

**MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO
HELD ON THE 2nd DAY OF FEBRUARY 2010**

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 2nd day of February 2010, at the place and date duly established for holding of such a meeting.

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

Mr. Swig welcomed members of the public and radio listening audience and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Swig asked members of the public who wished to address the Commission to fill out speakers cards, and to state their names for the record.

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-notice meeting agenda.

1. RECOGNITION OF A QUORUM

The Commission Secretary announced the presence of a quorum with the following Commissioners present:

Rick Swig, President
Darshan Singh, Vice President
London Breed
Miguel Bustos
Francee Covington
Leroy King

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: None

CONSENT AGENDA

(a) None.

REGULAR AGENDA

- (b) Resolution No. 10-2010, Authorizing the incorporation of the San Francisco Community Investment Fund, a California nonprofit public benefit corporation, for the Purpose of Applying for the New Markets Tax Credit Program and authorizing the performance of any and all actions necessary for the formation and organization of the Corporation; All Redevelopment Project Areas

Presenters: Stephen Maduli-Williams, Executive Deputy Director

Speakers: Ace Washington

Commissioner Swig asked if anybody in the audience wished to address the commission on this item. Hearing none, Mr. Swig closed public comment and turned to his fellow commissioners.

Commissioner Covington thanked Commissioner Swig, as well as Mr. Maduli-Williams for the presentation. Ms. Covington had a question regarding the Articles of Incorporation, specifically pertaining to the advisory board. Commissioner Covington asked if it was correct that the chair of the CAC or the PAC would be the one to appoint the members from the community.

Mr. Maduli-Williams stated, yes, that was correct.

Commissioner Covington asked if any discussion had taken place in regard to whether or not chairs were precluded from appointing themselves to represent the community or if chairs should be the automatically be the designated appointees.

Mr. Maduli-Williams stated that had not been determined at this time. The assumption would be that they would appoint someone.

Commissioner Covington stated that she would like staff to ensure that the CACs and the PACs have the ability to vote on who represents them. Ms. Covington also commented on startup capital and asked for clarity of the use and the amount needed.

Mr. Maduli-Williams stated that the capital is for the non-profit entity, and costs associated for the transaction. He stated that the estimated cost is roughly about \$300,000, and will be included in the budget for next fiscal year.

Commissioner Covington asked approximately how many hours will community people have to devote to this effort.

Mr. Maduli-Williams stated that it would be a minimum monthly meeting. His estimation was roughly five hours a week.

Commissioner Covington commented that startups require a lot of time and effort and she would like to ensure that community individuals' time is used wisely.

Mr. Maduli-Williams responded that startup capital may need to be increased due to the desire to provide retreats for advisory board training. The timeframe for this would be within the next 60 days.

Commissioner Covington commented that was a good idea. Ms. Covington stated that she would like to see a small stipend provided for possibly the first six months to help offset expenses such as childcare, etc., to attend meetings. Commissioner Covington expressed her pleasure over the amount of community involvement and made a motion to move the item.

Commissioner Swig thanked Commissioner Covington and turned to Commissioner Bustos.

Commissioner Bustos thanked Commissioner Covington for raising these issues regarding appointments and community participation. He commented that it is important that more people in the community are allowed to take advantage of being a part of the process and have their voices heard. He stated that people in a community, should build the community. Commissioner Bustos stated that he feels strongly that people that live in redevelopment areas should benefit from redevelopment.

Mr. Maduli-Williams stated that staff would incorporate language into the cooperative agreement.

Commissioner Swig thanked Commissioner Busto and turned to Commissioner Breed.

Commissioner Breed thanked Commissioner Swig. Ms. Breed made a motion to second thee item and that she was in complete support and agreement with Commissioner Covington and Commissioner Bustos.

Commissioner Breed stated that since projects have to be shovel ready, is the Agency working with individuals in any capacity to assist them in getting shovel ready prior to the implementation of this program.

Mr. Maduli-Williams stated a master list of all projects under the new markets in their target areas, from both the Agency as well as the City, was being formed. The list will include the targeted projects which can be done in the next 12 months after being awarded credits. An example would be the Muni Substation. The City would sell their TDR and the new market tax credit could be the key to move the project forward. This is an example of what is considered shovel ready.

Commissioner Breed stated that was clear, but her concern was focused on the preparation for moving forward on projects. She stated that a lot of non-profits that seek funding do not have the resources in order to get projects to a shovel ready state. Commissioner Breed would like us to consider resources necessary to provide the appropriate support to get projects shovel ready.

Commissioner Breed asked why Golden Gate Park was considered a distressed area.

Mr. Maduli-Williams stated that data was used from the 2000 census to characterize these areas and it possible could be due to low density. The information will probably change for the next allocation round.

Commissioner Breed thanked Mr. Maduli-Williams for the presentation.

Commissioner Swig asked if any other Commissioners wished to comment on this item. No other Commissioner had comments.

Commissioner Swig asked if it is correct that none of the \$300,000 startup fee would be spent until the application was complete and the award provided.

Mr. Maduli-Williams stated that the only issue regarding monies is pertaining to staff time already spent in preparation for this meeting. Otherwise, nothing would be incurred until approximately October of 2010.

Commissioner Swig stated that it was his understanding that there would be no expenditures of any kind until this was presented, applied and rewarded. Commissioner Swig asked how the \$300,000 amount was determined.

Mr. Maduli-Williams stated that the amount was related to the budget in that the amount would have to put in the next fiscal year budget, and approved as part of the budget process. That is the basis for bringing it to the Commission, for approval of inclusion in next fiscal year budget.

Commissioner Swig thanked Mr. Maduli-Williams and turned to Mr. Blackwell.

Mr. Blackwell stated that this item will be before the Commission twice. Staff will need approval for consideration in the budget, and approval for the Cooperative Agreement, which will have a budget associated with it.

Commissioner Swig reiterated that the items will be before the Commission formally at a later date. Mr. Swig urged his fellow commissioners to pass this item. Commissioner Swig stated there was a motion and a second on the floor. Mr. Swig asked if there was any opposition or abstention, then called for the vote. Seeing none and hearing none, the item was adopted unanimously.

ADOPTION: IT WAS MOVED BY COMMISSIONER COVINTON, SECONDED BY COMMISSIONER BREED, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 10-2010, AUTHORIZING THE INCORPORATION OF THE SAN FRANCISCO COMMUNITY INVESTMENT FUND, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR THE PURPOSE OF APPLYING FOR THE NEW MARKETS TAX CREDIT PROGRAM AND AUTHORIZING THE PERFORMANCE OF ANY AND ALL ACTIONS NECESSARY FOR THE FORMATION AND ORGANIZATION OF THE CORPORATION; ALL REDEVELOPMENT PROJECT AREAS

- (c) Resolution No. 11-2010, Authorizing a Disposition and Development Agreement with MSPDI Turk, LLC, a wholly-owned subsidiary of Michael Simmons Property Development, Inc., a California corporation, for the sale of the property at 1345 Turk Street for \$648,000 and for the development of 32 low- and moderate-income ownership units, and adopting environmental findings pursuant to the California Environmental Quality Act; Citywide Tax Increment Housing Program

Presenter: Michele Davis, Agency Staff

Speakers: Ace Washington

Commissioner Swig asked if there was anybody in the audience who would like to address the commission on this subject. Hearing none, Mr. Swig closed public comment, and recognized his fellow commissioners, beginning with Commission Singh.

Commissioner Singh thanked Commissioner Swig. Mr. Singh wanted to know how the \$648,000 figure was decided upon.

Ms. Davis stated that the \$648,000 figure was derived based on the restricted use of the property for affordable housing purposes. In order to achieve the affordability objective, leverage subsidies from the State had to be provided for the construction, as well as reduce the price of the land. Ms. Davis stated that market value is usually calculated based on the highest and best use, but in this case it is a restricted use in order to make the project financially viable.

Commissioner Singh asked if these were market value units.

Ms. Davis stated they were not. If so, the prices would be astronomical.

Commissioner Singh asked if this was a loan or a grant.

Ms. Davis responded that it is a loan to the project, a portion of which is expected to be repaid approximately \$1.8M. She stated that when the low and moderate income buyers purchase units, there will be an additional indebtedness on the property for the difference between what can be afforded in terms of income level and the cost of producing the unit.

Commissioner Singh asked for the meaning of permanent loan.

Ms. Davis responded that a permanent loan means that the loan will stay with the property when a person no longer wants to own the unit. A permanent loan essentially recycles the subsidy benefit based on the income level at the time of sale.

Commissioner Singh asked how much further would the subsidy be reduced.

Ms. Davis responded that if income levels go up substantially, then the developer will be able to repay more than the \$1.8M. That will decrease per unit subsidy in the project subsidy.

Commissioner Singh thanked Ms. Davis and made a motion to move the item.

Commissioner Swig thanked Commissioner Singh and turned to Commissioner Covington.

Commissioner Covington thanked Commissioner Swig. Ms. Covington wanted to know of the \$16 million, how much would be received back.

Ms. Davis stated approximately \$1.8 million.

Commissioner Covington asked if this would be the last monies requested for this project. She expressed her concern that the project had been before the Commission numerous times and wanted to know if this was typical.

Ms. Davis stated that there was no funding request. Staff was requesting authorization of the Disposition and Development Agreement, which basically committed the Agency to sell the property for \$648,000, and obligated the developer to construct 32 units in a manner which would be consistent with the affordability goals of the Agency.

Ms. Davis stated that is was not usual procedure to separate the DDA from the Loan Agreement. But due to time issues, staff wanted to move quickly so that the developer could access \$1.6M in State subsidies.

Commissioner Covington stated she was still unclear, but agreed to second the item.

Commissioner Swig asked if any other commissioners wished to comment on the item. Hearing none, Commissioner Swig stated there was a motion and second on the floor. Mr. Swig asked if there was any opposition or abstentions. Hearing none, the item was adopted unanimously.

ADOPTION: IT WAS MOVED BY COMMISSIONER COVINTON, SECONDED BY COMMISSIONER BREED, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 11-2010, AUTHORIZING A DISPOSITION AND DEVELOPMENT AGREEMENT WITH MSPDI TURK, LLC, A WHOLLY-OWNED SUBSIDIARY OF MICHAEL SIMMONS PROPERTY DEVELOPMENT, INC., A CALIFORNIA CORPORATION, FOR THE SALE OF THE PROPERTY AT 1345 TURK STREET FOR \$648,000 AND FOR THE DEVELOPMENT OF 32 LOW- AND MODERATE-INCOME OWNERSHIP UNITS, AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; CITYWIDE TAX INCREMENT HOUSING PROGRAM

Agenda Items 4(d) and (e) will be presented together, but acted on separately

- (d) Resolution No. 12-2010, Authorizing a Letter Agreement with the Public Utilities Commission of the City and County of San Francisco in an amount not to exceed \$202,139 for installation of street lighting in connection with the South of Market Alleyways Improvement Project; South of Market Redevelopment Project Area

Presenters: Kevin Masuda, Agency Staff; Rowell Maswella, James Chia, PUC

Speakers: Antoinetta Stadleman

Commissioner Swig asked if anybody in the audience would like to address the commission on this item. Hearing none, Mr. Swig closed public comment turned to his fellow commissioners.

Commissioner Singh thanked Commissioner Swig and made a motion to move Items D and E.

Commissioner Swig thanked Commissioner Singh and turned to Commissioner Covington.

Commissioner Covington made a motion to second the item.

Commissioner Swig asked if there were any other comments.

Commissioner Covington said that she did have a few. Ms. Covington asked Mr. Masuda for more information about the trees for the alleyways. Ms. Covington wanted to know how many of the trees selected were deciduous trees.

Mr. Masuda stated that he would have to refer the question to DPW.

Commissioner Covington stated that was fine. Ms. Covington wanted to know who was responsible for planting the trees. Do owners of the properties have any input as to the planting of the trees or does DPW do everything?

Mr. Masuda responded that the trees will be planted by the DPW contractor, and the tree selection was in part through community process workshops. He explained that DPW was very involved in steering the community in the selection of different varieties of trees.

Commissioner Covington asked when the trees were selected was there any detailed discussion about the invasiveness of bamboo and how it can disrupt water lines.

Mr. Masuda introduced Mr. James Chia of the PUC.

Mr. Chia stated that he was a civil engineer with the Department of Public Works and had not been involved with this project initially. From his work with the landscape architects at the PUC, studies and analysis have been done and when

making recommendations they pick trees that are not intrusive and don't require a lot maintenance. The surrounding area is reviewed and then the appropriate tree is chosen. There are also specifications for the placement of the trees.

Commissioner Covington thanked Mr. Chia for the information. Commissioner Covington requested that Mr. Masuda please send a this particular information to the Commission. Ms. Covington expressed her pleasure that light fixtures were going to be LED. Commissioner Covington moved to second the item.

Commissioner Swig thanked Commissioner Covington and asked if there were any other commissioners who wished to comment.

Commissioner Swig stated that he had a question with regard to the Agency's share of the construction cost of \$856,059, as well as the other expenditures for engineering, administration, construction which was \$209,129 for a total of \$1,065,188. Commissioner Swig wanted to know if this was all part of the budget for 2009/2010.

Mr. Masuda stated that is was. He stated that the low bid by the contractor was 77% of the estimate.

Commissioner Swig thanked Mr. Masuda. Commissioner Swig stated there was a motion on the floor and a second. Mr. Swig called for a vote.

All the Commissioners responded, aye.

Commissioner Swig asked if there were any oppositions or abstentions. Hearing none, the item was adopted unanimously.

ADOPTION: IT WAS MOVED BY COMMISSIONER SINGH, SECONDED BY COMMISSIONER COVINGTON, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 12-2010, AUTHORIZING A LETTER AGREEMENT WITH THE PUBLIC UTILITIES COMMISSION OF THE CITY AND COUNTY OF SAN FRANCISCO IN AN AMOUNT NOT TO EXCEED \$202,139 FOR INSTALLATION OF STREET LIGHTING IN CONNECTION WITH THE SOUTH OF MARKET ALLEYSWAYS IMPROVEMENT PROJECT; SOUTH OF MARKET REDEVELOPMENT PROJECT AREA , BE ADOPTED.

Commissioner Swig clarified that there were two items. Mr. Swig called a vote for Item D for clarification.

All the Commissioners responded, aye.

Commissioner Swig asked if there were any oppositions or abstentions. Hearing none, both items, Items D and E are adopted unanimously.

ADOPTION: IT WAS MOVED BY COMMISSIONER SINGH, SECONDED BY COMMISSIONER COVINGTON, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 13-2010, AUTHORIZING A SECOND

AMENDMENT TO THE LETTER AGREEMENT WITH THE DEPARTMENT OF PUBLIC WORKS OF THE CITY AND COUNTY OF SAN FRANCISCO TO INCREASE THE BUDGET BY AN AMOUNT NOT TO EXCEED \$1,065,188, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$1,414,188, FOR CONSTRUCTION PHASE SERVICES FOR THE SOUTH OF MARKET ALLEYWAYS IMPROVEMENT PROJECT; SOUTH OF MARKET REDEVELOPMENT PROJECT AREA

- (e) Workshop on the Hunters Point Shipyard Phase 2 – Candlestick Point Integrated Development Project; Hunters Point Shipyard Redevelopment Project Area and Bayview Hunters Point Redevelopment Project Area

Presenters Michael Cohen, Office of Economic and Workforce Development

Speakers: Connie Ford, Angelo King

Commissioner Swig asked if there was anybody in the audience who wished to address the commission at this time. Hearing none, seeing none, Mr. Swig closed public comment on the item and turned to his fellow commissioners.

Commissioner Covington thanked Commissioner Swig. Ms. Covington also thanked Mr. Cohen for a comprehensive overview of jobs, parks and affordable housing. She expressed her pleasure at the alternative proposal to reserve the stadium. Commissioner Covington requested more information about the public housing task force.

Mr. Cohen agreed with Commissioner Covington's suggestion to meet with the public housing task force in the near future. He stated the OEWD had been meeting with Alice Griffith residents for the last three years, as well as working with the Housing Authority.

Commissioner Covington thanked Mr. Cohen again and stated she had additional questions. Ms. Covington stated that a lot had been covered in terms of topics and scope. Ms. Covington had a question about the city fiscal impacts, page 15, under "new revenues will exceed costs to the City for services and operations.". Commissioner Covington asked for more clarification on that subject.

Mr. Cohen stated that way property tax increment works is that the most that a redevelopment agency can capture of the incremental property tax increments is 20% by law. A portion flows to the State for education funding, and then it returns to the City, basically 100% of the net available tax increment.

Commissioner Covington thanked Mr. Cohen.. Ms. Covington asked for confirmation that there are 77 acres currently owned by Recreation and Park and if those acres would be included in the total 300 acres or would it be 377 acres.

Mr. Cohen stated that it was neither. Mr. Cohen stated there is an egg shape parking area which is currently asphalt parking that is the 77 acres that is owned by the City and under the jurisdiction of the Recreation and Park Department. The City's charter states park land can't be used for non-recreational purposes

without going voters input. After that was done, the voters implemented Prop G. Under our development plan, what prop G states is that if the 77 acres of parking in the old stadium site is used, 77 acres on the project or park must be given back to the City.

Commissioner Covington thanked Mr. Cohen for the presentation.

Commissioner Swig thanked Commissioner Covington and turned to Commissioner Breed.

Commissioner Breed thanked Commissioner Swig. Commissioner Breed commented that she wanted to make sure effort were continued to be clearly communicated to the public and that those relationships be maintained. Ms. Breed also reiterated the need for job opportunities and continued coordination efforts between the unions and the community members in the BVHP.

Commissioner Breed requested that a very detailed presentation or workshop on the transportation plan be made to the Commission. Ms. Breed had several concerns on the transportation plan after reviewing the EIR. Commissioner Breed asked if this would be done prior to the adoption of the EIR. Commissioner Breed also mentioned the size of the units. This is a major complaint of Ms. Breed's, as well as she has received numerous complaints from individuals. Commissioner Breed stated that the units are homes and the goal is to have people stay in them. Ms. Breed requested that consideration be given to increasing the height restrictions.

Commissioner Breed stated that one of the biggest concerns of the residents is the ability not to be displaced based on issues that might include nonpayment of rent, or other issues. Since the Agency is a collaborative partner with the Mayor's Office of Housing and the Housing Authority, Commissioner Breed would like for the Housing Authority to be very proactive in working with residents to resolve issues that may exist prior to any steps that the Agency is to take. Hunters View is a good example of this working relationship.

Commissioner Breed stated that she thought the program was great and glad it was moving forward. Ms. Breed stated that as a commission she would like to ensure that everything possible is done to work with the existing community to make sure that people are able to stay in their homes and to provide them with the support services they need in order to overcome obstacles that may exist because of redevelopment.

Mr. Cohen stated that a transportation workshop will be scheduled as quickly as possible.

Commissioner Swig thanked Commissioner Breed and turned to Commissioner Bustos.

Commissioner Bustos thanked Mr. Cohen for a great presentation. Mr. Bustos echoed Commissioner Breed's sentiment about jobs. Commissioner Bustos stated that one way to keep people in their homes is giving them a job that has a living

wage. Mr. Bustos shared that his father worked in construction and relied on those projects that lasted a long time, which enabled his father to provide food and shelter. Commissioner Bustos felt strongly that San Franciscans get these jobs, that it would be a win/win situation for everyone. He expressed his appreciation on staff's efforts to make this happen.

Mr. Cohen agreed that jobs were a major issue. He stated that labor leadership in San Francisco has been enlightened and in terms of the tension between local hires and labor. There is \$17 million between City assistance and the developer's funding for workforce development training. This will assist numerous people in preparation of construction jobs. Previously, there was a 50% local hire goal on projects in San Francisco, which has a poor track record. Lennar on Phase I, is at 52%.

Commissioner Bustos stated that Lennar hires people from San Francisco. When local residents are hired, usually this results in a better work product because you'll have community members that care about their work

Commissioner Swig thanked Commissioner Bustos and turned to Commissioner Singh.

Commissioner Singh thanked Commissioner Swig. Mr. Singh asked Mr. Cohen what the approximate price will be for the 2,300 below market homes.

Mr. Cohen stated the costs vary. Referring to the overhead presentation, Mr. Cohen stated that the Alice Griffith residents would obviously be at the lowest income level. The project includes a huge number of units that are the traditional redevelopment agency stand alone rental units, which are targeted at people at 50% area median income or lower. There is inclusionary homeownership, and workforce housing, which has never been done in SF.

The project will include: 256 Alice Griffith units. There are 1,388 of stand-alone Agency affordable units. There are 809 of affordable inclusionary units. There are 892 workforce for sale units. What that translates to is for the Alice Griffith units rent would be approximately \$650 a month for a family of three. For the stand-alone Agency affordable units, earning 50% of median income for a family of three, the rent would be a little over \$1,000 a month. On the inclusionary for-sale units, a three bedroom home for a family of four would be about \$280,000. At the midpoint of the workforce units, a three bedroom home for a family of four would cost a little over \$500,000.

Commissioner Singh thanked Mr. Cohen for the information.

Commissioner Swig thanked Commissioner Singh and turned to Commissioner King.

Commissioner King thanked Lennar for all of their efforts on this project. Mr. King stated that when the Agency first entered the project, there were only two developers, Ford City and Lennar. The entire commission chose Lennar. Commissioner King stated that the commitment that was made has continued to

be carried out and that Lennar has done a lot to ensure this project stays on course.

Commissioner Swig thanked Commissioner King. Mr. Swig turned to Commissioner Covington for further comments.

Commissioner Covington stated she had further comments. Commissioner Covington stated that she had been very active in the workforce development working group which meets monthly. Ms. Covington emphasized the need for individuals to be ready when jobs become available. Commissioner Covington asked Mr. Cohen to attend the next workforce development working group meeting.

Mr. Cohen stated that he would gladly attend.

Commissioner Covington stated that it is essential to have jobs that can sustain people over the 20 to 30 years of the project life. Ms. Covington also thanked Lennar and the goal for 50% hiring has been exceeded by them, which is exemplary.

Commissioner Swig thanked Commissioner Covington. Mr. Swig asked if any other commissioner wished to speak.

Commissioner Swig stated that one of his missions as a commissioner was to replace Alice Griffith. He expressed his pleasure that Alice Griffith was going to be in the first phase. Commissioner Swig stated that he would love to see Alice Griffith renamed after Commission King. Mr. Swig felt strongly that should be a goal of the Commission.

Commissioner Swig commented as well on the concern for transportation and the need for a presentation. Mr. Swig would like to include Visitacion Valley in the presentation as well. Commissioner Swig asked when Candlestick Park, would be torn down.

Mr. Cohen responded that the 49ers have three 5 year options to extend their current lease which would keep them in the site until 2022.

Commissioner Swig wanted to know if a building was at the end of its useful life, but could be extended a few more years, what would be the capital needed to keep it safe.

Mr. Cohen stated that was an ongoing discussion with the Recreation & Parks Department.

Commissioner Swig commented that the Commission as a whole was concerned about jobs. Mr. Swig expressed his appreciation of Lennar's score of 52%.

Mr. Cohen closed by stating that the planned green tech center at Hunters Point Shipyard has unbelievable long term permanent job potential, the opportunity for a campus like setting on the waterfront in the Bayview is really, really, an

incredible opportunity. Also, one goal is in having the United Nations come back to San Francisco, and specifically, Bayview Hunters Point and the Hunters Point Shipyard.

Commissioner Swig thanked Mr. Cohen and his staff for a great presentation. Commissioner Swig thanked staff for the presentation and stated that no action would be taken.

- (f) Workshop and update on the Hunters Point Shipyard Projects funded by the United States Department of Commerce, Economic Development Administration grants; Hunters Point Shipyard Redevelopment Project Area

Presenters: Stephen Maduli-Williams, Deputy Director; Thor Kaslofsky, Agency Staff

Speakers: Connie Ford

Commissioner Swig thanked Mr. Kaslofsky for an interesting presentation. Mr. Swig asked if there was anyone else in the audience who would like to address the commission on this item. Hearing none, seeing none, Mr. Swig closed public comment and turned to his fellow commissioners, beginning with Commissioner Covington.

Commissioner Covington thanked Commissioner Swig. Ms. Covington asked if we had schematic designs for units.

Mr. Kaslofsky stated that yes, there were schematic designs for the units. He stated there were 247 units which consisted of 88 units for Blocks 50 and 51 and the remaining 130+ for Blocks 53 and 54.

Commissioner Covington asked if Blocks 50 and 51 had previously been before the Commission.

Mr. Kaslofsky stated that was correct. Most recently, Blocks 53 and 54 were before the Commission.

Commissioner Covington asked if the units that had very large windows on the street level. If so, there was some discussion about security.

Mr. Kaslofsky stated those units were on Block 50. The Commission expressed concern about the space and whether or not that was living space. The space is actually storage space.

Commissioner Covington asked if those units had been before the Commission again.

Mr. Kaslofsky stated that these units have conditional approval of the designs.

Commissioner Covington stated that was the reason behind the question – would the unit be presented before the Commission again.

Mr. Kaslofsky stated that he would send updated designs if Ms. Covington desired. The solution, however, was to increase the plantings and raise the window ledge, so that the view was obstructed.

Mr. Blackwell stated that the next action on Blocks 50, 51, 53, and 54, would be the vertical disposition development agreements.

Commissioner Covington thanked Mr. Kaslofsky. Ms. Covington wanted to know how the decision was made to rehabilitate Building 813 instead of rebuilding.

Mr. Maduli-Williams stated that an analysis was done to compare the cost of tear down versus rehabilitation. The result was it is very expensive to tear down. We have not determined if it is on the historic register.

Commissioner Covington stated that since this was going to be a technology hub, the assumption is that it would be a SMART building. Currently, there is infrastructure which doesn't exist in the building and no conduits to upgrade it.

Mr. Maduli-Williams stated that ultimately the reuse of the building is part of the entire concept, taking a structure that typically would have been torn down, and making good use of it.

Commissioner Covington commented that the building was 61 years old. Ms. Covington again, expressed her opinion that she did not agree with this direction. Commission Covington felt this warrant further discussion and a field trip to the site.

Commissioner Swig asked that the historic nature be addressed.

Mr. Maduli-Williams stated that the building was not on the national historic register, but that the building was over 51 years old, which qualifies as under the local historic designation. Mr. Maduli-Williams stated this means we would have to protect the exterior.

Commissioner Swig stated that Commissioner Covington would like clarification of what we can and cannot do on with the building, and whether it would be wiser to terminate and rebuild.

Mr. Maduli-Williams asked if the Commission would like this information in the form of a workshop on Building 813.

Commissioner Covington stated that she does not want monies to go into a building that is not going to serve the purpose for it is we intended.

Mr. Kaslofsky stated that the building is potentially historic because of its age. There is a process which will have to be followed prior to demolition. Lennar will also have to go through a process similarly on Phase 2 with many of the buildings on the shipyard before it's demolished. Determinations would need to

be made, as was done with Building 101, for example. As Mr. Maduli-Williams stated, the building is not on the national historic register, but there is process by which we have to determine what historic elements need to be retained.

Commissioner Covington stated that we need to know what the perimeters are before an RFP is issued.

Mr. Maduli-Williams stated that there was background information on what led to the decision to rehabilitate. Staff can do an extensive presentation and workshop to you with a lot of that data and give you more information about what we can do and can't do.

Commissioner Covington stated this will be a decision for the President, Vice President and Executive Director as to if a workshop is needed or not. Commissioner Covington wanted to know if there were going to be nine finalist selected for the public art.

Mr. Kaslofsky stated that yes, there are nine.

Commissioner Covington thanked Mr. Kaslofsky for his presentation.

Commissioner Swig thanked Commissioner Covington and turned to Commissioner Breed.

Ms. Breed stated that she too had some serious concerns about building 813, particularly not only the look of the building but that the agency has a history of investing in different kinds of things that are not necessarily self sustaining. She stated that there are constant problems where people need to come back to the Commission for additional funding in order to survive. She stated that the art community is struggling and there are not as many tremendous grant opportunities that once existed before. There's been a huge cut in the arts overall in San Francisco and she knows that the proposed art and technology use is something that has been discussed in the past and a part of the plan. She stated that she has some concerns about whether or not the use could be self sufficient in the long haul and whether or not the community being created with the expected number of residents could actually support this particular use for the long haul. She understands that there is a community plan and the community has expressed interest in a number of things, including a use of this nature. But she stated that there is a need to think about whether or not these uses are going to be able to sustain themselves or are they going to go out of business within the first couple of years or are they going to continue to come back to the Agency or the developer or whomever asking for more funds. In addition to rehabbing the building, there are certain buildings she believes are worth saving but does not feel that this is one of them. She believes it would be worth going through the process to demolish the use. She stated that she prefers to see trees and a park or something of an open space use more the building being rehabbed. She stated that she wants to move forward and get as much money to move a number of projects forward. She stated that she does not want to take on more than can be handled, and take on more than the community can actually support in the long run when redevelopment is no longer available to provide the financial support

that actually gets a lot of these entities or groups or businesses or organizations out of a bind when they run into one. And more than likely, a few will run into those kinds of situations.

Commissioner Swig thanked Ms. Breed for her comments and turned to Commissioner Singh.

Commissioner Singh recognized Thor Kaslofsky and Amabel Akwa-Asare on the great job they were doing.

Mr. Blackwell reiterated what was just stated. Staff will delay the release of the RFQ until the commission reconvenes. We will agendaize the item due to the amount of data and information needed to be shared

Mr. Kaslofsky suggested a tour of the shipyard. We will be breaking ground for the last time, perhaps this year, and the grading is practically complete. I recommend is highly.

Commissioner Swig asked if any other commissioners had any comments or questions. Mr. Swig agreed with Commissioner Covington that a tour of the shipyard would be good. Commissioner Swig suggested that the yearly retreat be held at the shipyard. Mr. Swig thanked staff for the presentation and stated that no action would be taken.

5. **MATTERS NOT APPEARING ON AGENDA:** None.
6. **PERSONS WISHING TO ADDRESS THE MEMBERS ON NON-AGENDA, BUT AGENCY RELATED MATTERS :** None.
7. **REPORT OF THE PRESIDENT:** Commissioner Swig deferred his comments to Commissioner Singh. The Mayor, on January 26th asked all of the Commission presidents to join him for a budget discussion. Mr. Swig was unavailable and Commissioner Singh took his place.

Commissioner Singh thanked the President. Mr. Singh stated that the Mayor talked about the financial difficulties the City is going through and the projected deficit is going approximately \$522 million. The Mayor asked that all department heads develop a savings plan. The department heads only came up with \$16 million. He suggested that all the presidents and commissioners work with the director and come up with some solutions. Please cooperate with the director.

Commissioner Swig thanked Commissioner Singh for the update. Mr. Swig reiterated that it is a dire condition for the City and the State, and probably the country. Mr. Swig stated that he would meet with Executive Director Blackwell and review the Mayor's request for potential cuts in our program and in our budget.

8. **REPORT OF THE EXECUTIVE DIRECTOR:** Mr. Blackwell congratulated agency staff working on the Transbay project, as well as the Transbay Joint Powers Authority. The Agency received good news about the Transbay project area in that we be receiving a \$171 million loan from the government which is secured against

tax increment in that area. Secondly, we have received a \$400 million commitment from the federal government in stimulus funds for the high speed rail project. This is very good news in terms of moving that project forward. Mr. Blackwell stated that there was a workshop and a hearing on the various alternatives being studied for transportation routes. The \$400 million commitment from the federal government is conditional upon us being able to work out our issues with regard to environmental review, which means we need to have a clear route determined.

In addition to Commissioner Singh's comments on the meeting with the Mayor, Mr. Blackwell added that he wanted to make sure the Commission knew that because the Agency was not a general fund department, we generally did not receive the same budget instructions as other departments. That being said, we are emphasizing this year a conservative budgeting on a project area by project area basis. We are including projects that we believe will be implemented with this budget cycle within the next 12 months.

9. **COMMISSIONERS' QUESTIONS AND MATTERS:** Commissioner Covington stated that at numerous meetings there has been talk about the size of the units. Ms. Covington requested through the chair to the Executive Director and General Counsel, Commissioner Covington inquired if there was anything that precluded the Commission from stipulating a size for the units.

Mr. Blackwell stated that from a regulatory point of view we need to meet certain levels of returns and have performers that really work from a financial point of view. Mr. Blackwell suggested a combination of affordable housing staff present a workshop, as well as reach out to market rate developers in order to get a sense of what the legal ramifications are, but also where the market is with regard to size of units and what we can impose on developers.

Commissioner Covington stated this was this issue has been mentioned on numerous occasions. Ms. Covington stated she would like a resolution on this.

Commissioner Swig agreed with Commissioners Covington and Breed.: Mr. Swig would like staff to research other redevelopment areas in the state or the country, to review any guidelines as Commissioner Covington has described, and include that in the workshop. This will provide information on balancing the dynamic between construction costs and developer returns and the size of units.

Commissioner Covington stated that we need to look to the future. We want to ensure we are positioned properly to compete in the future.

Commissioner Breed thanked Commissioner Covington for bringing up this point. This is one of biggest complaints which Ms. Breed receives from people in regard to the housing opportunities in San Francisco. There are numerous requirements around open space and how housing has to be built. The point of building housing is for people to live. The Agency needs to take the leadership on this with housing in San Francisco, to consider what is being built and how it accommodates a family. Commissioner Breed felt we should create homes, and not just developments and structures. Ms. Breed thought a workshop on this subject would be appropriate.

Commissioner Swig commented on Commissioner Covington's point that creating resolution on this. Mr. Swig made note that what is needed is information mandate standards so as not to limit the Agency in the development of Bayview Hunters Point or other areas. Commissioner Swig felt it should be a mission of the Agency and the Commission to create sizing standards within the rules of law.

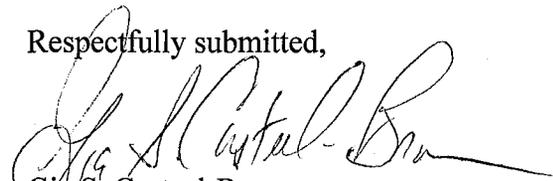
Commissioner Covington agreed that those were her sentiments.

9. **CLOSED SESSION:** None.

11. **ADJOURNMENT:**

It was moved by Commissioner Singh, seconded by Commissioner Breed, and unanimously carried that the meeting be adjourned at 7:25 p.m.

Respectfully submitted,



Gja S. Casteel-Brown
Acting Agency Secretary

ADOPTED:

Adopted March 16, 2010