

**MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
20th DAY SEPTEMBER 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 263, in the City of San Francisco, California, at 4:00 p.m. on the 20th day of September 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 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 Actions.
- 3. MATTERS OF UNFINISHED BUSINESS:** None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA:

ALL MATTERS LISTED HEREUNDER CONSTITUTE A CONSENT AGENDA, ARE CONSIDERED TO BE ROUTINE BY THE REDEVELOPMENT AGENCY COMMISSION, AND WILL BE ACTED UPON BY A SINGLE VOTE OF THE COMMISSION. THERE WILL BE NO SEPARATE DISCUSSION OF THESE ITEMS UNLESS A MEMBER OF THE COMMISSION OR THE PUBLIC SO REQUESTS, IN WHICH EVENT THE MATTER SHALL BE REMOVED FROM THE CONSENT AGENDA AND CONSIDERED AS A SEPARATE ITEM:

- (a) Approval of Minutes: Regular Meeting of June 21, 2011
- (b) Approval of Minutes: Regular Meeting of July 5, 2011
- (c) Authorizing a Second Amendment to the Legal Services Contract with Jones Hall, a Professional Law Corporation, to increase the contract amount by \$150,000, for a total aggregate amount not to exceed \$200,000, for specialized legal services in connection with the Financing Plan for the Candlestick Point- Hunters Point Shipyard Phase 2 Disposition and Development Agreement and other matters as determined by the Agency General Counsel; Hunters Point Shipyard and Bayview Hunters Point Redevelopment Project Areas. (Resolution No. 96-2011)

Speakers: None.

Commissioner Singh motioned to move this item.

Commissioner Anaya seconded the item.

ADOPTION: IT WAS MOVED BY COMMISSIONER SINGH, SECONDED BY COMMISSIONER ANAYA, AND UNANIMOUSLY CARRIED, THAT THE MINUTES OF THE REGULAR MEETING OF JUNE 21, 2011; AND THAT THE MINUTES OF THE REGULAR MEETING OF JULY 5, 2011; AND THAT RESOLUTION NO 96-2011, AUTHORIZING A SECOND AMENDMENT TO THE LEGAL SERVICES CONTRACT WITH JONES HALL, A PROFESSIONAL LAW CORPORATION, TO INCREASE THE CONTRACT AMOUNT BY \$150,000, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$200,000, FOR SPECIALIZED LEGAL SERVICES IN CONNECTION WITH THE FINANCING PLAN FOR THE CANDLESTICK POINT- HUNTERS POINT SHIPYARD PHASE 2 DISPOSITION AND DEVELOPMENT AGREEMENT AND OTHER MATTERS AS DETERMINED BY THE AGENCY GENERAL COUNSEL; HUNTERS POINT SHIPYARD AND BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREAS, BE ADOPTED.

REGULAR AGENDA

- (d) Conditionally approving a Major Phase application for the new Salesforce.com corporate headquarters in Mission Bay (Blocks 26 – 34) pursuant to the Owner Participation Agreement with FOCIL-MB, granting a variance to the view corridor standards contained in the Mission Bay South Design for Development to accommodate one pedestrian bridge for Blocks 29-32, and adopting environmental findings pursuant to the California Environmental Quality Act; Mission Bay South Redevelopment Area. (Resolution No. 97-2011)

Presenters: Kelly Kahn, Agency Staff; Ford Fish, Director of Campus Development, Salesforce; Victor Legorreta, Legorreta Architects

Speakers: Oscar James, Corinne Woods, Dan Deibel, Mark Dickey, William Jue, William Znou, Espanola Jackson

Commissioner Bustos stated that he was very happy that the design is more refined and looks better and better every time Salesforce comes before the Agency. Mr. Bustos reiterated to Mr. Fish the importance of local hiring and getting jobs to San Franciscans since this project is on San Francisco property using San Francisco resources so he felt it was only fair that San Franciscans get jobs. Mr. Bustos stated that they had a point of 50% which means there is another 50% for other people. He commended them for reaching out to work with Mission Hiring Hall (MHH). Mr. Bustos asked Mr. Fish to take into consideration Mr. James' idea of working with Young Community Developers (YCD) and asked Mr. Fish if they had been in communication with them.

Mr. Fish responded that they had only been in touch with MHH as that was the agency that was in the lead on this, but stated that if YCD is a part of MHH, then they would be happy to work with them.

Commissioner Bustos stated that he was very happy to hear that because this is a long-term project and that Salesforce knows what type of jobs they will need in the future and who they will need to hire beyond the goal of 9,000 people. Mr. Bustos suggested that they identify those jobs now, so they can go into the community schools of the Mission, Hunters Point, and Bayview and tell the young people that there is an opportunity that exists in their own backyard to apply for those jobs. Mr. Bustos added that this would mean so much to the communities as well as to Salesforce.

Mr. Fish responded that he would be happy to do that and to have more outreach in that area. He indicated that their intern program exists and that many intern positions have been identified but what they need is help from the Agency to identify the local schools to contact in order to implement the intern program. Mr. Fish indicated that he would love to go out personally and talk to the kids in the schools. Mr. Fish stated that he would welcome that opportunity, growing up in San Francisco, and attending grammar school and high school here.

Commissioner Bustos indicated that he was very happy that Salesforce is willing to work with local residents and artists, local people who would be very happy to help beautify the Salesforce campus. Mr. Bustos indicated that the community leaders at the meeting, specifically Ms. Jackson and Mr. James, could help Salesforce identify many of the artists they should contact.

Mr. Fish responded that he welcomed those leads.

Commissioner Bustos directed a comment to Mr. Dickey that he liked what Salesforce does, in comparison to Levi's, such as hold a community day where employees are encouraged to go out into the community. Mr. Bustos stated that there is a rich history of giving by the Levi's company and by the family and that he would love to talk to Salesforce about doing the same for San Francisco. Mr. Bustos indicated that San Francisco companies have a long tradition of being philanthropic toward local communities. He stated that Levi's average giving amount is about 2½ -3% with a target of 5% and suggested that Salesforce start off at a little bit more than 1% and that he would be happy to share with Salesforce how they go about their philanthropy toward the community. Mr. Bustos stated that he was delighted that the company was here and that he would be honored to move this item and thanked the staff for the work they had done on this project.

Commissioner Singh stated that he very much liked the color coordination of the buildings and said that he had not seen anything like it before. Mr. Singh inquired as to how many people will be working during construction.

Mr. Fish responded that they had hired Libby Siebel Consulting for economic analysis and they figured that 7,000 people would need to be hired over the course of construction.

Commissioner Singh asked how long it would take to complete the job.

Mr. Fish responded that they anticipate starting late next year and that it would take 3-4 years.

Commissioner Singh inquired if there would be minorities working too.

Mr. Fish responded that yes there would be and that was the whole point of workforce hiring.

Commissioner Singh inquired as to what percent would consist of minorities.

Mr. Fish responded that right now they have 52% on the design staff against a target of 38%; the target for the workforce hiring, which is the construction, is at 41% for diversity and 50% for local hiring. Mr. Fish indicated that they intend to attack that just as aggressively as they did for the design team, where they

exceeded goal. He stated that is why they are working right now with MHH and talking about the intern program with the Agency.

Commissioner Singh inquired about the plaza and meeting places for the public and for the employees also.

Mr. Fish responded that they have a large town square which is open for everyone.

Commissioner Singh inquired whether you have to reserve that place if you want to use it.

Mr. Fish responded that no reservation was needed and everybody was welcome. Mr. Fish indicated that there will be many restaurants.

Commissioner Singh indicated that he saw that they will have yoga classes and that he is from India and was very interested to see how they do that. Mr. Singh seconded Mr. Bustos' motion.

Commissioner Covington stated that she agreed with the statements of her fellow commissioners, that the design was very attractive, and appreciated that the architect and the team incorporated the ideas presented from the previous meeting. Ms. Covington stated that she heard Mr. Fish say that if YCD was a part of MHH, then he would be happy to work with them. Ms. Covington stated that to the Agency, YCD is not only part of the MHH but they are of equal weight, both being non-profit organizations that concentrate on helping people develop their job readiness skills and that it was very important to her that Salesforce treat YCD as an equal to MHH. Ms. Covington stated that both MHH and YCD have done great works which the Agency strongly supports, but the difference is that YCD is located in the area where people need the greatest assistance and focus in terms of job-readiness. Ms. Covington stated that she hoped that they would come back with a plan to demonstrate how they will incorporate YCD into the project.

Director Blackwell indicated that he wanted to respond to some of the comments made so far. He stated that he wanted to reiterate the way the job-readiness program works and the framework for workforce development. They have separated the workforce development system into two components—one is placement and the other is soft skill and job readiness piece. In the northeast part of the city (in which Mission Bay is included, MHH is the job placement organization which they have selected through their process and in the southeast part of the city, it is CityBuild. Both organizations on the job-readiness and outreach side are working with a number of organizations. On the job-readiness and outreach side in the southeast part of the city, there is YCD, the Conservation Corp, and Goodwill; up until this year, they had Anders and Anders and that covered Bay View and Visitation Valley. It is the Agency's expectation and MHH's goal to replicate that same kind of relationship in the northeast part of the city. While MHH is the placement organization and while it is important to be able to deliver to Salesforce one kind of placement entity for them to work with,

the reality is that they will be working with YCD, Conservation Corps, and Goodwill and with the other groups in the southeastern part of the city to get into the placement queue. Mr. Blackwell wanted to clarify that just because MHH has been named the designated placement entity, this will not cut out other organizations that the Agency is also working with.

Commissioner Covington stated that she would like to see a plan of coordination and associated with that: outcomes. How many people do they anticipate to be ready for construction, office, childcare, security or whatever kinds of jobs out of the proposed 9,000 future employees? What is the timeline for getting people job-ready? This is very important. Ms. Covington stated that she has gone to a number of mayoral forums and there is one candidate who consistently states that workforce is not working because there is no coordination. It is on other people's minds as well and one of those people may be the next mayor. Ms. Covington stated that this is an incredible opportunity for the city overall and shall not be wasted so that people must be gotten ready for work and get them into jobs that lead to careers and do what is necessary to lift up everyone in the city. Ms. Covington inquired as to when that plan might be forthcoming.

Ms. Kahn responded that Salesforce will be back repeatedly with a schematic design at the end of the year, and that might be an appropriate time to present the plan which could be part of the presentation.

Commissioner Covington thanked Ms. Kahn for that response. Ms. Covington stated that she saw that what they are voting on this evening includes underground facilities, with the exception of underground garages, loading docks, service areas and corridors and asked if that was the only addition to this resolution.

Ms. Kahn responded that this was the only change because the language was very broad and that they had found it very desirable to have underground parking and loading zones because it gets those uses out of the pedestrian realm at the ground floor. Ms. Kahn indicated that what they did not want to do is to have to use tunnels for pedestrian use by people who would otherwise be on the sidewalks.

Commissioner Covington inquired about how many parking spaces there would be.

Ms. Kahn responded 2,200.

Commissioner Covington asked about the pedestrian bridge and that on page 21, there were two bridge schematics. While the lead architect did demonstrate the schematics, Ms. Covington wanted to know which bridge was being considered, because they are very different in design and inquired why one would be considered over the other.

Ms. Kahn indicated that currently there is no schematic design for the bridge but just a conceptual design to give the spirit of the bridge. When the schematic design comes before the Agency for the two buildings that the bridge would be

connecting, then there will be a schematic design for the bridge. Ms. Kahn indicated that the design team still has work to do on that design and what the Agency is currently looking at is not intended to represent the bridge proposal.

Mr. Legorreta added that they wanted to show some image of the bridge but they will probably have more for the commissioners at the next meeting. He stated that the bridge will be transparent and you will be able to see the people inside from the outside.

Commissioner Covington inquired as to whether the cylindrical or the square idea is preferred.

Mr. Legorreta responded that they had not made that decision yet.

Commissioner Covington inquired what the distance was between the two buildings.

Mr. Legorreta responded between 40-45 feet.

Commissioner Covington inquired as to whether it would be illuminated at night.

Mr. Legorreta responded yes and that it would be placed on the fourth floor so that it will not block the view or the landscaping.

Commissioner Covington asked Mr. Dickey (Salesforce.com Foundation) what the mission of the Foundation is.

Mr. Dickey responded that the mission is to take that 111 model and to work not only with the employees of the company in terms of their philanthropic efforts both in terms of donated hours and financially as well and also to take some of the core assets of the company such as technology and make it available to non-profits on a global basis and to work with them to help them achieve their mission more effectively and efficiently.

Commissioner Covington inquired as to whether employees suggest community-based organizations for funding or how it is that they select their grantees.

Mr. Dickey responded that the grants themselves are really in the form of technology grants and have an open application process that happens once a year. He stated that regarding the financial support of the employees, much of that focuses on matching grant programs so the Foundation will match a certain amount a year for employees for whatever non-profit they choose to support. In the case of dire circumstances, like disaster relief, Mr. Dickey stated that they will match as well as make financial grants as relief efforts.

Commissioner Covington indicated that a number of the young people talked about the biz academy, and stated that she understood that there is a one-week overview of business and then follow-up internships.

Mr. Dickey responded that the kids are assembled in teams and build a business model which they then present to various people not only in the venture capital community but people that play venture capitalists to pitch their business model and then the kids are given the opportunity to go ahead and get response directly back from them on the business model and things they need to consider. As an output of that program, that is the beginning of a relationship with the company and then they apply for internships as they become available. Mr. Dickey indicated that all four of the young people present at the meeting were members of that program.

Commissioner Covington stated that she met them before the start of the meeting and was very impressed by them. Commissioner Covington inquired as to whether they are summer internships. She stated that she asked because in the Bayview there are many students who go to college elsewhere and then come home for the summer, she would like to see some linkage between Salesforce internships and the college students coming from other parts of the country.

Mr. Dickey responded that the internships are actually both summer and during the year.

Commissioner Covington inquired as to whether the Foundation has come up with anything that links, either on paper or in conversations, collaboration in the southeastern part of the city with what people's needs are there with this burgeoning project that Salesforce has and inquired whether there is any cross-pollination or if anything like that has begun.

Mr. Dickey responded the affirmative and stated that they are working on a new program called the "Good Neighbor" program which will specifically address what Commissioner Covington just described in the community. There currently are a variety of assessments going on as to what that would look like, who Salesforce would engage with, etc., but it is in the very early stages and will be in a position to talk more about that program by next spring.

Commissioner Covington stated that she thought it was a fabulous project, is going to be a wonderful addition to the city and that she supported it.

Commissioner King congratulated Salesforce for coming through with a different perspective and bringing their team together and said that he appreciated that. Mr. King stated that they talked about Levi Strauss many years ago when Mr. King was on the Commission and they put that together. He stated that if they follow that program, they will get things done. Mr. King thanked them for coming through and bringing the whole team because during their last presentation he thought they were a little shaky but now working with YCD and MHH he believed they were on their way and they have a year or so to work this project through. The city needs the work and he thanked them very much.

Commissioner Anaya thanked the community advisory committee and the community who came to speak throughout these meetings. She stated that this project would not have been possible without their support. Ms. Anaya also congratulated the lead architect, Mr. Legorreta, on the wonderful design which blends so well with San Francisco. Ms. Anaya stated she looked forward to seeing this. Ms. Anaya wanted to speak more about workforce development and jobs, which is extremely important to the city's underserved communities. She was very happy to hear that the personnel working with Salesforce is very happy with the results of the association between them. Ms. Anaya asked that the agreement between MHH and YCD be part of the contract, the document that is being signed and she inquired if they needed a motion for that or if it is automatic but she wanted to put that on the table. Ms. Anaya also wanted to inquire whether supplier diversity has been considered or can be considered in the future because they have found that that is another way that they can create jobs and contracts and wanted them to address that. She thanked the staff and the work that the community has done to this point and thanked Salesforce and the Foundation in believing and working so hard to bring something very real and appropriate for everyone in San Francisco, but especially that it will help the underserved communities.

Commissioner Singh stated that he forgot to mention Don Marcos and the MHH. He stated that he agreed that they are the best and that Salesforce is lucky to have them.

President Swig stated that it was obvious that the Commission was very excited about this project and had a couple of comments to add. Mr. Swig stated that he noticed a great emphasis on the retail make-up, which was a key component. Mr. Swig inquired as to what type of retail it would be.

Ms. Kahn responded that the plan includes a diversity of retail users and that they are looking at ways to make sure that the campus is activated from the morning into the evening, particularly the town square, so it would be small restaurants, small retail, and art galleries as well, but is still very much in development.

President Swig inquired whether they are looking at a true town square environment where there are not just coffee houses and sundry shops but inclusive clothing stores and other stores that one would find in a town square.

Ms. Kahn responded that there would probably be an emphasis on eateries that keep the space open at night; however, the retail will be designed in a very flexible way so Salesforce can be very nimble to the kind of users that want the space and what the market is driving and over time, as the population increases, they may see the demand for the retail change a little. But for now, Ms. Kahn stated that they were focused on mostly cafes and restaurants and services.

President Swig inquired about the size of the town square.

Ms. Kahn responded that it was one acre.

President Swig inquired what that was in square feet.

Ms. Kahn responded 43,560 square feet.

President Swig stated that is was like the size of three gigantic grocery stores.

Ms. Kahn stated that it would be the size of one gigantic grocery store.

President Swig compared it to the size of the Costco store down on 10th, which was about 100,000 sq. feet.

Ms. Kahn said it would be smaller than that.

President Swig inquired about the 2,200 parking spaces but he said that they had to look to the north and that Lot A has not been proposed to anybody yet but Lot A will have 2,000-3,000 parking spaces.

Ms. Kahn responded that it would not be serving this project. This project will create its own parking garage.

President Swig stated that they cannot be in denial that a block away that other thing exists. He stated that he considered that a plus, not a negative. He stated that sometimes we put on blinders and we do not look to the south but should not be myopic about what else is in the neighborhood. Mr. Swig thanked Mr. Legorreta and Mr. Fish as well as Salesforce Chairman Benninghoff for what he considered this to be a gift to the city. He stated that the Agency has seen countless companies bail on the city and used as an example the Bank of America, which he calls the Bank of Charlotte, which left them in the lurch; Chevron left them in the lurch; PacBell and AT&T left them in the lurch. He stated that this has to be recognized as a true corporate donation to San Francisco because they could have gone south or east somewhere else but they chose to stay in San Francisco. It is a huge commitment and the jobs that will be created as well as the company staying in San Francisco needs to be recognized and he thanked their leadership for making that decision. Salesforce is community-driven company, the one plus one plus one, and their commitment to the community is fantastic. On the issue of workforce development—Don Marcos and MHH is clearly a leader in that area but again the Agency's focus is heavily to the south and very concerned with the Bayview Hunters Point community and the southeastern corner which always seems to get left behind. Mr. Swig stated that the southeastern corner will have a wonderful opportunity when that gets to be developed in about 2020 or 2025, but this will be built long before that and that this is great opportunity to embrace that community and bring them into the fold, get people in that community trained and oriented toward white collar as well as blue collar jobs so that they can return to their community and support it well-trained and improve the overall work culture of that community when that area of activity blossoms there in about 10 or 15 years. Mr. Swig stated that that is the orientation and they would like to see a plan. He indicated that it does not have to be mandated that YCD and MHH be included and they will leave it to the staff because that is their job. Mr. Swig

indicated that he is sure that in that plan this will be a strong consideration by staff and Salesforce in the overall planning of this project but today the Agency is focused to the south and Bayview Hunters Point and want to bring them into the fold and embrace them.

President Swig stated that he had attended part of the dream force convention that was here two weeks ago and had the opportunity of getting informed about Salesforce.com and what they do and what they do is fascinating. Mr. Swig stated that the existence of this company in our city is going to keep San Francisco on the leading edge as a technology leader for many years. Their contribution was obvious by the 45,000 people who attended the convention here. Not only did 45,000 people attend but another 20,000-25,000 hotel rooms were occupied. As a result, Local 2 was occupied with housekeepers, food and beverage, front desk, truckers, stage hands, keeping everybody in the city employed for a five-day period. He stated that they are coming back next September to do it again and Mr. Swig stated that he would love for Salesforce to sign a 20-year commitment to be in San Francisco with that convention. The contribution is already there, the jobs are already there and what they do in their professional world is amazing. He thanked them and looked forward to more detailed building by building activities. Mr. Swig indicated that this was a revised motion passes unanimously.

ADOPTION: IT WAS MOVED BY COMMISSIONER BUSTOS, SECONDED BY COMMISSIONER SINGH, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 97-2011, CONDITIONALLY APPROVING A MAJOR PHASE APPLICATION FOR THE NEW SALESFORCE.COM CORPORATE HEADQUARTERS IN MISSION BAY (BLOCKS 26 – 34) PURSUANT TO THE OWNER PARTICIPATION AGREEMENT WITH FOCIL-MB, GRANTING A VARIANCE TO THE VIEW CORRIDOR STANDARDS CONTAINED IN THE MISSION BAY SOUTH DESIGN FOR DEVELOPMENT TO ACCOMMODATE ONE PEDESTRIAN BRIDGE FOR BLOCKS 29-32, AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; MISSION BAY SOUTH REDEVELOPMENT AREA, BE ADOPTED.

- (e) Authorizing a First Amendment to the Personal Services Contract with Treadwell & Rollo, a Langan Company, a New Jersey corporation, for the period covering September 20, 2011 through December 19, 2012, to increase the contract amount by \$1,251,620 for a total aggregate amount not to exceed \$2,701,880, for technical environmental review services in connection with; (1) the Phase 1 Development at the Hunters Point Shipyard and (2) the transfer of property at the Hunters Point Shipyard from the United States Department of the Navy to the Agency; Hunters Point Shipyard Redevelopment Project Area. (Resolution No. 98-2011)

Presenter: Thor Kaslofsky, Agency Staff

Speakers: Oscar James, Espanola Jackson

Commissioner Singh asked Mr. Kaslofsky what he thought about the speakers' comments.

Mr. Kaslofsky stated that they were aware of the situation at Hunters Point and that the speakers' testimony here was consistent with what they had heard before. The Navy, who is conducting the remediation and the EPA has heard this before and taking this under advisement as they propose for E2, which is the hearing happening tonight, and taking all the information under consideration. Mr. Kaslofsky stated that they always try to push for the community viewpoint as well. They have had many public meetings about this and he testified earlier that they presented this to the CAC and has briefed the CAC frequently. The Environmental subcommittee which meets on a monthly basis as well as Amy Brownell from the Health Department has also been out to the site often. These kinds of questions get asked by the community and Mr. Kaslofsky stated that they are in support of responding to those questions frequently.

Commissioner Covington inquired about official policy of the Agency and directed her question to Director Blackwell. She inquired as whether the Agency has a statement in support of cap or no cap.

Director Blackwell responded they do not have a statement in support of cap or no cap at this point. He stated that what they have is reliance on the EPA and the other regulatory agencies and the Agency will not be able to accept any of the parcels without the proper regulatory sign-off. For some portions of this what is being said is that the remedy could be a cap but they are not there yet because they have not gotten to the point where that has been signed off. But it is being considered and will be one of the important issues for everyone to weigh in on as they get to that part of the process.

Commissioner Covington stated that it was pretty clear that in order to get to the next step in development they need to clear this hurdle and pass this particular resolution for additional funds. Ms. Covington stated that this is an ongoing conversation and she is happy to say that her phones have been relatively quiet as concerns exceedances, etc. regarding the shipyard and she felt they had stabilized procedures and hopefully much communication is going on between all the groups involved. Ms. Covington stated that she agreed with the speakers who are asking why this is taking so long and did not want the Agency to stand in the way of the paperwork and research that has to be conducted so that they can move along. She reiterated that the dialogue needs to be kept open about safety standards and level of clean-up. Ms. Covington put forth a motion to move the item.

Commissioner Singh seconded Ms. Covington's motion.

President Swig stated that he agreed with Commissioner Covington. He stated that this Agency is about policy and as the Executive Director stated, at a later point, they will listen to the EPA and other government agencies and get some

direction from them. Mr. Swig stated that they had conversations about this a long time ago, well before they went before the EIR process and he believed that at that time he suggested and requested that they have regular briefings on this situation, and he commended Amy Brownell for her dedication to and knowledge about the project, because at some point the Agency will have to make a policy statement on cap or no cap or about other things that will surface. Mr. Swig requested that the Executive Director put on the calendar for the future to get updated briefings on the issues and a reminder so they can re-educate themselves on the subject of Superfund vs. not Superfund, the toxins that exist out there, the process that the Navy is going through now that they are out of the logjam from the lawsuit and can move forward on this subject. Mr. Swig stated that it has been a long time and there are three new Commissioners since that discussion and this will be a good opportunity to get rebriefed and get the Agency up to speed and acknowledge that eventually they will have to set up some policies and provide some feedback. Mr. Swig asked Mr. Kaslofsky to make that happen in 8-12 weeks from now. Mr. Swig also agreed with Commissioner Covington that this has taken too long but he would like the Executive Director to provide an update on the litigation solution which was rendered recently.

Mr. Blackwell responded that what happened in the courts is that the lawsuit was one that challenged the validity of the environmental review process and the EIR for Phase 2. He stated that basically what the court said in laymen terms is that the EIR actually does cover implementation of the project with the exception of the issue of early transfer and that would require additional environmental review.

President Swig acknowledged that the project will get moving again and they will have to focus more on that issue.

Director Blackwell concurred.

ADOPTION: IT WAS MOVED BY COMMISSIONER COVINGTON, SECONDED BY COMMISSIONER SINGH, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 98-2011, AUTHORIZING A FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH TREADWELL & ROLLO, A LANGAN COMPANY, A NEW JERSEY CORPORATION, FOR THE PERIOD COVERING SEPTEMBER 20, 2011 THROUGH DECEMBER 19, 2012, TO INCREASE THE CONTRACT AMOUNT BY \$1,251,620 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$2,701,880, FOR TECHNICAL ENVIRONMENTAL REVIEW SERVICES IN CONNECTION WITH; (1) THE PHASE 1 DEVELOPMENT AT THE HUNTERS POINT SHIPYARD AND (2) THE TRANSFER OF PROPERTY AT THE HUNTERS POINT SHIPYARD FROM THE UNITED STATES DEPARTMENT OF THE NAVY TO THE AGENCY; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- (f) Conditionally Authorizing Reimbursements to the City and County of San Francisco for Its Payment of the Community Remittance in an Amount Not to Exceed \$24,445,279 for Fiscal Year 2011-2012 and Other Amounts in Subsequent Fiscal Years, as Required under the Alternative Voluntary Redevelopment Program Established by AB 27 (Part 1.9 of the Community Redevelopment Law), Subject to a State Supreme Court Decision Upholding The Constitutionality Of AB 27. (Resolution No. 99-2011)

Presenter: Jim Morales, Agency General Counsel

Commissioner Singh inquired as to what would happen if the California Redevelopment Agency (CRA) were to win this case.

General Counsel Morales responded that the CRA has challenged both laws, both the dissolution law and the law allowing for the Voluntary Redevelopment Program. If the California Supreme Court (CSC) rules in favor of all claims made by the CRA, then in essence the Agency will be returned to the state that they were in last June before the laws were passed and they will have the full authority under the Community Redevelopment Law and there will be no requirement for a payment in order to survive. However, it is likely that there will be a legislative response to that decision, but it is speculative now. The Agency would be returned to their full authority as they had it before June 29, 2011.

Commissioner Singh asked if they get the money back if they win.

General Counsel Morales responded that the Agency will not make any payment until the CSC decides this and says they have to, so they will not have to consider that option until then and that is why this is conditional.

Commissioner Singh put forth a motion to move this item.

Commissioner Anaya seconded Mr. Singh's motion.

ADOPTION: IT WAS MOVED BY COMMISSIONER SINGH, SECONDED BY COMMISSIONER ANAYA, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 99-2011, CONDITIONALLY AUTHORIZING REIMBURSEMENTS TO THE CITY AND COUNTY OF SAN FRANCISCO FOR ITS PAYMENT OF THE COMMUNITY REMITTANCE IN AN AMOUNT NOT TO EXCEED \$24,445,279 FOR FISCAL YEAR 2011-2012 AND OTHER AMOUNTS IN SUBSEQUENT FISCAL YEARS, AS REQUIRED UNDER THE ALTERNATIVE VOLUNTARY REDEVELOPMENT PROGRAM ESTABLISHED BY AB 27 (PART 1.9 OF THE COMMUNITY REDEVELOPMENT LAW), SUBJECT TO A STATE SUPREME COURT DECISION UPHOLDING THE CONSTITUTIONALITY OF AB 27, BE ADOPTED.

- (g) Adopting a First Amended Enforceable Obligation Payment Schedule pursuant to Community Redevelopment Law Section 34169(g), as required by AB26. (Resolution No. 100-2011)

Presenter: Amy Neches, Agency Staff

Commissioner Bustos thanked Amy for putting this together and put forth a motion to move the item.

Commissioner Singh seconded Mr. Bustos' motion.

President Swig commented that hopefully the CSC will find something in the Agency's favor or disfavor and they all will not have to go through this for long. He commended Amy on all her hard work on this item.

ADOPTION: IT WAS MOVED BY COMMISSIONER BUSTOS, SECONDED BY COMMISSIONER SINGH, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 100-2011, ADOPTING A FIRST AMENDED ENFORCEABLE OBLIGATION PAYMENT SCHEDULE PURSUANT TO COMMUNITY REDEVELOPMENT LAW SECTION 34169(G), AS REQUIRED BY AB 26, BE ADOPTED.

5. **MATTERS NOT APPEARING ON AGENDA:** None
6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS.**

Speaker: Oscar James

7. **REPORT OF THE PRESIDENT:**

President Swig stated that he would like to adjourn later in honor of Eloise Westbrook and asked Mr. King when he calls for adjournment to please call it in her honor. Ms. Westbrook passed away on September 13 and Mr. Swig read the press release that stated that, "she was a long-time advocate for the poor and a founding board member of the South of Market Health Center". Mr. Swig stated that this was probably the greatest understatement of any press release ever because to describe Ms. Westbrook would take a couple of Commission meetings worth of time to describe her dedication and her giving to the community. She will be remembered for her personality, her political will and her strong way of getting things done on behalf of her community and she will be missed. As Mr. James indicated, her funeral will be held at 10:00am at the Cornerstone Baptist Church and Mr. Swig expressed condolences on behalf of the Agency to her family and the community that she served. The family indicated that in lieu of flowers that donations be considered for the Eloise Westbrook scholarship fund, which can be delivered care of the South of Market Health Center at 229 Seventh Street.

President Swig stated that there has been a gap in communication because the Agency had not been together for over a month and that his life was turned upside down for the lack of activity that the void created. On a happier note he announced that \$30,500,000 had been provided by HUD to the Alice Griffith Housing neighborhood which was an uplifting and joyous occasion and Mr. Swig expressed the Agency's appreciation to HUD and to those in the federal government who support the notion of this grant, to Agency staff and the community who never gave up and continued to push, and the result is this grant which is the best money that can be spent in this city at this time. Mr. Swig congratulated the residents of Alice Griffith and stated that this is just one more step forward to giving them a brand new home.

Next President Swig indicated that they had the opportunity of attending the Turk/Eddy grand opening on September 14th, which was the result of rescuing 82 units of low-income housing which could have become market-rate housing and where those 82 residents living in the two buildings at 165 Turk and 249 Eddy will be able to continue to live in housing that is affordable. Mr. Swig indicated that the buildings have been beautifully refurbished in a tough neighborhood but are truly beacons of light and congratulated staff and all the participants who made this housing project a reality. Mr. Swig described this as another uplifting event which brings everyone to the point of scratching their heads and wondering why would anyone want to eliminate redevelopment because if one looks at Alice Griffith and Turk & Eddy and the other projects that they get involved in, without the Agency, the staff and the joint venture with the community and all the CAC's and all the people that live in those communities, these types of events would not happen. Mr. Swig stated that it is a constant question as to why the Agency should be at risk.

President Swig sadly announced that Executive Director Blackwell will be departing and moving across the bay to the "other" city and stated that this was quite a loss for the Agency and for the city. Mr. Swig indicated that Mr. Blackwell will be taking on the position of Assistant City Administrator for Oakland which means that he will be running all the departments for the City of Oakland. Mr. Swig stated that this is a great opportunity for someone who grew up in Oakland and is proud of his hometown as those who grew up in San Francisco are proud of their hometown, and that there was not a better person to accomplish that than Fred Blackwell. He also stated that it was tragic for the Agency and he will be missed tremendously and congratulated him and wished all the best as well as to tell Oakland that it is their dream come true. Mr. Swig requested that Director Blackwell inform the Agency what happens next in terms of succession and elaborate on that in his report. Mr. Swig indicated that this meeting was his last with the Agency because he leaves on October 14 and the next Agency meeting will be October 20. Mr. Swig indicated that Mr. Blackwell will be invited back and thanked him for all his contributions to the Agency and the city.

8. REPORT OF THE EXECUTIVE DIRECTOR:

Director Blackwell thanked President Swig for his kind words and indicated that he wanted to provide an update on Hunters View to give a sense of where they are there. On a number of occasions the Commission has asked for frequent updates and he wanted to provide the numbers. As of September 16, there have been a little more than 23,000 construction work hours reported through the elation system; of those 34.6% were completed by Hunters View residents, 6% completed by residents of the 94124 area, 26.4% completed by other San Francisco residents which adds up to 67% of the total work hours so far being completed by San Francisco residents. To add some color to that literally, 44.6% of the construction work hours were completed by African Americans and 12.2% completed by women. Mr. Blackwell indicated that there is a very thorough review of these numbers through the requirement of verification of residency through government-issued identification and in addition to that, the Agency checks with the Housing Authority to make sure that people are either on lease at Hunters View or on lease within Housing Authority Development. They also ask for verification if the government-issued identification is not in place through utility bills, etc. So there is no doubt that some people may have made it through the cracks somehow, but it can be stated with confidence that these numbers are pretty accurate. Mr. Blackwell stated that these are outstanding numbers and wanted to acknowledge Christina Garcia and her staff who have been working very hard at Hunters View to achieve those numbers as well as the CBO's working in Hunters View and CityBuild. Mr. Blackwell indicated that they have not been easy numbers to obtain and will not be easy to maintain throughout this development particularly as they move from the horizontal phase of development into the vertical phase which will require more highly skilled workers. Mr. Blackwell stated that they are very happy with these numbers even though there seems to be conflict within the community around local hire numbers.

Mr. Blackwell indicated that General Counsel Morales gave a very good summary about where things stand in the courts related to AB 26 and AB 27 and the likely next steps. Mr. Blackwell provided one additional update which was that, a few weeks ago the California League of Cities (CLC) and the CRA asked the courts for modification of the stay that was granted when the CSC decided to take the case. As Mr. Morales indicated, the courts said that there was a partial stay granted for AB 26 and 27, with the exception being that the provision in AB 26, which called for the suspension of activities within redevelopment agencies, which did not allow for the assumption of new debt or to take on new obligations, was kept in place. That created many question marks in the redevelopment field because people wanted to know if they had adopted continuation ordinances already and were back to operating back to the way they had been operating prior to June, would they be in this suspended state. Mr. Blackwell also indicated that there had been questions about if the Agency were to adopt continuation ordinances from now to January, whether they would have the suspension lifted as well. The CLC and the CRA asked the courts for clarification on this issue. Mr. Blackwell reported that last week the courts denied that motion which means that if jurisdictions adopted the continuation ordinances, they are still suspended and if you were to adopt the

continuation ordinance between now and January, you would still be in a suspended state until the courts render a decision around this case in mid-January.

Regarding his departure, Mr. Blackwell stated that his last day will be October 14 and he is currently in discussions with the Mayor's Office to talk about succession planning. Mr. Blackwell reiterated that choosing an acting or interim director is the Commission's decision and that this issue should be taken up during the October 20 meeting, if not before, in order to make that decision. Mr. Blackwell indicated that it will be difficult to fill this position on a permanent basis until a) there is an election in November and b) the dust settles on the lawsuit which will not be until January. However, Mr. Blackwell felt that there will be more discussions on his succession in the coming weeks but he did not have any more information than that at this time.

9. COMMISSIONERS' QUESTIONS AND MATTERS:

- Commissioner Singh stated that he was shocked when he heard about Mr. Blackwell's leaving the Agency but wished him the best and asked him to please stop by from time to time so they can keep in touch.
 - Mr. Blackwell responded that he had plenty to say in terms of thanking the Agency for all the opportunities that the Agency has provided him and he indicated that there will be, at a future commission meeting, some type of resolution which he was reserving the right to say more then.
- Commissioner Covington stated that she will reserve her comments as well because she has much to say but in short she congratulated Mr. Blackwell and stated how much they will all miss him and that he had done a fabulous job. Ms. Covington proposed that they have a meeting on October 4th. Ms. Covington indicated that the once-a-month meetings are good for responding to what staff presents but since they are supposed to be the policy-making body and there are still many things that fall under their responsibility such as continuing the conversation about workforce and local hire; the Agency should continue working in all areas with respect to that. Also regarding their affordable below-market ownership portfolio, Ms. Covington indicated that this is a challenging market and they have a number of homes that are for sale and as an Agency they need to weigh in on next steps as far as getting these homes sold and getting owners into them. Ms. Covington added that there are always things to discuss regarding the shipyard and updates on what is going on and next steps in that issue. Ms. Covington stated that for the Agency to remain silent is almost like acquiescing that they are no longer there and/or anticipating not being there. If there is no second meeting every month, Ms. Covington recommended that they still use their time with KPOO because they are on a twice-monthly schedule of payment for two meetings a month and perhaps principals in the Agency can still go in at 4:00pm and have a call-in show or talk about all the things that are still going on with redevelopment. Ms.

Covington stated that in times like these, in terms of marketing and public awareness, you do not sit back and be quiet, but rather they should be more vocal about what they are doing, what their accomplishments are and keeping people up to date. Ms. Covington added that because their Executive Director has tendered his resignation, it is imperative that they have a meeting on the first Tuesday in October so they can start formulating a succession plan and appoint an acting and interim director so there is no downtime and no lag in leadership. Ms. Covington felt that they owed that to their employees who work very diligently and to themselves as a Commission. Ms. Covington indicated that when Mr. Blackwell came on board, she was President of the Commission and, he could attest, that it was about a 20-hour a week job for the president to simply help him get started. The job of Executive Director is not an easy job because there are so many things in the Agency portfolio. Ms. Covington added that as part of their responsibility, the Agency needs to decide who the Acting and Interim Director will be and it should be done sooner rather than later.

- Commissioner Anaya stated when she served on the school board; Ms. Westbrook was very active with the schools and with all children and also throughout the years on the Mission Coalition. Ms. Westbrook was also active with the community and when Ms. Anaya ran for office, Ms. Westbrook was one of her big supporters. Ms. Anaya wanted to publicly acknowledge the involvement of Ms. Westbrook not only in her community but throughout the city. Ms. Anaya echoed all the comments and words of President Swig regarding Mr. Blackwell and stated how much they will miss him but also stated that it is a matter of celebration for the Agency that Mr. Blackwell will be able to do the work on the job that he has always wanted. Ms. Anaya expressed her congratulations to Mr. Blackwell and said they look forward to continue working with him. Ms. Anaya had a question of clarification regarding their agreement with Salesforce. Ms. Anaya had requested that they get in the agreement or contract with Salesforce that the CBO's will be doing the referral work and wanted to know if that was necessary or not.
 - President Swig responded that he had suggested that they come back with a plan and that staff had recommended a direction and felt they should honor staff's direction at least until they hear the plan and they all had a common view that the southeast section of the city should be involved and that one of the CBO's there should be heavily involved. Mr. Swig recommended that they wait to see what their plan will reveal in terms of the Agency's request and if stronger action is necessary after that, then the Agency can take that action at that time.
- Commissioner Anaya clarified that she was not questioning the plan but was requesting that the names of the agencies be part of the contract and agreement since the futures of Mr. Fish and Mr. Dickey are unknown and whether what the Agency believes they need for their communities in terms

of jobs and workforce development will be honored. Ms. Anaya stated that it is fine that they wait until they come back with their report.

- President Swig responded that the report will come from staff and not from Mr. Fish or Mr. Dickey so the responsible party within the Agency will be held accountable for honoring the Agency's wishes in that regard.
 - Mr. Blackwell added that the rules for development in Mission Bay are similar to the way it is with the shipyard and are laid out in the Redevelopment Plan and in the Owner Participation Agreement with the Master Developer. He indicated that what is unique about Mission Bay and the shipyard is that these are master developer deals and in the shipyard specifically, the contracting goals and the workforce development rules are in the LPA and on the workforce development side, the agreement states that first source is the policy that sets out the rules around workforce development. That being said, as the Agency heard today, Mr. Blackwell stated that Salesforce has already been expressing willingness and interest to go above and beyond what the city's policy is and it is the Agency's full intent to memorialize those enhanced agreements in some way and when they do that, they will include in it the designation of who they will be working with so the Agency will see that the next time it is brought up.
- Commissioner Anaya thanked Mr. Blackwell for that clarification.
- Commissioner King stated that he agreed with Commissioner Covington that they should have two meetings a month to keep going although they don't know where they are headed but they still have the authority. Mr. King stated that although he did not want to see Mr. Blackwell leave, he told him that he had to take care of his family and get some security for himself and that Oakland is the place where it is going on. Mr. King reminded Mr. Blackwell that half of his family lives in Oakland so he would be checking on him because his headquarters is in Oakland. Mr. King mentioned that Eloise Westbrook was quite a lady and that redevelopment would not be here if it wasn't for Ms. Westbrook. He recalled that there were five women from Hunters Point who went with Joe Alioto back to Washington to develop and bring the Redevelopment Plan to San Francisco and Ms. Westbrook was one of them. He remembered her as a lady who knew how to use her words and was a wonderful person. Mr. King stated that he had seen Ms. Westbrook a month earlier out on O'Farrell Street still working for the community. Mr. King remembered when Ms. Westbrook had to leave Hunters Point because she could no longer climb the steps and moved to O'Farrell Street, he saw her in the hospital and they had to move her on a stretcher; she always said that she was going back to her area but she never

did make it back. She was a strong lady and knew how to use some choice words with people. Mr. King also agreed with Commissioner Covington about keeping things going with the Agency because they could very well be there for a number of years. Mr. King asked Mr. Blackwell if this was his last meeting.

- President Swig responded that now it won't be because they are having a meeting on October 4th. Mr. Swig added that there are two items that will be discussed at the meeting with the Executive Director, one of which will be his recognition and the other, the issue of an interim Executive Director. In the meantime, Mr. Swig mentioned that they will have some discussions on those items and if there are other items that they can put on the agenda that are educational or deal with redevelopment business, he wanted to hear about them.

10. CLOSED SESSION: None

11. ADJOURNMENT:

Commissioner King adjourned the meeting in honor of Ms. Westbrook.

It was moved by Commissioner King, seconded by Commissioner Anaya, and unanimously carried that the meeting be adjourned, in Ms. Westbrook's honor, at 6:50 p.m.

Respectfully submitted,

Gina E. Solis
Agency Secretary

ADOPTED: