROVE CHANGE ORDERS FOR AN AGGREGATE AMOUNT NOT TO EXCEED \$2,714,372 FOR THE COMMUNITY FACILITIES DEMONSTRATION PROJECT AT LOT D, SUBJECT TO AUTHORIZATION BY THE ECONOMIC DEVELOPMENT ADMINISTRATION, HUNTERS POINT SHIPYARD; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- (e) Resolution No. 108-2010, Authorizing a Basement and Sidewalk Loan Agreement with Magne L. Veimoen, in an amount not to exceed \$96,312 for sub-sidewalk basement abandonment work and sidewalk improvements adjacent to 132-136 Sixth Street; South of Market Redevelopment Project Area.

Presenter: Alma Basurto, Agency Staff

Speakers: None

ADOPTION: IT WAS MOVED BY COMMISSIONER COVINGTON, SECONDED BY COMMISSIONER BUSTOS, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 108-2010, AUTHORIZING A BASEMENT AND SIDEWALK LOAN AGREEMENT WITH MAGNE L. VEIMOEN, IN AN AMOUNT NOT TO EXCEED \$96,312 FOR SUB-SIDEWALK BASEMENT ABANDONMENT WORK AND SIDEWALK IMPROVEMENTS ADJACENT TO 132-136 SIXTH STREET; SOUTH OF MARKET REDEVELOPMENT PROJECT AREA, BE ADOPTED.

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

- (f) Resolution No. 109-2010, Authorizing a Loan Agreement with Hunters View Associates, L.P., a California limited partnership, in an amount not to exceed \$3,000,000 for the Phase Ib horizontal predevelopment and construction costs associated with the replacement of the Hunters View housing development located at Middle Point and West Point Roads (Block 4624, Lots 3, 4 & 9 and Block 4720, Lot 27), and making 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 Covington asked who the tax credit equity partner.

Ms. Carson stated they have a proposal letter out at this time and have not yet selected a tax credit equity partner. The proposed reduction in Agency loan interest rate to .25% addresses the long term capital accounts of the project, which is necessary for potential tax credit investors.

Commissioner Covington stated 0.25% is an amazing rate.

Ms. Carson stated that the Mayor's Office of Housing would also be lowering its local subsidy interest rate accordingly, as well as the Housing Authority at the 0.25% rate.

Commissioner Covington indicated that it is her understanding that when the Agency is involved in horizontal pre-development and construction, that is when the Agency's percentage of people employed from the local area goes up, as opposed to the vertical. She stated that the Commission will not be able to approve the items and if goals are not met. She suggested that staff work with CityBuild and all the other providers of workforce readiness to make sure

that people in the surrounding community are going to be ready for the project in 2011.

Commissioner Covington put for a motion to move items 4(e) & (f).

Commissioner Bustos asked that staff report back when they have the information on who the tax credit equity partner will be and what the local hire numbers are.

Ms. Carson indicated staff is currently in the bidding process for infrastructure, and Contact Compliance staff is working with the contractor and developer to make sure they are meeting or exceeding their numbers.

Mr. Villacarlos indicated for Phase I – MBE firms hired for the project sub-contracting to small business enterprises, they are at 45% local hire, with 32% of contracting dollars to WMBE firms. The total dollars spent on demo and abatement is at 52% in total, which went to small businesses, and minority owned firms. Thirty one residents were hired from the 94124 and 94134 zip codes; five were on lease from Hunters View. Four additional Hunters View residents were hired as trainees in the professional services during the design phase of the project. Overall, for the project, 51% were San Francisco hires.

Commissioner Bustos seconded Ms. Covington's motion.

ADOPTION: IT WAS MOVED BY COMMISSIONER COVINGTON, SECONDED BY COMMISSIONER BUSTOS, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 109-2010, AUTHORIZING A LOAN AGREEMENT WITH HUNTERS VIEW ASSOCIATES, L.P., A CALIFORNIA LIMITED PARTNERSHIP, IN AN AMOUNT NOT TO EXCEED \$3,000,000 FOR THE PHASE IB HORIZONTAL PREDEVELOPMENT AND CONSTRUCTION COSTS ASSOCIATED WITH THE REPLACEMENT OF THE HUNTERS VIEW HOUSING DEVELOPMENT LOCATED AT MIDDLE POINT AND WEST POINT ROADS (BLOCK 4624, LOTS 3, 4 & 9 AND BLOCK 4720, LOT 27), AND MAKING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

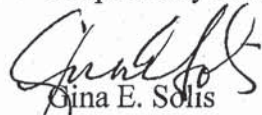
- (g) Resolution No. 110-2010, Authorizing a First Amendment to the Second Amended and Restated Loan Agreement with Hunters View Associates, L.P., a California limited partnership, to reduce the interest rate from 3% to 0.25% and modify the Schedule of Performance for Phase I predevelopment and construction costs for the Hunters View Housing development located at Middle Point and West Point Roads, Block 4624, Lots 3, 4 & 9 and Block 4720, Lot 27; Bayview Hunters Point Redevelopment Project Area; Citywide Affordable Housing Program.

ADOPTION: IT WAS MOVED BY COMMISSIONER COVINGTON, SECONDED BY COMMISSIONER BUSTOS, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 110-2010, AUTHORIZING A FIRST AMENDMENT TO THE SECOND AMENDED AND RESTATED LOAN AGREEMENT WITH HUNTERS VIEW ASSOCIATES, L.P., A CALIFORNIA LIMITED PARTNERSHIP, TO REDUCE THE INTEREST RATE FROM 3% TO 0.25% AND MODIFY THE SCHEDULE OF PERFORMANCE FOR PHASE I PREDEVELOPMENT AND CONSTRUCTION COSTS FOR THE HUNTERS VIEW HOUSING DEVELOPMENT LOCATED AT MIDDLE POINT AND WEST POINT ROADS, BLOCK 4624, LOTS 3, 4 & 9 AND BLOCK 4720, LOT 27; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA; CITYWIDE AFFORDABLE HOUSING PROGRAM, BE ADOPTED.

5. **MATTERS NOT APPEARING ON AGENDA:** None
6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS.** None
7. **REPORT OF THE PRESIDENT:** None
8. **REPORT OF THE EXECUTIVE DIRECTOR:**
 - Transbay Terminal ceremony was well attended by many federal dignitaries, looking forward to the next phase of their work
9. **COMMISSIONERS' QUESTIONS AND MATTERS:** None.
10. **CLOSED SESSION:** None.
11. **ADJOURNMENT:**

It was moved by Commissioner King, seconded by Commissioner Covington, and unanimously carried that the meeting be adjourned at 5:00 p.m.

Respectfully submitted,


Gina E. Solis
Agency Secretary

ADOPTED:

OCTOBER 19, 2010