

**MINUTES OF A REGULAR MEETING OF THE  
REDEVELOPMENT AGENCY OF THE CITY AND  
COUNTY OF SAN FRANCISCO HELD ON THE  
18th DAY OF JANUARY OF 2011**

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 January 2011, 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  
Rosario M. Anaya  
Miguel M. Bustos  
Francee Covington  
Leroy King

And the following Commissioner(s) were absent:

Agnes Briones-Ubalde

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) Authorizing a 2011-2012 Work Order Agreement with the Mayor's Office of Housing in an amount not to exceed \$325,000, from July 1, 2011 to June 30, 2012, for homeownership assistance activities; Citywide Tax Increment Housing Program. (Resolution No. 1-2011)

Commissioner Covington requested Item 4(a) be removed from consent and indicated that she did not need a full staff presentation, but did have a question.

**REGULAR AGENDA**

- (b) Authorizing a 2011-2012 Work Order Agreement with the Mayor's Office of Housing in an amount not to exceed \$325,000, from July 1, 2011 to June 30, 2012, for homeownership assistance activities; Citywide Tax Increment Housing Program. (Resolution No. 1-2011)

Commissioner Covington asked how staff is keeping track of the Certificate of Preference (COP) holders. She addressed the last page of the staff report which states "The success of the new Agreement will be measured by the following items: Number of households receiving housing counseling; number of households who become homeowners; increases in the number of homeownership lottery applicants; decreased number of households in need of post-purchase counseling to avoid foreclosures". Ms. Covington indicated that there was no mention of the COP holders which is a very important demographic to keep track of, and stated that she did not want to lose track of the COP holders, yet again. Ms. Covington asked what the process was in ensuring that the Agency is doing what it can that the certificates are being utilized.

Mr. David Sobel stated all contracts that are being executed by the housing counseling providers require they do at least one workshop for certificate holders. This is specified in their contracts and are required to report on all homeownership activities not only in general for the whole population, but to also report on how many certificate of preference holders were served in each of the categories. Mr. Sobel indicated that it is a contractual requirement which the Mayor's Office collects the information and provides the Agency with two reports per year containing the data.

Commissioner Covington inquired as to why the COP holders information was not included in the staff report as well as other information that was also delineated which, as she pointed out, would have been a measurement of success.

Mr. Sobel stated the information on the certificate of preference program outreach and counseling was mentioned within the memorandum, and included in each contract with each counseling organization.

Commissioner Covington stated it was important to her that it be a measurement of success.

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

Commissioner Covington seconded Mr. Singh's motion.

**ADOPTION:** IT WAS MOVED BY COMMISSIONER SINGH, SECONDED BY COMMISSIONER COVINGTON, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 1-2011, AUTHORIZING A 2011-2012 WORK ORDER AGREEMENT WITH THE MAYOR'S OFFICE OF HOUSING IN AN AMOUNT NOT TO EXCEED \$325,000, FROM JULY 1, 2011 TO JUNE 30, 2012, FOR HOMEOWNERSHIP ASSISTANCE ACTIVITIES; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

- (c) Commending and expressing appreciation to Sonja Johnson for her 38 years of dedicated service on the occasion of her retirement from the Redevelopment Agency of the City and County of San Francisco. (Resolution No. 2-2011)

Presenter: Amy Dawson, Administrative Service Manager

Speakers: Oscar James

Commissioner Bustos thanked Ms. Johnson for her dedication and appreciation for 38 years of service, wholly and purely, to the City and County of San Francisco and its residents. Commissioner Bustos put forth a motion to move item 4(b).

Commissioner Covington stated 38 years shows an incredible amount of "stick-to-it-ness" and dedication, and also points to the fact when staff retires from the Agency they are people of long tenure; 41 years-42 years, and shows that people who come to work at the Agency are very loathed to leave until it is time for them to retire. Ms. Covington thanked Ms. Johnson.

President Swig stated he too agreed with his fellow Commissioners that 38 years is a long time and referenced recent retiree Mr. Oscar James' comment that Ms. Johnson knew where everything was which brings up the fact that the real intellectual property are within the people who have dedicated themselves to the Agency; they are the cultural glue that keeps the Redevelopment Agency family together. Mr. Swig indicated that without people like Ms. Johnson and Mr. James, they wouldn't have been able to enjoy the solid successes the redevelopment has had and will continue to have as other contributors stay around for a long time and maintain that culture. Mr. Swig thanked Ms. Johnson.

Commissioner Covington seconded Mr. Bustos' motion.

**ADOPTION:** IT WAS MOVED BY COMMISSIONER BUSTOS, SECONDED BY COMMISSIONER COVINGTON, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 2-2011, COMMENDING AND EXPRESSING APPRECIATION TO SONJA JOHNSON FOR HER 38 YEARS OF DEDICATED SERVICE ON THE OCCASION OF HER RETIREMENT FROM THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, BE ADOPTED.

- (d) Conditionally Approving the Pocket Park Schematic Design for Phase 1 of the Hunters Point Shipyard and adopting environmental findings pursuant to the California Environmental Quality Act; Hunters Point Shipyard Redevelopment Project Area. (Resolution No. 3-2011)

Presenter: Amabel Akwa-Asare, Agency Staff

Speakers: Dennis Lumsey, Oscar James, Henrieta Wallace, Ace Washington, Christine Johnson, Espanola Jackson, Dorris Vincent

Commissioner Covington commended Conger, Moss, Guillard; Stevens & Associates and Adrienne Wong Associates for their creativity in putting together the sixteen pocket parks which she stated will be a delight to the eyes and provide some respite for the soul. Ms. Covington was glad to know that there was extensive discussions with the PAC about the materials. Ms. Covington asked how the parks will be maintained, in particular as it relates to the number of deciduous trees which can cause problems in terms of stopping up drains.

Ms. Akwa-Asare indicated for the purpose of maintaining all the parks, a community facilities district was specifically established for operation and maintenance of the parks. A special tax will be assessed to the residents in the area of which those funds will cover the maintenance of all the parks. She stated that maintenance estimates have been conducted and will be updated to ensure the maintenance budget will suffice for all the parks.

Commissioner Covington expressed her concern about backless benches which she believes are not suitable for people under 6, and over 60, but was glad to know that the overwhelming majority of benches do have backs. Ms. Covington asked if there was mention of skate guards.

Ms. Akwa-Asare stated one of the conditions of approval is to have further discussions on installing skate guards wherever necessary.

Commissioner Covington indicated that there was no mention in Rules and Signs for loud music.

Ms. Akwa-Asare stated the rules in the booklet are samples used in other parks. Suitable park rules will be established by the property management company that will be maintaining the parks, along with residents within the park areas.

Commissioner Covington stated there has been discussions, on many occasions, on Black History as it relates to the Shipyard and the Bay Area and asked for the location of where the walkway with different sign posts of history will be located.

Ms. Akwa-Asare indicated that the Cultural Historic and Commission Program has several elements that will celebrate the history of the Shipyard. The public art project is one element which has art pieces that relate to the history of the Shipyard and will be located in the regional parks. The second element will be historic signs located on Phase One on Parcel E; they are working with Lennar to define the locations. A history walk is being contemplated for Parcel B.

Commissioner Covington asked if disease plant materials were being taken into consideration.

Mr. Moss stated plant materials have been taken into consideration, and it is his understanding that Lennar has assessed plant performance at the site which will also be taken into account.

Commissioner Covington noted in the illustrations that there were hills covered with grass and asked if they were "climbable" by youth.

Ms. Moss stated the hills have been planted with tall grass that has been hydro ceded and are not accessible and fenced along the lot lines. There are currently curbs or planting that separates the park from the slope with the notion that people will stay away from the edge; they do not want to interrupt the views which are essentially the heart of the projects.

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

Commissioner Bustos stated he was glad the issue of skate guards was mentioned since there problems in parks and other public spaces that do not have skate guards. Mr. Bustos mentioned that he noticed there is not enough space in the parks for children to have swing sets.

Ms. Akwa-Asare stated the pocket parks are very small parks and are designed to coordinate with the adjacent buildings. There are play areas in the regional parks, one play area on the hilltop on Innes Court, and another play area on the hillside of the central park.

Commissioner Bustos indicated that the naming of the parks is very important in honoring the community and leadership of people who are present and those who have already passed, and stated to do otherwise would be a missed opportunity. Mr. Bustos stated he hopes the parks will be named after community leaders who stood the test of time when no one else wanted to pay attention, and knows there are more than 16 leaders that have come out of Bayview Hunters Point that should be honored. Mr. Bustos proposed to his fellow Commissioners that they work together as a city family with City Planning and the Board of Supervisors to express to them the importance of honoring the community and the people that have helped make it what it is, and what it will become in the future. Commissioner Bustos seconded the motion.

President Swig asked General Counsel Morales if the suggested condition by Commissioner Bustos of naming parks after leaderships would be appropriate to add to the resolution as a condition at this time or at a later time.

General Counsel Morales indicated that it would be appropriate to place the condition to have staff explore the options for doing that and report back to the Commission.

President Swig asked Commissioner Bustos if he agreed to General Counsel's recommendation.

Commissioner Bustos agreed.

Commissioner Covington agreed to the friendly amendment.

Commissioner Singh asked how many parking spaces are within the park area.

Ms. Akwa-Asare stated the parks are all accessible to the public with at least 200 parking spaces on the streets.

Commissioner Singh asked what the anticipated completion date was for the parks.

Ms. Akwa-Asare stated construction of the pocket parks will be in line with the construction of the vertical development.

Vice President Singh asked how tall the trees will grow in four to five years.

Mr. Moss stated the 15 gallon trees will grow up to 7-8 ft., depending on the species. Mr. Moss stated they are looking for a variety of smaller trees to avoid blocking views.

Commissioner Anaya stated one of the main concerns is jobs and asked whether the Agency is combining efforts with other agencies on workforce development and jobs, specifically in the maintenance area.

Ms. Akwa-Asare stated there are requirements to include local workforce which Lennar is aware of, and have had a good track record for doing so. The maintenance contract is an important aspect and will be handled by the Agency which will ensure local hire workforce development.

President Swig suggested in continuing what is already in place with regard to hiring practices of local community people and San Franciscans before they are outsourced, and stated since there are guidelines already in place for construction, he suggested those guidelines continue to be sustained so those guidelines continue in perpetuity post construction as well. Mr. Swig asked who would be responsible for the ongoing maintenance of the park.

Ms. Akwa-Asare stated it would be the responsibility of the Agency to maintain the parks.

Mr. Blackwell stated the system for maintenance of the parks at the Shipyard replicates and builds on successes at other Redevelopment Project Areas such as Mission Bay, Yerba Buena Gardens, and the South Beach Harbor which are great examples of parks that are well maintained in the City.

**ADOPTION:** IT WAS MOVED BY COMMISSIONER COVINGTON, SECONDED BY COMMISSIONER BUSTOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 3-2011, CONDITIONALLY APPROVING THE POCKET PARK SCHEMATIC DESIGN FOR PHASE 1 OF THE HUNTERS POINT SHIPYARD AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- (e) Authorizing a Predevelopment Loan Agreement, in an amount not to exceed \$684,000 with Bayview Supportive Housing, LLC, a California limited liability corporation, in conjunction with the development of 121 very low-income senior rental housing units and a ground floor senior center, 5800 Third Street, Lot 3, and making environmental findings pursuant to the California Environmental Quality Act; Bayview Hunters Point Redevelopment Project Area; Citywide Tax Increment Housing Program. (Resolution No. 4-2011)

Presenter: Pam Sims, Development Specialist, Housing

Speakers: Cathy Davis, Pastor Arelious Walker, Espanola Jackson, Dennis Lumsey, Oscar James, Ace Washington

Commissioner Covington read from the staff report on page 13, "if this housing is financed with HUD program 202 funding, then the number of units will be reconsidered to provide the most competitive application for the program guidelines; also, if developers are unable to get Project Based Section 8 (PBS 8's) for all units, it is anticipated another subsidy will be secured." Ms. Covington asked when staff anticipates bringing the item back before the Commission if any of those actions happen.

Ms. Sims stated the additional request is for predevelopment funding to get the project through 12 months of predevelopment work at which time the developer will have researched the availability of obtaining PBS 8's, as well as researching the possibility of obtaining 202 funding. Ms. Sims stated the purpose of the predevelopment funding is to research financing for both the housing and the Senior Center. Staff will be back before the Commission within a year to give the Commission an update with an additional predevelopment request.

Commissioner Covington indicated this to be a very important project and put forth a motion to move item 4(d).

Commissioner Bustos seconded Ms. Covington's motion.

Commissioner King stated he fully supports the project and would like to see it completed. He pointed out that there have been many meetings held with the late Alex Pitcher and would like to see the project completed.

**ADOPTION:** IT WAS MOVED BY COMMISSIONER COVINGTON, SECONDED BY COMMISSIONER BUSTOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 4-2011, AUTHORIZING A PREDEVELOPMENT LOAN AGREEMENT, IN AN AMOUNT NOT TO EXCEED \$684,000 WITH BAYVIEW SUPPORTIVE HOUSING, LLC, A CALIFORNIA LIMITED LIABILITY CORPORATION, IN CONJUNCTION WITH THE DEVELOPMENT OF 121 VERY LOW-INCOME SENIOR RENTAL HOUSING UNITS AND A GROUND FLOOR SENIOR CENTER, 5800 THIRD STREET, LOT 3, AND MAKING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

- (f) Authorizing a Predevelopment Loan Agreement with Mercy Housing California 51, a California limited partnership, in an amount not to exceed \$3,201,909 for predevelopment expenses related to development of 56 units of very low-income family rental housing at 200 Sixth Street (formerly the Hugo Hotel); South of Market Redevelopment Project Area; Citywide Tax Increment Housing Program. (Resolution No. 5-2011)

Presenter: Jeff White, Agency Staff

Speakers: Oscar James, Espanola Jackson, Ace Washington

Commissioner Singh stated it was mentioned in the paper that this project in particular would be in jeopardy if the funds were cut off by the government, and asked Director Blackwell for clarification.

Director Blackwell stated that one of the Governor's proposals is the elimination of the Redevelopment Agencies by July 1<sup>st</sup> of this year. That proposal acknowledges the presence of existing commitments; one category is bonds that have been issued and need to be repaid, and the other has to do with contractual obligations. The Governor's intent is to redirect dollars that would have gone to Redevelopment Agencies back to the State's general fund in order to help balance the \$25B deficit which means they will be looking for all monies that have not been already committed to sweep and to commit to the State's general fund. Mr. Blackwell stated that this project, as many other affordable housing projects that are in the pre-development or planning phase, would fall into the category of projects that have not been fully obligated. Mr. Blackwell stated there is much that still needs to be debated, it is not the time to push the panic button who are in the pipeline or who are in support of Redevelopment. Mr. Blackwell stated there are issues of constitutionality and a lot of debate and discussion at the legislative level; it is not yet clear since the proposals have been translated into specific bills, what is actually going to be proposed. He stated that it is too early to tell whether projects such as this, would be in

jeopardy or not but the first read based on what is being proposed is that it would be in jeopardy.

Commissioner Singh asked what the obligations would be if the project was not approved today.

Director Blackwell stated what is being approved is the predevelopment loan which will provide the developer with the resources to do the design work, seek additional funds to bring down per unit costs, and go through the entitlement process. The action today would not fully commit the Agency to fully fund the project.

President Swig quoted on page two of the staff report under Background, "The artist and the Agency have a current Permit to Enter Agreement to maintain and ensure the public safety of the installation. The agreement maintains the artwork as property of the artist and requires the removal of the installation prior to the Project's development". Mr. Swig asked what would happen if the project goes forward and the artist claims the artwork and does not have the funds to move the artwork to another location.

Mr. White stated the permit to enter anticipates the scenario that if the artist does not have the funds to remove the artwork, the artwork would then become the property of the Agency, and is not certain what would happen to the artwork.

President Swig recommended the issue be clarified in advance.

Mr. White stated for clarification that the permit to enter does indicate that in the event the artist does not remove the artwork, it becomes the property of the Agency.

President Swig asked what the timeframe is for the artist to remove the artwork once he is properly noticed.

Mr. White stated he was not certain and would get back to the Commission on the timeframe.

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

Commissioner Anaya seconded Mr. Singh's motion.

Commissioner Covington stated the building is located in the South of Market and close to the Chronicle building which has a roof garden. Ms. Covington asked if there was any discussion about making the roof of the new development a place where people can relax.

Mr. White indicated that part of the design includes a rooftop garden for the residents of the project.

**ADOPTION:** IT WAS MOVED BY COMMISSIONER ANAYA, SECONDED BY COMMISSIONER SINGH, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 5-2011, AUTHORIZING A PREDEVELOPMENT LOAN AGREEMENT WITH MERCY HOUSING CALIFORNIA 51, A CALIFORNIA LIMITED PARTNERSHIP, IN AN AMOUNT NOT TO EXCEED \$3,201,909 FOR PREDEVELOPMENT EXPENSES RELATED TO DEVELOPMENT OF 56 UNITS OF VERY LOW-INCOME FAMILY RENTAL HOUSING AT 200 SIXTH STREET (FORMERLY THE HUGO HOTEL); SOUTH OF MARKET REDEVELOPMENT PROJECT AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

- (g) Workshop on the proposed design concept for a new Mission Bay UCSF Hospital parking garage on Block 39; Mission Bay South Redevelopment Project Area.

Speakers: Espanola Jackson

In response to Ms. Jackson's inquiry regarding local hiring, Ms. Cindy Leama stated they hold meetings for anyone interested in local construction jobs on the second Thursday of each month at 2 pm. In response to whether UCSF is required to follow the recent City legislation of local hiring, Ms. Leama indicated that as a State institution, they cannot mandate local hiring based on location of residents, however, UCSF is firmly committed to hiring local residents. The work hours for San Francisco residents based on hours worked was 26% on the Mission Bay Hospital project, UCSF's average over the last 19 years has been 12%, and they are working hard to improve that in setting their own goals to re-double those efforts. Ms. Leama stated they are currently working on how to establish their whole program. Ms. Leama stated their Mission Bay website posts a flyer describing their commitment to hiring local workers on the construction project, and will be tracking and posting their results monthly.

Commissioner Bustos stated he could not emphasize enough how important local hiring is to the Commission. He stated if it's San Francisco money, if it's San Francisco land, then San Franciscans should benefit; they are not requiring 100%, but at least 50%. Mr. Bustos asked that they see this commitment as an investment in their next projects that people want to have either in Mission Bay or anywhere else in San Francisco. Mr. Bustos indicted it was about justice and how can they make sure that San Franciscans can stay in San Francisco, and one of the ways to do that is through giving them jobs and opportunities, not just in construction, but in everything else. Mr. Bustos emphasized again, they are not asking for 100%, but at least 50%. Mr. Bustos stated it is his hope that UCSF, as a good neighbor, helps the Agency with local hiring since it is very important not only to the Commission, but for the people who live and breathe in the communities every single day.

Commissioner Covington echoed what Mr. Bustos stated. Ms. Covington indicated that she too has been a proponent of local hiring for many years, to the extent when housing

was proposed on the site, she asked that the housing be diversified so that people who actually work in the laundry room, in the janitorial staff also be included in the mix for those people who are eligible for housing, that it not only be the best and the brightest from all over the world who are there as residents. Ms. Covington stated it would be fairly feasible to have a broader representation of people particularly from the Bayview to be trained and hired in those positions. Ms. Covington indicated that it would not be right, nor would it befit to have three new hospitals with a helipad, and not have access to ongoing employment. She stated that she is more interested in jobs that people can have that lead to long term careers such as Ms. Johnson, 38 years at the Redevelopment Agency. Ms. Covington stated that other people should have the same opportunity at UCSF and should make the monies they need to send their children to college so that they can do their post grad work at UCSF. Ms. Covington asked if the garage was on the property line since the parking structure on Third Street is an abomination; it is an entryway to Third Street and stated something has to be done since it is not of benefit to the community.

Ms. Reilly indicated that the it is currently set back off the property line, however, if Owen Street is ever realigned, it is being designed to allow Owen Street to be shifted a few feet in toward UCSF's property which at that point would be constructed at the property line with a 10 foot wide landscaped buffer.

Ms. Yanamaguchi stated with respect to the Third Street garage since they too are concerned about the appearance on the Third Street side of the garage as Mr. Covington, they are working to remedy the problem and are in the final stages of negotiating an agreement with the contractor to place the glass channels that were removed from the façade with more opaque glass to conceal the structure behind it. It is there hope they will have mockups up by April and insulation of the glass channels to follow shortly thereafter. She will relay Ms. Covington's concerns to Sr. Vice Chancellor Plots.

Commissioner Covington stated that she wanted to underscore that it has been five years since the discussions have been going on and it's time to get some movement.

Vice President Singh stated it is his opinion that UCSF in Mission Bay is the best thing that's happened to San Francisco and expressed his appreciation.

President Swig stated because of the discussion of State funding to redevelopment agencies, the Agency does bricks and mortars but the result is enhanced communities and the result is enhancement of people's lives. He expressed that he has to underscore again what he believes is the responsibility of UCSF to provide as many jobs as possible through the local community and keep that local community flourishing as best as possible.

Commissioner Anaya stated it is important to note what her fellow Commissioners have expressed, which she too supports, the importance of addressing the issue of jobs and

workforce to the communities. Ms. Anaya stated that UCSF does have the opportunity to address those concerns and indicated it is a unanimous request and expectation of the Commission in looking to UCSF's leadership in providing jobs and workforce to the communities.

**5. Matters not appearing on Agenda**

**6. Persons wishing to address the members on non-Agenda, but Agency related matters.**  
Espanola Jackson, Randall Evans, Ace Washington

**7. Report of the President**

- President Swig reported that Commissioner Covington requested to add an item to the Agenda related to the \$800,000 Agency Grant made to the Office of Economic Workforce Development for the purposes of increasing business activity in the Fillmore Commercial Corridor. Prior to moving forward on that, Mr. Swig requested Director Blackwell to provide an informational memorandum to provide background and context as to what has been done to the project. He stated that the goal of the \$800,000 was to stimulate business activity along the corridor and appreciated the Executive Director's initiative to put together a substantial and informative memo which provides context and a discovery of issues, but did not answer the question on the actual distributions of funds to street level merchants; there is approximately \$650,000 remaining in that fund which is intended to stimulate programming along the Fillmore commercial corridor. Mr. Swig requested Director Blackwell to add the item on the Agenda for the next meeting to specifically inform the Commission exactly what the plans are for the remaining \$650,000.
- President Swig stated that there were articles in the paper about initiatives reviewing all redevelopment agencies within the State which he stated as some were true facts, but mostly fiction, and as they move forward, he and Director Blackwell will attempt to continue to report on the truth and false reporting. Mr. Swig stated that they took instant action by going straight to the State to discover what was behind what was coming out of Sacramento and what we the front pages of the newspaper was reporting. Mr. Swig and Director Blackwell met with Senator Leno the previous Friday and doesn't know anyone more supportive of San Francisco, the community, and of the intention of the San Francisco Redevelopment Agency than Senator Leno. Mr. Swig stated that Senator Leno is the Chair of the Budget Committee which will propose the legislation to make the adjustments for Redevelopment Agencies. He stated that the State of California has serious and perilous financial exposure and needs to reduce debt and its deficit, and to do that, one of the proposed areas is Redevelopment. The Governor has proposed and indicated the possibility of closure of Redevelopment Agencies as a discussion item. Mr. Swig indicated that nothing has been formally discussed or conceived,

the budget committee hasn't meet and won't meet until early February, and will resolve this issue within 30-45 days; no one knows at this time. He stated that Senator Leno heard them very clearly, asked great questions to which the Executive Director and others made great answers. Senator Leno's legislative aide, responsible for the Budget Committee, joined them via conference call and Director Blackwell made it very clear that all Redevelopment Agencies do not do the same thing; San Francisco does a lot of things that other Agencies in this State do not do, and that there are long term agreements and contracts that will make it extremely difficult to sweep San Francisco Redevelopment Agency away with every other Redevelopment Agency in the State. Mr. Swig stated when Director Blackwell was discussing the list of items the San Francisco Redevelopment Agency does, Mr. Swig could see there were moments when Senator Leno was not aware of certain facts or had not thought of the extent of the circumstances and the domino effect of what would happen if you sweep every Agency off the map. Mr. Swig stated there is a still a lot to be resolved, and everyone is working hard at finding a positive result to this very difficult issue. Mr. Swig reiterated that they are significantly supportive of the Governor and clearly understanding that the State is in a state of financial distress. He stated that the Agency needs to do its fair share and work very hard to see that the State of California prospers, that the Governor is supported, and that the Agency stays in business supporting the local San Francisco communities.

- President Swig stated that it his opinion that Fox News presents on a one sided fashion and was not aware that Fox News represented the Bay Guardian and Beyond the Chron. He reported that articles they wrote were hit pieces, presented a one sided view, and never bothered to call him, Mr. Blackwell or anyone else in the Agency for backgrounds or clarifications of the facts. He stated that those two publications should be responsible enough to ask for the facts and present the facts when they go to write an article on the San Francisco Redevelopment Agency; the Agency is always forthcoming with the facts.

#### **8. Report of the Executive Director: Update on Governor Brown's State Budget Proposal**

- There was a very successful Martin Luther King celebration at the Yerba Buena Gardens, and received a message from the Director of MoAD that said there were over 1,900 visitors at MoAD with the line wrapping around the block to get in to experience not only MoAD, but the other Museum facilities that were in Yerba Buena.
- In reference to the Governor's proposal, what is potentially at risk under the proposals with the caveat being, as President Swig stated, that nothing is abundantly clear yet because the Governor's proposals has not been translated into specific legislation for the legislators to consider. There are four basic points in the Governor's proposal, and one trailing point. The first point of what the Governor is

proposing is elimination of Redevelopment Agencies by July 1st. The second point is that the proposal acknowledges that all the Redevelopment Agencies throughout the State have existing obligations both in terms of servicing debt and repaying bond issuances, and also contractual obligations that need to be met. The third point relates to the first point - that the proposal calls for the establishment of successor entities that would be in place after Redevelopment Agencies to carry on Redevelopment like activities and to fulfill those existing obligations as mentioned under point two. The Governor's proposal does not make it clear what those successor entities would do beyond writing checks in order to service debt. The fourth point is that the Governor's proposal also puts forward the notion that local economic development funds can be established that do the same things that tax increment can do, but that it would require a 55% voter approval for new assessments. He stated that it is not clear whether the existing tax increment would roll into the successor entities of the new funds, but clear that the Governor is seeking realignment and as a part of that, he is pushing more authority and responsibility to the local level. Mr. Blackwell The notion of establishing successor entities would coincide with the notion that the successor entities would not be State chartered agencies anymore that work on behalf of local jurisdictions, but they would be local jurisdictions and local departments themselves that would carry out Redevelopment like activities. The fifth piece, not necessarily in the proposal but was put forward after the proposal, was that the legislative analyst office recommended that the legislator immediately consider emergency legislation to stop Redevelopment Agencies from making obligations between now and July so they would not be further committing themselves beyond where they are already committed. Mr. Blackwell indicated one of the important things to note was that this became the source of wild rumors up and down the State, some of which resulted in some Agencies rushing to have special sessions to obligate more money before the emergency legislation was proposed. Discussions with Senator Leno and other State legislators, it is very clear that while that was in the legislative analyst report, it was a rumor, and there had been no legislation that had been proposed of the emergency nature to stop agencies from making those obligations, and that many of the legislators are of the opinion that if something like that was introduced, it would be putting the cart before the horse since no decision has been made yet with regard to dismantling Redevelopment Agencies. Mr. Blackwell indicated that anything is possible, there is nothing out there now, nor does it suggest that there is anything out there this week to stop agencies from taking future action. That is important to this Agency since bonds have not been issued for the current program year, and staff will be before the Commission in the near future to issue the bonds for the current program year for non-housing activities. There are serious question marks about what the Governor's proposal means. An example is what an obligation means. Bonds that have already been issued present an obligation and those Bonds have to be repaid. They are also acknowledging contractual

obligations. The Agency has contractual obligations through the Disposition and Development Agreements at Mission Bay, HPSY, and Transbay; those contractual agreements contemplate issuing bonds well into the future in order to meet those contractual obligations. The notion of being able to continue to issue bonds and collecting tax increment to meet obligations is key in the debate. As mentioned by President Swig, meetings with the State Legislators and representatives at the State to advise them on what is at stake in San Francisco continues. There is a lot at stake, not only are the large development projects potentially in jeopardy, there is also a list of affordable housing projects that are in pre-development or planning phases that would not constitute an obligation that would be in serious jeopardy. While Visitacion Valley has been established as a project area, there is no Disposition and Development Agreement with UPC for revitalization of the Schlage Lock site, the commercial corridor work on Third Street, and Sixth Street, which they contemplate on Leland Avenue, and would fall into the category of money that has not been committed which would be in jeopardy. The funding of workforce development programs would also be in jeopardy as it relates to construction and permanent jobs. There is a lot at stake and believes all the representatives at the State level now have an understanding of that. At the local level, Mayor Lee has expressed the importance of Redevelopment and in working with the Agency on an action plan. Mayor Lee is meeting with the Ten Big City Mayor's and are positioning themselves in that they understand full well the budget picture at the State level, and feel there is a need for local jurisdictions in Redevelopment Agencies to work in collaboration with the Governor and legislators to come up with solutions, but do not think the elimination of Redevelopment Agencies is the way to go, nor do they think that the Governor or the Legislators should be coming up with alternative proposals and solutions without them. Their position is that the Mayor's need to be at the forefront of whatever alternative proposals are developed, or reform pieces of legislation that get developed in response to this. Lastly, what is being looked at is a response to Proposition 22 that was passed by the voters in November which states that the State cannot take funds from Redevelopment Agencies in order to balance the State budget, and believes the State has come to the conclusion that if there are no Redevelopment Agencies, then that money that would have gone to Redevelopment Agencies would go towards balancing the State budget. The projections in the Governor's budget proposal are that as much as \$2B could be available to be redirected to the State's general fund. Mr. Blackwell believes part of the strategy is to express to people at the State level that there is a lot at stake if Redevelopment were to go away, but believes there is an obligation on Agencies in local jurisdictions to help figure out how to help the State through the tough economic times as well. Mr. Blackwell indicated that he will keep the public and Commission informed as it goes forward. He believes they are weeks away from seeing the legislation that accompanies the Governor's budget proposals which will

bring clarity. In addition to working with the elected officials, they are communicating with the press on what's at stake and are addressing the misrepresentations of the facts in the articles mentioned by President Swig. They are currently working on editorials responding to the misrepresentations of the facts and anticipate sending them to the editors of those publications this week.

**9. Commissioners' Questions and Matters:**

- Vice President Singh stated that he was in communication with Senator Leno and expressed that he would do anything that he could to the best of his ability to help the Agency.
- Commissioner Covington asked if it makes any difference that the Agency is both a City and a County.
  - Director Blackwell indicated it does make a difference in terms of the practical implications of the proposal in various specific ways. The San Francisco Redevelopment Agency is the only agency in the State that does not take all of the tax increment that's available. The Agency submits a budget to the Board of Supervisors and the Mayor's Office every year that is based on the work program and what can be accomplished from one year to the next. It is a negotiation between the Agency and the county entity. In most instances, local jurisdictions take all the increment available to them as a way to get money to the cities away from the counties and to maximize the amount of revenue that comes into a local jurisdictions general fund. As a result of the relationship, and the fact that the Agency is a City and County, the Agency ends up taking on a number of projects annually that would have been supported by the County's General Fund. Director Blackwell stated that Mayor Lee was the only Mayor that did not come out in strong support of Proposition 22 which outlawed the taking of Redevelopment funds in order to balance the State budget because he knew that he had to balance City and County issues and locking in one entity while everyone else was experiencing pain, he did not think that was necessarily the way to go.
- Commissioner Covington stated when there is a sunset of a project area, it is essential that the Commission receive a report at the podium on what is being transferred to what entity within the City Government. Ms. Covington urged the Commission to ask for such a presentation.
- President Swig asked that Ms. Covington's request be added to the next agenda.
  - Director Blackwell indicated they would include the item within the next two Commission meetings.

- Commissioner Covington indicated in terms of the Americas Cup that the Agency look at opportunities that are coming up in terms of employing the citizens in San Francisco. The Agency has a unique opportunity to be in partnership with the South Beach Yacht club to ensure children in the southeastern sector of the City are introduced into the sport early on so their knowledge will be of benefit to them when the \$1B+ comes to San Francisco.
  - Commissioner Covington did a walk through concerning the Target sign that will be going up at the Metreon and stated it was looking very good. Her only request was that the sign be able to be dimmed easily so as to not inconvenience people who are at the hotel across the street.
  - Commissioner King stated there were 400 people in attendance at the Westbay Conference Center for the yearly Labor breakfast. In attendance were Mayor Lee, all the Board of Supervisors, a host of City Officials, people from the community, along with youth from various areas in the City who spoke in honor of Martin Luther King and what he meant to them. Mr. King stated there was a lot of support for the Redevelopment Agency and what Redevelopment Agency means to San Francisco, and expressed their support in making sure the Agency stays. After the Labor breakfast, Mr. King and others attended the Martin Luther King Day celebration at the Yerba Buena Center where they honored Dr. Amos Brown for his lifetime achievements who Mr. King indicated, made one of the best speeches of what Martin Luther King meant to him. Mr. King stated that if it wasn't for Martin Luther King, no one would be present today.
10. **CLOSED SESSION:** Pursuant to Section 54956.9 (a), conference with legal counsel regarding existing litigation, Arc Ecology v. San Francisco Redevelopment Agency, No. C10-05523 (N.D. Cal. complaint filed Dec. 8, 2010)

11. **ADJOURNMENT:**

It was moved by Commissioner Singh, seconded by Commissioner Bustos, and unanimously carried that the meeting be adjourned at 8:15 p.m.

Respectfully submitted,

  
Gina E. Solis  
Agency Secretary

**ADOPTED:**