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**MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
5th DAY OF MAY 2009**

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 5th day of May 2009, at the place and date duly established for holding of such a meeting.

President Ramon Romero called the meeting to order at 4:00 p.m.

Mr. Romero 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. Romero 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. Romero 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:

Ramon Romero, President
Rick Swig, Vice President
London Breed
Linda Cheu
Francee Covington
Leroy King
Darshan Singh

Fred Blackwell, Executive Director, and staff members were also present.

- 2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY.** No Reportable Action.
- 3. MATTERS OF UNFINISHED BUSINESS.** None.
- 4. MATTERS OF NEW BUSINESS:**

CONSENT AGENDA

- (a) Approval of Minutes: Meeting of April 21, 2009

ADOPTION: IT WAS MOVED BY MR. SWIG, SECONDED BY MS. CHEU, AND UNANIMOUSLY CARRIED, THAT MINUTES FROM THE REGULAR MEETING OF APRIL 21, 2009, BE ADOPTED.

REGULAR AGENDA

- (b) Resolution No. 42-2009, Authorizing a First Amendment to the Personal Services Contract with the Puccini Group, A California Corporation, to Extend the Contract Term 12 months from May 5, 2009 to May 30, 2010; To Amend the Scope of Services to Provide Strategic Plans for Four Restaurants Participating in the Agency's Amended Revolving Loan Program; and to Increase the Contract Amount by \$210,000 for a Total Aggregate Amount Not to Exceed \$235,000; former Western Addition Redevelopment Project Area A-2.

Presenter: Stephen Maduli-Williams, Agency Staff

Speakers: Andy Choi, Sheryl Davis, Michael Johnson, Randall Evans, Kaz Kajimura, Monetta White, Cynthia Traina, Ace Washington

Commissioner Swig complimented staff for following the direction of the Commission in addressing their concerns raised earlier and for providing a good outline and format for moving forward. Mr. Swig asked from which budget the \$235,000 was coming from.

Mr. Maduli-Williams stated that the funds were set aside and were part of the budget amendment previously approved by the Commission.

Commissioner Swig stated that the Puccini report was very good and thorough, and recognizes that the Redevelopment Agency has a significant investment in the businesses. He stated that as an investor, the Agency has the right to ask questions, and hold those businesses accountable. Mr. Swig stated that he appreciates that there will be accountability and a measurement for the results of the restaurants efforts, as outlined in the report, which he indicated is critically important. He understood that there was both good news and criticism in the report, and expressed that he hopes the restaurants involved take the less than good news in a constructive fashion and take advantage of the good advice being offered by the Puccini Group by taking action. Mr. Swig stated that in doing so, it will enhance their businesses, enhance the value of their investment, enhance the value of the neighborhood, and therefore, make the project successful. Mr. Swig put forth a motion to move item 4(b).

Commissioner Cheu thanked staff and the Puccini Group for the thorough report and details in the scope. She also expressed that it was good to see the restaurant owners attending the meeting to show their support. Ms. Cheu asked if the three consultants would be coordinating their efforts and what the timeframe was for each contract. She also asked, and in terms of the contract for branding, how that effort was going to be coordinated overall.

Mr. Maduli-Williams stated that Cynthia Traina is working on the branding as well as the individualized marketing along with the CBD in the branding efforts; the two are being coordinated together with the scope of work being developed in tandem.

Cynthia Traina stated that she along with a group of people have been working towards the branding effort for the past four months. They have been trying to maximize their branding efforts by reaching a deadline for the upcoming San Francisco Jazz Festival scheduled on the weekend of July 4th which brings hundreds of thousands of people into the city and to the area.

Commissioner Cheu seconded the motion.

Commissioner Breed stated it was a good report, and appreciates a third party providing feedback so it is not just coming from customers who frequent the restaurants. She stated that it is a comprehensive start to what she hopes to be great for the district. Ms. Breed stated that she would like the Puccini Group to make more of an effort in their outreach to residents in the district who have been there for a long period of time to find out why they are continuously walking by the restaurants and not going in; she knows the price is one concern, and not necessarily feeling welcome is another concern. Ms. Breed indicated that the report is good for other businesses within the district so they can tap in to the traffic flow from the restaurants and can benefit by making certain adjustments in their hours of operation as well as their outreach efforts to attract those audiences as well. Ms. Breed stated there is no mechanism by which the Agency can enforce any of the suggestions by the Puccini Group but hopes they implement some of the suggestions.

Mr. Maduli-Williams stated that the performance aspect was set up where it was agreed upon that 50% of the funds of the new loans, all except for Yoshi's, would be distributed at closing and the balance would be distributed based upon the Puccini Group working with the restaurants to come up with strategic analysis of where they are, and craft out action items in terms of a performance related action plan. Mr. Williams indicated that the thought is that they would split the balance over 12 months where if they meet their individualized goals, they will receive their disbursement.

Commissioner Breed stated that she was confused when the funds were sought after by the Commission, they were told that the restaurants were in trouble and in dire need of the money. She asked if there are requirements on releasing funds, how that would affect their businesses if they were in dire need of the funds then.

Mr. Maduli-Williams stated that 50% of the capital need has been disbursed due to immediate needs with the rest of the money generally going towards tenant improvements which will be phased in over time based on their performance.

Commissioner Breed stated that she had a problem with what was communicated to the Commission.

Mr. Maduli-Williams stated that the message staff received from the Commission is that the Commission wanted performance guidelines; (1) what happens if you disperse all the money all at once, and (2) what kind of leverage do you have to ensure that the restaurants adhere to performance. Mr. Williams stated in terms of reporting or any changes that may or may not need to happen with the respective businesses, it does not give any leverage in terms of enforcing any conditions by dispersing all the funds.

Director Blackwell clarified that when the recommendations for the loans were brought to the Commission, it was framed so the payments would be linked to their performance. Director Blackwell stated the reason why the 50% was disbursed at the time was to take care of the urgent needs so that subsequent payments would be based on meeting objectives.

Commissioner Breed stated that some of the recommendations require small costs to make certain improvements and the monies they are requesting have already been earmarked for other purposes. She asked if it is possible that other monies might be requested based on the report.

Mr. Maduli-Williams stated that no other requests to the agency would be made but they have other options. They can apply to the Mayor's Office of Community Investment; \$675,000 was transferred for tenant and façade improvements and the restaurants have the matching fund requirements with the Agency's funds to apply, as well as CBG loans that will be coming through the Mayor's Office of Economic and Workforce Development.

Commissioner Breed stated that she agrees the bus stop should be relocated from the corner and asked if the agency would be responsible for that. She would like to see included in the report: (1) what is deterring people from the area; (2) what other types of businesses are needed in the district; and (3) look into why the rent is high in some areas. Ms. Breed stated that she would like the Puccini Group to get a broader perspective of the area, what are the other serious concerns and obstacles about the District that are problematic other than the crime. Ms. Breed stated that the report mentioned a need for a coffee

Shop and is not certain whether they visited the coffee shop at the corner of Fillmore and Eddy, and asked that the Puccini Group do a broader research of businesses in the area. Ms. Breed stated that overall, the report was good and agreed with most of it; a great start to what could lead to ensuring the restaurants more success and the Agency in doing its' part to support their success.

Commissioner Covington stated that she agrees that the report was comprehensive and appreciated the background information on Mr. Puccini and the group. She stated that a number of negative comments were published as a result of the survey and wondered where the good and complimentary comments were which were not reflected in the report. Ms. Covington stated that the report did not have the depth of cultural competence because there were omissions such as the strengths of the establishments and referencing from the report, "1300 Fillmore as being a unique concept, only 18 soul food restaurants out of 3200 total restaurants in San Francisco" - she stated that 1300 Fillmore does not identify itself as a soul food restaurant - they are a *Soulful Cuisine* and to compare them with Farmer Browns is not fair to 1300 Fillmore. Ms. Covington also indicated that Sheba's is not a high end restaurant but has first class entertainment and serve Ethiopian Food. Ms. Covington stated that overall, the report and process is good and encouraged the Puccini Group to listen to what it is that the owners have to say, how they are building their clientele, and acknowledge the tremendous heart and effort it took to want to establish the places in the Fillmore.

Mr. Maduli-Williams stated that some of Commissioner Covington's points were also expressed by some of the restaurant owners which were communicated directly to the Puccini Group.

Commissioner Singh stated that he was glad to hear that the restaurants are doing well and asked what type of mechanism are in place to see their progress as well as their drawbacks.

Mr. Maduli-Williams stated that the Puccini Group would be providing monthly progress reports focusing on financial management, operations, marketing, and PR. They will also have a baseline report on where they are, an action plan, and a monthly report on how well they're doing. Mr. Williams stated that it is the Commissions prerogative as to how they wish to be kept up to date on their reports.

Commissioner King stated that it was an excellent report and has worked with the Puccini Group over the years which he considers to be an excellent group.

ADOPTION: IT WAS MOVED BY MR. SWIG, SECONDED BY MS. CHEU, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 42-2009, AUTHORIZING A FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH THE PUCCINI GROUP, A CALIFORNIA CORPORATION, TO EXTEND THE CONTRACT TERM 12 MONTHS FROM MAY 5, 2009 TO MAY 30, 2010; TO AMEND THE SCOPE OF SERVICES TO PROVIDE STRATEGIC PLANS FOR FOUR RESTAURANTS PARTICIPATING IN THE AGENCY'S AMENDED REVOLVING LOAN PROGRAM; AND TO INCREASE THE CONTRACT AMOUNT BY \$210,000 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$235,000; FORMER WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2, BE ADOPTED.

- (c) Resolution No. 43-2009, Authorizing an Exclusive Negotiations Agreement and a Predevelopment Loan Agreement, in an amount not to exceed \$203,880 with Chinatown Community Development Center, a California nonprofit public benefit corporation, and Em Johnson Interest, Inc., a California Corporation, for development of 100 affordable senior rental housing units on Central Freeway Parcel C, southwest corner of Golden Gate Avenue and Franklin Street, in the former Western Addition A-2 Redevelopment Project Area; Citywide Housing Tax Increment Program.

Presenter: Pam Sims, Agency Staff

Speakers: Michael Johnson, Arnold Townsend, Kenneth Jones, Ace Washington, Randall Evans, Sheryl Davis

Commissioner Breed stated that the project was a long time coming and indicated that she was glad that Mr. Michael Johnson, whose reputation in the Western Addition Community is not only as being a developer, but a person who meets, talks, interacts, and has a full understanding of what is happening in the community, and accommodates the requests from the community which to her is invaluable. Ms. Breed stated in Ms. Rogers spirit, and as Sister Davis so eloquently stated, Mr. Johnson is the kind of person you want to build this project, someone who is there to support the community and will ensure that the essence and everything that Ms. Rogers stood for is captured. Ms. Breed expressed her excitement over the art piece that is expected to be part of the project and supports Ms. Roger's family in their input and ideas for the art piece. Ms. Breed stated that she hopes Ms. Roger's legacy will be kept alive with the building and clear that when you walk into the building you feel her spirit. Ms. Breed asked that there be some type of information in the building on the history of who Ms. Rogers was and what she stood for, and that her family is still a part of the community. Ms. Breed expressed that Ms. Rogers is missed and is confident that the project will be one the community will be proud of. Ms. Breed put forth a motion to move Item 4(c).

Commissioner Covington stated that she agreed with Ms. Breed's comments, and asked that the project not be delayed any longer. Ms. Covington seconded the motion.

President Romero agreed with all the comments made.

ADOPTION: IT WAS MOVED BY MS. BREED, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 43-2009, AUTHORIZING AN EXCLUSIVE NEGOTIATIONS AGREEMENT AND A PREDEVELOPMENT LOAN AGREEMENT, IN AN AMOUNT NOT TO EXCEED \$203,880 WITH CHINATOWN COMMUNITY DEVELOPMENT CENTER, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, AND EM JOHNSON INTEREST, INC., A CALIFORNIA CORPORATION, FOR DEVELOPMENT OF 100 AFFORDABLE SENIOR RENTAL HOUSING UNITS ON CENTRAL FREEWAY PARCEL C, SOUTHWEST CORNER OF GOLDEN GATE AVENUE AND FRANKLIN STREET, IN THE FORMER WESTERN ADDITION A-2 REDEVELOPMENT PROJECT AREA; CITYWIDE HOUSING TAX INCREMENT PROGRAM, BE ADOPTED.

- (d) Resolution No. 44-2009, Authorizing a First Amendment to the Tax Increment Regulatory And Grant Agreement for a current grant amount of \$379,820, for an aggregate amount not to exceed \$2,541,620, and an Amended and Restated Housing Opportunities for Persons With AIDS Capital Loan Agreement for a Current Loan Amount Of \$94,955, for an aggregate amount not to exceed \$694,955, with Community Treatment Awareness Services, Inc., a California nonprofit public benefit corporation, for the rehabilitation of a 54 bed shelter, A Woman's Place, 1049 Howard Street; within the South of Market Redevelopment Project Area; Citywide Tax Increment Housing Program.

Presenter: Pam Sims, Agency Staff

Speakers: Charles Range, Raymon Smith

Commissioner Swig stated that on page 9 of the attached document entitled "Citywide Affordable Housing Loan Committee Request for Evaluation for Rehabilitation Financing", he pointed out that there was a revenue and expense summary in '06 stating that the Women's place operated in a \$100,000 deficit after depreciation, in '07 it operated in a positive, and in '08 it operated in a significant lose after depreciation, and in looking at the bothersome trend, there is a decline in federal government financing over the three year period by \$100,000. Mr. Swig asked that staff address the financial stability of the organization since he is concerned that that the federal funding for the Woman's Place continues to deteriorate and there is no evidence in the financing proposal of specific increases.

Ms. Pam Sims stated that funding for a Women's Place comes from the Dept. of Public Health and the Agency was assured that funding would be continued since it is a shelter and a priority for the city. Ms. Sims indicated that the emergency shelter grant funding from the federal government has recently increased, and have also received domestic violence funding because woman who live at the shelter often are victims of domestic violence. In addition to that, they are aggressively increasing their fund raising and grant writing efforts to diversify their funding sources. Ms. Sims indicated that when a site such as a Woman's Place runs a deficit, the parent agency (CATS) helps subsidize the individual shelters.

Commissioner Swig made a motion to move Item 4(d)

Commissioner Singh seconded the motion.

ADOPTION: IT WAS MOVED BY MR. SWIG, SECONDED BY MR. SINGH, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 44-2009, AUTHORIZING A FIRST AMENDMENT TO THE TAX INCREMENT REGULATORY AND GRANT AGREEMENT FOR A CURRENT GRANT AMOUNT OF \$379,820, FOR AN AGGREGATE AMOUNT NOT TO EXCEED \$2,541,620, AND AN AMENDED AND RESTATED HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS CAPITAL LOAN AGREEMENT FOR A CURRENT LOAN AMOUNT OF \$94,955, FOR AN AGGREGATE AMOUNT NOT TO EXCEED \$694,955, WITH COMMUNITY TREATMENT AWARENESS SERVICES, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR THE REHABILITATION OF A 54 BED SHELTER, A WOMAN'S PLACE, 1049 HOWARD STREET; WITHIN THE SOUTH OF MARKET REDEVELOPMENT PROJECT AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

- (e) Resolution No. 45-2009, Approving a Memorandum of Understanding between the Redevelopment Agency of the City and County of San Francisco, the City and County of San Francisco, and the California Department of Parks and Recreation in an amount not to exceed \$459,332 for the Candlestick Point State Recreation Area, including the preparation of a State General Plan; Hunters Point Shipyard and Bayview Hunters Point Redevelopment Project Areas.

Presenter: Stan Muraoka, Agency Staff

Speakers: Steven Musillami, Maureen Gaffney

Commissioner Swig asked for confirmation that the money is not coming out of the redevelopment agency but being funded by the Developer.

Mr. Muraoka stated that was correct.

Commissioner Swig stated that he emphatically supports the item which is a key component towards moving the entire Candlestick/Bayview Hunters Point project forward, and said it was a great collaborative opportunity between the City and State government. Commissioner Swig put forth a motion to move Item 4(e).

Commissioner Covington seconded the motion.

ADOPTION: IT WAS MOVED BY MR. SWIG, SECONDED BY MS. COVINGTON, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 45-2009, APPROVING A MEMORANDUM OF UNDERSTANDING BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO, THE CITY AND COUNTY OF SAN FRANCISCO, AND THE CALIFORNIA DEPARTMENT OF PARKS AND RECREATION IN AN AMOUNT NOT TO EXCEED \$459,332 FOR THE CANDLESTICK POINT STATE RECREATION AREA, INCLUDING THE PREPARATION OF A STATE GENERAL PLAN; HUNTERS POINT SHIPYARD AND BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREAS, BE ADOPTED.

- (f) Resolution No. 46-2009, Authorizing a Letter Agreement with the Planning Department of the City and County of San Francisco, in an amount not to exceed \$154,220, for completion of environmental review of proposed Zone One streetscape changes as identified in the Transbay Streetscape and Open Space Plan; Transbay Redevelopment Project Area.

Presenter: Kevin Masuda, Agency Staff

Speakers: None

Commissioner Singh put forth a motion to move item 4(f).

Commissioner King seconded the motion.

ADOPTION: IT WAS MOVED BY MR. SINGH, SECONDED BY MR. KING, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 46-2009, AUTHORIZING A LETTER AGREEMENT WITH THE PLANNING DEPARTMENT OF THE CITY AND COUNTY OF SAN FRANCISCO, IN AN AMOUNT NOT TO EXCEED \$154,220, FOR COMPLETION OF ENVIRONMENTAL REVIEW OF PROPOSED ZONE ONE STREETScape CHANGES AS IDENTIFIED IN THE TRANSBAY STREETScape AND OPEN SPACE PLAN; TRANSBAY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

5. **MATTERS NOT APPEARING ON AGENDA:** None

6. PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS

Speakers: Raymon Smith, Ace Washington

7. REPORT OF THE PRESIDENT:

- President Romero stated that in the process of evaluating the Executive Director, the Commissioners were asked to provide their written evaluations by this meeting and if they have not done so to please turn them in as soon as possible so they can stay on schedule and give the Executive Director his evaluation in a couple of weeks.
- President Romero stated that he and Vice President Swig are working with the facilitator in planning the Commission Retreat scheduled for June 23rd; if any Commissioner has any specific items they would like to be considered, please let either he or Commissioner Swig know.

8. REPORT OF THE EXECUTIVE DIRECTOR:

- Director Blackwell updated the Commission on the progress of the adoption of the Visitacion Valley Redevelopment Plan - It has made it through two readings at the Board of Supervisors and after signature by the Mayor, the Agency will have a new project area in the Visitacion Valley.

9. COMMISSIONERS' QUESTIONS AND MATTERS:

- Commissioner Breed stated that it was her understanding that the Commission Secretary was being evaluated as well.
 - President Romero stated that the Evaluation Committee started the process of developing a draft form to be reviewed by the Executive Director and feedback will be then given to the Commission. A meeting will be scheduled to see if the review is taking place and if the evaluation form is final.
- Commissioner King asked when the Webster Towers project was going to be scheduled on the Agenda.
 - Director Blackwell stated that the Agenda setting committee would discuss the item and set a date to put the item on the Agenda.
- President Romero stated that two months ago there was discussion about adopting a policy that would apply to speakers at the Commission meetings concerning discriminatory remarks; the item is scheduled for the next Commission meeting.
 - Commissioner Covington requested that there be another iteration of the Commission line for the budget and asked for more details on the \$174,000. Ms. Covington also had a question about additional videotaping and broadcasting under miscellaneous since she did not recall any videotaping that the Commission has requested.

- Commissioner Swig stated that he requested additional information from the Commission Secretary and was emailed additional information. Commissioner Swig requested that the Commissioners receive that email.

10. **CLOSED SESSION:** None.

11. **ADJOURNMENT:**

It was moved by Commissioner King, seconded by Commissioner Singh, and unanimously carried that the meeting be adjourned at 6:00 p.m.

Respectfully submitted,

Gina E. Solis
Agency Secretary

ADOPTED: