

**MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
20th DAY APRIL OF 2010**

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 20TH day of April 2010, at the place and date duly established for holding of such a meeting.

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

Mr. Swig welcomed members of the public and radio listening audience and asked that all electronic devices including pagers and cellular telephones be turned off during the meeting. Mr. Swig asked members of the public who wished to address the Commission to fill out speaker cards, and to state their names for the record, and to limit their remarks to three minutes. Mr. Swig stated that the appropriate time for members of the public to address the Commission on matters not on the current Agenda, but related to general Agency business, would be Item 6 on the agenda. This portion of the Agenda is not intended for debate or discussion with the Commission or staff, and members of the public should simply state their business or matter they wish the Commission or staff to be aware of, and if they had questions, to follow-up with staff or Commissioners during a break or after adjournment. It is not appropriate for Commissioners to engage in a debate or respond on issues not properly set in a publicly-noticed meeting agenda.

1. RECOGNITION OF A QUORUM

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

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

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

2. REPORT ON ACTIONS TAKEN AT PREVIOUS CLOSED SESSION MEETING, IF ANY. No Reportable Action.

3. MATTERS OF UNFINISHED BUSINESS. None.

4. MATTERS OF NEW BUSINESS:

CONSENT AGENDA :

- (a) Approval of Minutes: Regular Meeting of March 16, 2010

Vice President Singh put forth a motion to approve 4(a).
Commissioner King seconded Mr. Singh's motion.

President Swig requested that a correction be made on Page 10 of 19, paragraph 3 to read... "They should always provide environmental overlay maps which would show where the problems are"....

ADOPTION: IT WAS MOVED BY COMMISSIONER SINGH, SECONDED BY COMMISSIONER KING, AND UNANIMOUSLY CARRIED THAT THE MINUTES OF THE REGULAR MEETING OF MARCH 16, 2010, BE ADOPTED.

REGULAR AGENDA

- (b) Workshop on the status of the environmental clean-up of the Hunters Point Shipyard; Hunters Point Shipyard Redevelopment Project Area.

Presenter: Michael Cohen

Speakers: Espanola Jackson, Bill Klingelhoffer, Jeffrey Deal, Rev. Walker, Francisco Da Costa, Bradley Bradley, John O'Flynn, Michael Patton, Eric Butler, Patrick Uniache, Stephen Leeper, Stormy Henry, Mitchell, Jenny Yang, Laura Chu, Joe Do Thue, Christina Sandoval, Noel Degala, Arnold Townsend, Terry Anders, Marissa Shaw, Doris Vincent

Commissioner Covington thanked all of the members of the public who took time from their busy schedules to attend the meeting to express their concerns, present their ideas, and their hopes for their future. Ms. Covington stated that she was comfortable with the level of cleanup at the Shipyard; people have been diligent with their work. Ms. Covington thanked the Public Health Dept. head and his staff for helping in keeping the project to stay on track. She again emphasized that when people hear that there are exceedences at the Shipyard, it is because the threshold is low which is when they should be notified as soon as there is even a small hint of a problem. Ms. Covington stated that Speaker Nancy Pelosi and Senator Feinstein have done everything they possibly could to provide funds to do the job that needs to be done, and to do it well. Ms. Covington stated that she was confident that support will continue if there is need for further financial support but with the support received thus far, she believes the job can be done.

Commissioner Covington asked Mr. Cohen to compare in contrast the difference between the Brownfield and the Superfund.

Mr. Cohen stated a superfund site is a contaminated site that's been given a particular designation based on the initial assessment upfront based on the kinds of contamination. Brownfield sites have broad levels of pollution that is being recycled into a different use. Mr. Cohen indicated that whether the type of contamination lead it to be characterized as a superfund site or not, there are two large landfills which are areas where the regulators pay a lot of attention to; the City family asked for that designation in the late 1980's to secure additional funding streams and to make sure there would be an intensive level of oversight that comes along with being a superfund site.

Commissioner Covington asked, in reference to Mr. Cohen's comment that the area designated as "F" on the map showing water around the shipyard and that the Navy is also responsible for cleaning that site, she asked if the cleanup of the soil is taking place simultaneously.

Mr. Cohen stated over the years, the Navy, as a general matter, followed the cleanup removal actions in the order they thought they would be developing. The Navy has done less removal actions in "F" more than anywhere else. As they've been doing over the course of the past 20 years, if they find something they often do the removal at that point and time. Mr. Cohen stated "F" is the least remediated of all the parcels.

Commissioner Covington asked if there was a timeframe for the remediation.

Mr. Cohen stated the transfer schedule for "F" is 2016.

Commissioner Covington asked for detail about the utility corridors UC1 and UC2.

Mr. Cohen stated they were carved out because they have a unique characteristic of being thin narrow strips going deep into the ground to lay utilities. One of the things they've done overtime is they would generally get a large strip of land they can work with at one time. Because of the utility corridors, they had to think about much greater depth since they present certain different issues; they asked them to create the specific sub parcels for the utility corridors.

Commissioner Breed stated she wholeheartedly agreed with Ms. Covington's comments and also thanked the public for their input. Ms. Breed asked for a point of clarification from Mr. Cohen about his comment that \$700M has already been spent on the project. She asked is the \$700 has been spent thus far for the cleanup.

Mr. Cohen stated the Navy has spent \$700M.

Commissioner Breed stated there is an additional amount that is expected in terms of cleanup that was recently secured as mentioned in Mr. Cohen's presentation.

Mr. Cohen stated there is \$700M that has been spent or obligated. Every year in the budget process the Mayor works with Speaker Pelosi and Senator Feinstein in establishing budget priorities for the City of San Francisco, with the Shipyard cleanup always being at the top of their list. Since the conveyance agreement was signed in 2004, they have received between \$60M - \$80M a year for cleanup at the shipyard, \$92M last year. Of that \$700M, \$600M has been spent. Mr. Cohen indicated they have submitted a request for another \$70M-\$90M for fiscal year 2011.

Commissioner Breed asked for data of the job opportunities.

Mr. Cohen stated that information has been hard to get because the cleanup is controlled by the Navy. They have tried to obtain the information for Speaker Pelosi but did not receive a complete report. Mr. Cohen indicated that he will again request for the information from the Navy.

Commissioner Breed asked for data on the job opportunities on the Phase I horizontal development.

Director Blackwell stated the Agency has exceeded the 50% goal in terms of local hiring on Phase I.

Commissioner Breed pointed out that job opportunities do exist and reiterated that she wants to make sure the residents are ready for new opportunities as they come on line and would like to see the Agency being more aggressive in making sure the people who live in the city are developing their own communities.

Mr. Cohen stated that most of the cleanup work is being done by the Navy to the extent that some of the surface work is being done through the Agency; the Agency has greater ability to control and demand that there be much higher local hire accountability.

Commissioner Singh asked should there be a natural disaster, what type of danger would the area experience should there be an earthquake or tsunami.

Mr. Cohen stated with the new construction compared to the rest of San Francisco they are building to much high building engineering standards. From an environmental perspective he believes there is no risk based on the characterization and study done of the site over many years. There would not be any type of unique risk to the site from an earthquake or sea level. Compared to the rest of San Francisco the development is pulled away from the water shore, the topography on the parks are sloped to handle wave action. The buildings are built from a good urban design perspective and are built on a podium with parking wrapped underneath. Mr. Cohen stated they can now build with much higher standards and with much better knowledge in comparison to the past.

President Swig thanked Mr. Cohen for his presentation and reminded the audience that this is a workshop on the status of the environmental cleanup of the Hunters Point Naval Shipyard. Mr. Swig stated what strikes him in the context of now sitting as Commissioner for the past 2-1/2 years, and hearing about the project, is the overwhelming support from the community for the project. There were many people who spoke before the Commission expressing their support of the project and not addressing the issue of environmental cleanup. He also indicated that those who are not entirely in favor of the project are mostly focused on the environmental piece, not the buildings that are going up or what will be built. What continues to impress him is the great support for the project related to jobs, the redevelopment of the community of Hunters Point, the ability to put money in people's pockets, and the domino affect it will have on the community. Mr. Swig stated he is very clear that the project has to get done and move forward aggressively. Mr. Swig also stated it is important to hear those who question the project such as Mrs. Jackson and Mr. DaCosta who are deeply sincere with their positions. It is Mr. Swig's goal to get those individuals as well as their followers comfortable that everything is ok, that the children and future generations will be safe. Mr. Swig requested that at the next Workshop on the status of the environmental cleanup of Hunters Point, is to have Mr. Cohen bring the overlay of the hotspots and go through each site and have a technical person identify exactly for the public's consumption; when you have a hotspot, what exactly is done, when is no longer a hot spot, and how is it made safe for upcoming generations. Mr. Swig asked that this project be transparent, identify specific issues so rumors and conjectures can go away and all can be comfortable with the truth and facts from the technicians hired to get the job done. Mr. Swig would also like to see the timeline at next workshop. Mr. Swig feels it is important for the public to be constantly reminded as to the extensive timelines, how long, and when it will take for the clean up to occur.

President Swig asked how the records are kept on fill so that if a landfill was created, where did that fill occurred and where the dirt came from. Mr. Swig asked who will be keeping record, and how will the record be reported to the public should anyone 50 years from now want that information.

Mr. Cohen stated, due to time constraints of the length of time afforded them at the Commission meeting, the Commission will be receiving a report by the end of the week which lays out a parcel by parcel description of the contaminants of concern and how they are being addressed, including the timelines. The document will be widely disseminated to the Board of Supervisors, Planning Commission, CAC, PAC, website; staff will report back to the Commission to address those questions. The document describes in great detail what the circle of process entails starting with analysis of historical records. One of the keys for strategy on Brownfield's across the country is that restrictions on use are put in the property deeds, CC&R's, and title reports, with San Francisco taking it one more step through the Morrow ordinance as amended for this site, there is a rigorous process before obtaining a building permit. The combination of the deed restriction and the requirements under Article 31 for going through the

rigorous steps to get a building permit are the fundamental protections on making sure people know what they are suppose to do in the future.

President Swig stated that there were many who spoke before the Commission this evening who stated that “we must get this project going”. Mr. Swig reminded the audience and those listening on the radio that the project is taking place with a lot of activity going on, and invited everyone to visit the site to see the progress going forward.

Commissioner Bustos thanked Mr. Swig for his comments and was also thinking in those terms of caring for the City and its residents. Mr. Bustos stated that it is important for people to express their concerns and thanked Ms. Jackson and community members who have been diligent in expressing their concern about environmental security in the area. Mr. Bustos also thanked Mr. Cohen and his staff for their due diligence and going beyond the call of duty in ensuring the area is cleaned, and cleaned right. Mr. Bustos stated that citizens of the southeast part of the city have been ignored for so long and expressed his appreciation from the environmental and workforce side that the community will no longer be ignored because of the entire process and everyone’s participation. Mr. Bustos thanked all involved.

- (c) Authorizing a Second Amendment to the Legal Services Contract with Shute, Mihaly & Weinberger LLP to provide specialized legal services primarily related to public trust and state park issues in the Candlestick Point Area of the Bayview Hunters Point Shipyard and the Hunters Point Shipyard Redevelopment Project Areas in the amount of \$350,000, for a total contract amount not to exceed \$800,000; Bayview Hunters Point and Hunters Point Shipyard Redevelopment Project Areas. (Resolution No. 36-2010)

Presenter: Thor Kaslofsky, Agency Staff

Speakers: None.

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

Commissioner Singh seconded Mr. King’s motion.

ADOPTION: IT WAS MOVED BY COMMISSIONER KING, SECONDED BY COMMISSIONER SINGH, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 36-2010, AUTHORIZING A SECOND AMENDMENT TO THE LEGAL SERVICES CONTRACT WITH SHUTE, MIHALY & WEINBERGER LLP TO PROVIDE SPECIALIZED LEGAL SERVICES PRIMARILY RELATED TO PUBLIC TRUST AND STATE PARK ISSUES IN THE CANDLESTICK POINT AREA OF THE BAYVIEW HUNTERS POINT SHIPYARD AND THE HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREAS IN THE AMOUNT OF \$350,000, FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$800,000; BAYVIEW HUNTERS POINT AND HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREAS, BE ADOPTED.

AGENDA ITEMS 4(d, e & f) WERE PRESENTED TOGETHER, BUT
ACTED ON SEPARATELY

- (d) Authorizing a Third Amendment to the Amended and Restated Tax Increment Loan Agreement, and a Second Amendment to the Disposition and Development Agreement with Green Blended Communities, LLC, a California Limited Liability Corporation, to increase the loan by \$330,000 for a total not to exceed loan amount of \$8,795,829, to provide additional funds for marketing and outreach, a broker referral program, and carrying costs, and to modify associated terms and conditions of the Agreement related to the sales of the units, in conjunction with the development of 18 units of low- and moderate-income ownership units at 4800 Third Street; Bayview Hunters Point Redevelopment Project Area; Citywide Tax Increment Housing Program. (Resolution No. 37-2010)

Presenter: David Sobel

Speakers: Doris Vincent (did not wish to speak but submitted a card in support)

Commissioner Covington, through the President, requested that this item be placed on the Agenda at the scheduled Commission Retreat. She stated they should spend some time as Commissioners looking at the Agency's entire portfolio on affordable housing and how things are going and to make any adjustments in the Agency's policy that need to be made in going forward. She does not believe this will be the last request for subsidies.

President Swig asked Director Blackwell to place the item on the Agenda for the Commissioner's Retreat.

Commissioner Covington asked what will be new in the marketing efforts.

Mr. Sobel stated the marketing efforts throughout the process, in his opinion, have been the most extensive and aggressive the agency has ever done. What will be different now will be the increase of income limits at all locations which opens up the pool to more buyers, they have also made a change in allowing FHA financing for their projects which was previously not allowed on a policy basis. They have opened up several new avenues which are different and will be included in the marketing as well as the new down payment assistance which basically results in lower affordable prices. They continue to do community outreach engaging with local organizations, outreach with Ministers and Churches in the Bayview.

Commissioner Covington stated what she heard was an update on qualifications, a number of which she had lobbied heavily for, such as an increase to 120% of medium income. She is concerned that there are missed opportunities by not having a conversation with a marketing expert which is what is needed.

Mr. Sobel stated they are now allocating up to a 2% broker referral fee of the purchase price. Secondly, they are having workshops on site to help prospective buyers with filling out applications. Part of the funding request is to engage with a new real estate team through Sotheby's which will stage and market differently, and with more expertise.

Commissioner Covington asked if Sotheby's had experience in the subject population.

Ms. Regina Davis, CEO of SFHDC, stated that Linda Harrison of Sotheby's has an extensive background in marketing who is a primer African American realtor in San Francisco. Due to the different market the marketing will be specifically targeted to solicit the audience they are trying to attract. Ms. Davis indicated that it is not just the bad market but also the bad media which gives a lot of attention to violence in the Bayview community. Ms. Davis stated the marketing issue needs to be addressed along with the resources which they are making a financial request to compensate brokers.

Commissioner Covington asked for Sotheby's track record in marketing for the community.

Ms. Davis stated she did not have that information on hand and would send the Commission information on Sotheby's. Ms. Harrison has extensive experience in marketing BMR's and is very confident in Ms. Harrison experience.

Ms. Cheryl O'Connor of O'Connor stated that she has been consulting for 35 years with an expertise in sales, and marketing new homes in the Bay Area for 35 years. Ms. O'Connor stated she has been working with BRIDGE for a year when they opened Phase II to the market in August of 2009 and are already marketing Phase I. Their attempts were to reach to local groups and to see, since it was a new program, if they could get enough buyers through that program without having to go to any further extent. They discovered after seeing over 1,200 people coming through the sales office with a full campaign, it was determined that they did not have enough people to help out the community. They are now into Phase II and with the all the experience now having been there since August 2009, and knowing who's coming through, who qualifies, who they need to target in terms of going back to those applicants, they came up with a campaign based on that information using the matrix of people coming through, developing their campaign, including direct mail, and public relations.

Commissioner Covington understands that Agency funds are funds of last resort, and asked if after 30 years everything is forgiven.

Mr. Sobel stated that is not correct, loans are deferred for 30 years and are due at either sale or transfer or at the end of 30 years, whichever occurs earlier. The loans have to be paid but are interest free and deferred.

Commissioner Covington asked if the homes are inheritable.

Mr. Sobel stated the homes are all part of the limited equity program and the homes can be passed on to someone's heir if he or she is income eligible at that time. If the person is not income eligible, the Agency would arrange for the sale to an eligible buyer and the heir would be able to capture whatever the sales proceeds are.

Commissioner Covington put forth a motion to move items 4(d), 4(e), and 4(f).

Commissioner Bustos asked what the rationale was for giving 2% to the broker and asked should that not be an incentive for buyers by lowering some of the prices.

Mr. Sobel stated they are trying to incorporate as many ideas and concepts into the process to sell the homes as quickly as possible to people who are eligible. They are offering financial assistance to effectively lower prices for people, and are also trying to engage with the local broker community.

Commissioner Breed seconded Ms. Covington's motion.

President Swig stated he was glad staff was engaging the brokerage community which is a great distribution channel. He suggested that the Executive Director or designated spokespersons be engaged in a Press campaign so there will be scheduled interviews in the ethnic newspapers or specialty neighborhood newspapers.

ADOPTION: IT WAS MOVED BY COMMISSIONER COVINGTON, SECONDED BY COMMISSIONER BREED, AND UNANIMOUSLY CARRIED RESOLUTION NO. 37-2010, AUTHORIZING A THIRD AMENDMENT TO THE AMENDED AND RESTATED TAX INCREMENT LOAN AGREEMENT, AND A SECOND AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT WITH GREEN BLENDED COMMUNITIES, LLC, A CALIFORNIA LIMITED LIABILITY CORPORATION, TO INCREASE THE LOAN BY \$330,000 FOR A TOTAL NOT TO EXCEED LOAN AMOUNT OF \$8,795,829, TO PROVIDE ADDITIONAL FUNDS FOR MARKETING AND OUTREACH, A BROKER REFERRAL PROGRAM, AND CARRYING COSTS, AND TO MODIFY ASSOCIATED TERMS AND CONDITIONS OF THE AGREEMENT RELATED TO THE SALES OF THE UNITS, IN CONJUNCTION WITH THE DEVELOPMENT OF 18 UNITS OF LOW- AND MODERATE-INCOME OWNERSHIP UNITS AT 4800 THIRD STREET; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

- (e) Authorizing a Second Amendment to the Tax Increment Loan Agreement, and a First Amendment to the Disposition and Development Agreement with BRIDGE Tower, LLC, a California Limited Liability Corporation, to expand the number of eligible homebuyers by amending the definition of "Qualifying Homebuyer" to up to 120% Area Median Income; to modify the schedule of performance; and to modify and increase the budget by \$3,460,020, for a total amount not to exceed \$24,487,045; in conjunction with the development of 124 low-and moderate-income ownership units; 5600 Third Street; Bayview Hunter's Point Redevelopment Project Area; Citywide Tax Increment Housing Program. (Resolution No. 38-2010)

ADOPTION: IT WAS MOVED BY COMMISSIONER COVINGTON, SECONDED BY COMMISSIONER BREED, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 38-2010, AUTHORIZING A SECOND AMENDMENT TO THE TAX INCREMENT LOAN AGREEMENT, AND A FIRST AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT WITH BRIDGE TOWER, LLC, A CALIFORNIA LIMITED LIABILITY CORPORATION, TO EXPAND THE NUMBER OF ELIGIBLE HOMEBUYERS BY AMENDING THE DEFINITION OF "QUALIFYING HOMEBUYER" TO UP TO 120% AREA MEDIAN INCOME; TO MODIFY THE SCHEDULE OF PERFORMANCE; AND TO MODIFY AND INCREASE THE BUDGET BY \$3,460,020, FOR A TOTAL AMOUNT NOT TO EXCEED \$24,487,045; IN CONJUNCTION WITH THE DEVELOPMENT OF 124 LOW-AND MODERATE-INCOME OWNERSHIP UNITS; 5600 THIRD STREET; BAYVIEW HUNTER'S POINT REDEVELOPMENT PROJECT AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

- (f) Adopting a Down Payment Assistance Program in an amount not to exceed \$2,770,000 to provide additional down payment assistance in to eligible households in conjunction with the sale of 124 low-and moderate-income ownership units at 5600 Third Street, and 18 low-and moderate-income ownership units at 4800 Third Street; Bayview Hunter's Point Redevelopment Project Area; Citywide Tax Increment Housing Program. (Resolution No. 39-2010)

ADOPTION: IT WAS MOVED BY COMMISSIONER COVINGTON, SECONDED BY COMMISSIONER BREED, AND UNANIMOUSLY CARRIED THAT. RESOLUTION NO. 39-2010, ADOPTING A DOWN PAYMENT ASSISTANCE PROGRAM IN AN AMOUNT NOT TO EXCEED \$2,770,000 TO PROVIDE ADDITIONAL DOWN PAYMENT ASSISTANCE IN TO ELIGIBLE HOUSEHOLDS IN CONJUNCTION WITH THE SALE OF 124 LOW-AND MODERATE-INCOME OWNERSHIP UNITS AT 5600 THIRD STREET, AND 18 LOW-AND MODERATE-INCOME OWNERSHIP UNITS AT 4800 THIRD STREET; BAYVIEW HUNTER'S POINT REDEVELOPMENT PROJECT AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

- (g) Conditionally approving a Combined Basic Concept and Schematic Design and adopting environmental findings pursuant to the California Environmental Quality Act in conjunction with the development of 150 very low- and low-income rental housing units at 1000 Fourth Street (Block 13 East) by Mercy Housing California XLIV, a California limited partnership; Mission Bay South Redevelopment Project Area. (Resolution No. 40-2010)

Presenter: Jeff White, Agency Staff

Speakers: None

Commissioner Covington stated that the design is very eye catching, pleasing, and a great welcome to the community. She particularly enjoyed the different aspects of the building looking as though there are different uses for different portions. Ms. Covington asked about the location of the elevator shafts.

Mr. Solomon stated the main elevator is located opposite the lobby with a secondary elevator which serves to minimize traveling distances from the podium level and the northern wing.

Commissioner Covington inquired as to where the public parking will be located since there will be retail space and restaurants.

Mr. Solomon indicated the parking provided is residential parking and City Car Share. There is no separate off street parking for the retail components for the project.

Commissioner Covington asked if they did not see that as a potential problem.

Mr. Jeff White stated there is no parking requirement in the design for development in Mission Bay. There are other parking resources nearby.

Amy Neches stated there is a larger parking strategy for the retail stores in Mission Bay on Fourth Street. As mentioned by Mr. White, there is no parking requirement for individual buildings but there is on street parking; it is a very transit rich area and a densely populated area. The larger parking strategy also includes parking that is available in the commercial buildings available to the public on weekends and evenings, and also includes the UCSF parking structures which are located two blocks away, including the Alexandria research buildings. In addition, they are looking at a few of the affordable housing sites which will be oriented more towards supportive housing, and thus, have essentially no resident parking demand. In addition, there is currently a great amount of parking available at the Giants parking lot which is available on a daily and hourly basis which is slated for development at some time. Ms. Neches stated they expect that project will incorporate public parking as well that will serve the larger Mission Bay area.

Commissioner Covington asked if the parking survey was available for the area.

Ms. Neches stated parking was studied as part of the overall environmental impact report during the planning for the project. Any large retail will require onsite parking but smaller retail was determined not to be required because of transportation and on street parking, as well as nearby parking resources.

Commissioner Covington asked what type of retail is envisioned for the area.

Ms. Neches stated retail is planned for the entire frontage of Fourth Street within the residential area from Channel Street to Mission Bay Blvd. North. The total amount of retail will be from 70,000 – 80,000 square feet. The mix is expected to be as many other neighborhoods; restaurants, eating and drinking establishments; service type establishments such as service oriented rather than hard goods; dry cleaners, cafes, coffee shops, and gift shops.

Commissioner Covington asked what security measures are going to be in place for the Townhomes since the patios are at grade. Ms. Covington stated in reviewing the schematic design it seems as if the patio gates and fencing are fairly low.

Mr. White stated the configuration of the patio was a result of a study of how the townhouse entrances in other projects in Mission Bay were functioning. They provided an 8 ft. setback so there is a bit of a public private transition space rather than just having the front door opening onto the sidewalk. In order to keep that area public/private, there is a lower fence. There is no plan to have a security guard watching the individual patios when people put furniture out.

Commissioner Covington asked if the design was wall to wall, floor to ceiling windows.

Mr. Solomon stated there is a balance between privacy, security, and not having them be too formidable. The fences, hedges, and rails are fairly low and did not think anyone should put an object out where it would be vulnerable. The windows within the units will be obscure glass up to a height of 3 – 6 feet so you can peer out and over. The exact dimensions, window character, and gates will be addressed and focused on during the design and development.

Commissioner Bustos stated he likes the design and the fact that it is broken up so it creates a village affect. It is important to him that people who live in the housing development get something with a nice design. He stated that he is familiar with Mercy Housing and the Sisters of Mercy which he knows have a reputation of doing good work. Commissioner Bustos put forth a motion to move item 4(g).

Vice President Singh asked when the groundbreaking is scheduled for.

Mr. White stated the scheduled start date will be spring of 2012 and should be completed in early 2014.

President Swig stated that one of the sensitivities of this Commission is sizing because in many of the projects there has been discussion that the units are very small. Mr. Swig asked within those 1020 square feet, what is the square footage allocation for a two bedroom.

Mr. Solomon stated the unit size is commensurate with affordable housing.

President Swig asked Mr. Solomon not to give a commensurate answer with affordable housing, what he asked for is the program that is going to be in that unit. Mr. Swig stated that they are dealing with people and asked what will be going into the unit that will make it a nice place for people to live in. Mr. Swig apologized for getting upset but stated that he is very tired of architects who stand before them and give them generic answers. He stated that the Commission is being asked to approve a project which have very small units and are not up to standard for people to live, which is why he gets upset.

Mr. Solomon apologized and stated that at this time it is a schematic and not a finished design.

President Swig stated that the Commission is being asked to approve the project at this meeting and asked if they wished to return at another meeting for approval to allow more time to get the information requested by the Commission.

Mr. Solomon stated they have done with each of the units as they do with all of their units which are furniture layouts with each bedroom; most bedrooms can take two beds and a dresser. They understand that many of the children's bedrooms in the units need to be slightly larger than the master bedroom because children double up in the units. There is difficulty in balancing between resources allocated for affordable housing and how large you can make a unit and storage, privacy, and furnish ability with the units. Mr. Solomon stated that when you see a unit which is larger in a key angle corner, it has to be larger in order for it to be furnishable than a standard unit which is more efficient, that's why the difference in size. He stated that every unit has come out of the study of the unit; it's orientation, it's light, it's vistas, and it's furnish ability. He indicated that is what they always do; they do not design things to standards. They have worked on many affordable housing designs in San Francisco, study the layout before and after they do a design, see how they're occupied and how they're lived in. Mr. Solomon stated that this was not a handbook design by any means; any design like this which is a complex urban block, there are anomalies like a corner unit that has light on two sides.

President Swig stated there are also three bedrooms at 1205 square feet which is 185 square foot larger than the two bedroom right next to it. He stated it is an anomaly, but it's an accommodation for three bedrooms. Mr. Swig asked for more detail as opposed to the generic standard as to the sizing of the individual bedrooms and the sizing of the living room/combination kitchen.

Mr. Solomon stated they never try to make a living room less than 10x12 feet. Living rooms are generally a minimum of 11 ft. wide, with a dining table that usually takes about 9ft. to pass by comfortably. There is a dining table, a couch, and a TV in every living/dining combination. The kitchens are made accessible by making them a bit bigger than they need to be, bathrooms are also made larger than they need to be in order to accommodate adaptability and accessibility. Mr. Solomon indicated that every unit has been gone through with furniture template and layouts of furniture in consideration of use and light.

President Swig asked Mr. White that in the future they bring in a layout of what the individual unit will look like. He would like full transparency and full disclosure of what the units will look like. He would like to see a board of what that apartment is going to layout as, where the couch is going to be, where the dining area is going to be, how the bedroom is going to layout, where the bathroom is going to be, and how it will be acceptable and useful to the people who live there. Mr. Swig stated that he was not questioning Mr. Solomon's capabilities because his firm is a tremendous architectural firm with a tremendous reputation. What he is sensitive about is that the Commission is being asked to approve something based on a lot of conjecture. He is not doubting that nor questioning Mr. Solomon's integrity, but stated that the Commission, which sits on behalf of the people who are going to be living there, aren't seeing the layout and whether the sizing works for the community that will live there. Mr. Swig asked Mr. White once again that in the future, when these types of items are brought before the Commission that the architectural firms provide the layout. He stated that he would like to approve the item but was having a difficult time in doing so based on the information they received.

Mr. Solomon stated that Mr. Swig was making a completely reasonable but quite unusual request to submit detailed unit plans for a schematic design approval. He stated that they will provide the Commission with the detailed unit plans and reiterations of versions of units and will submit the layout to the Commission.

President Swig asked that all he would like to see is that the units work for the people who will be living in those units and are going to be satisfied and comfortable. They should not be asked to compromise because of design or incentives.

Mr. Solomon stated he too shared the same point of view as Mr. Swig.

Commissioner Breed stated that she was disappointed in not having received the drawings showing the square footage of the housing units. She stated the design was an incredible opportunity and believes there are great opportunities that exist for the project. Ms. Breed expressed her frustration over the size of the units being built in San Francisco and has, in the past, expressed her interest in having a discussion on the size of the units that are being built. She is disappointed that the proposed units are not a decent size for families to live and

grow. Ms. Breed does not think it would be beneficial for the agency to push forward just by adding numbers to the housing stock and not think about increasing the size of space that people have to live in. She does not believe it is fair to families who are struggling to be subjected to living quarters of this size.

Director Blackwell suggested that the Commission may consider providing the project with a conditional approval so they can continue to move forward on the timeline, collect additional funds, and stay on the time frame, but condition it to come back to the Commission with some of the designs the architects have on the bedroom designs. Secondly, as Ms. Covington suggested for the Commission Retreat, look at the overall pipeline of affordable housing that the Agency has and what is being done. Mr. Blackwell suggested adding thorough discussion on the unit size issue since it has come up quite a few times. He stated that there are very important policy issues in terms of the trade off associated with larger units such as fewer units and making the development more expensive on a per unit basis. Mr. Blackwell indicated that it is important to bring the Commission the data to make an informed decision on what is potentially a new direction in terms of how affordable housing development is approached in the City.

President Swig asked what the sensitivity was on the timeline with funding and availability of funding if the Commission did not provide their approval or a deferral for some time.

Ms. Barbara Gualco of Mercy Housing stated the sooner they can come back to the Commission they can then go after the last remaining MHP funds available.

Mr. White indicated that one month would work for them.

Commissioner Covington indicated that she would like to vote on the item at this meeting. In the absence of a clear policy, she does not feel they can ask the group to clear a hurdle that they would not have anticipated. Ms. Covington stated she has seen condos in San Francisco when she was looking to buy one for her mother, and stated that she looked at units that had two bedrooms at 1,020 square feet. Ms. Covington stated at this point, she would like her fellow Commissioners to vote for the item and called the question, there is a motion on the floor and a second.

Commissioner Breed stated she also agreed in moving forward in approving the item in the absence of a policy, and in the interest of securing funding. Ms. Breed stated that as an Agency this issue needs to be looked into and develop an appropriate policy. Ms. Breed indicated that she was more interested on quality and not quantity in this effort.

Commissioner Covington agreed with Ms. Breed's comments on the matter of larger units which will be part of the policy discussion. Ms. Breed would like to see three addresses of condos in the City that have units of a comparable size.

President Swig asked for a friendly amendment with the suggestion of the Executive Director which was a conditional suggestion that the group come back with the layout of the units.

Commissioner Covington rejected Mr. Swig's friendly amendment.

ADOPTION: IT WAS MOVED BY COMMISSIONER COVINGTON, SECONDED BY COMMISSIONER BUSTOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 40-2010, CONDITIONALLY APPROVING A COMBINED BASIC CONCEPT AND SCHEMATIC DESIGN AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT IN CONJUNCTION WITH THE DEVELOPMENT OF 150 VERY LOW- AND LOW-INCOME RENTAL HOUSING UNITS AT 1000 FOURTH STREET (BLOCK 13 EAST) BY MERCY HOUSING CALIFORNIA XLIV, A CALIFORNIA LIMITED PARTNERSHIP; MISSION BAY SOUTH REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- (h) Authorizing a First Amendment to a Personal Services Contract with Elation Systems, a California corporation, to increase the Contract amount by \$86,200, for a total aggregate amount not to exceed \$286,200, and to amend the scope of services to enhance existing modules and to add 3 new modules in connection with the Agency's web-based Labor Compliance System. (Resolution No. 41-2010)

Presenter: Christina Garcia, Agency Staff

Speakers: None.

ADOPTION: IT WAS MOVED BY COMMISSIONER SINGH, SECONDED BY COMMISSIONER BREED, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 41-2010, AUTHORIZING A FIRST AMENDMENT TO A PERSONAL SERVICES CONTRACT WITH ELATION SYSTEMS, A CALIFORNIA CORPORATION, TO INCREASE THE CONTRACT AMOUNT BY \$86,200, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$286,200, AND TO AMEND THE SCOPE OF SERVICES TO ENHANCE EXISTING MODULES AND TO ADD 3 NEW MODULES IN CONNECTION WITH THE AGENCY'S WEB-BASED LABOR COMPLIANCE SYSTEM, BE ADOPTED.

- (i) Authorizing a Disposition and Development Agreement with Tenant's and Owner's Development Corporation, Inc., a California nonprofit public benefit corporation, for the sale of the property known as Alice Street Gardens (Block 3751, Lot 173) for the purpose of preserving it as a community garden or other community open space; Yerba Buena Center Redevelopment Project Area. (Resolution No. 42-2010)

Presenter: Christine Maher, Agency Staff

Speakers: John Elberling

Commissioner King put forth a motion to move Item 4(i). Mr. King suggested that the Commissioners visit the site.

Commissioner Singh stated that he would like to visit the site and seconded Mr. King's motion.

Mr. Bustos stated he supported the project and would like to ensure that the Gardens stay in the community for community use.

ADOPTION: IT WAS MOVED BY COMMISSIONER KING, SECONDED BY COMMISSIONER SINGH, AND UNANIMOUSLY CARRIED that Resolution No. 42-2010, Authorizing a Disposition and Development Agreement with Tenant's and Owner's Development Corporation, Inc., a California nonprofit public benefit corporation, for the sale of the property known as Alice Street Gardens (Block 3751, Lot 173) for the purpose of preserving it as a community garden or other community open space; Yerba Buena Center 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.** None
7. **REPORT OF THE PRESIDENT:**
 - The budget presentation has been postponed until the May 4th Commission Meeting.
 - Advised the Commissioners if they have any items they would like as agenda items for the Commissioners retreat to please refer them to him or Director Blackwell.
 - The following are scheduled meetings to be held in June: A Joint hearing is scheduled for Thursday, June 3rd with City Planning; a regularly scheduled Commission meeting on June 15th; and the June 22nd Commission Retreat.
 - Mr. Swig and Director Blackwell will meet and confer as to whether there will be a June 1st Commission meeting.
 - Mr. Swig stated that he felt it was inappropriate for him to beat up on architects and if the gentlemen were still at the meeting he would apologize. He stated that he was displacing his aggression on what he feels strongly towards and has been building up over the issue of the size of the units which both Commissioner Breed and Commissioner Covington have expressed their frustration repeatedly. Mr. Swig stated that he agrees with Commissioner Covington that on the 22nd Commission Retreat, there should be a discussion about policy with regard to the Agency's housing programs. Mr. Swig stated that he does not want a response from anyone saying "well the industry standard is"....because as a professional consultant he has used that method when he's trying to punt, and the gentlemen's answer was a punt, not a direct answer.

- President Swig would like the following before the June 22nd Commission retreat:
 - Sizing and configuration of low income housing
 - What is historical standard
 - What is historical reality so that as they look forward into the future and in planning these things they are not compromising lifestyles of those for whom they are planning
 - Defined metrics, not industry standards or redevelopment standards in a generic fashion.
- Mr. Blackwell asked if they should also include market rate comps.
- President Swig asked Mr. Blackwell to include whatever he felt was appropriate for the discussions, he does not want to attend the June 22nd Commission Retreat without being prepared. Mr. Swig asked that they be given enough information from what was said at tonight's meeting from both Commissioner's Covington and Breed, and him at the very least. He asked that Mr. Blackwell gather the data which relates to the questions they have on setting policy for housing so that when they arrive at the retreat they can resolve some issues and provide a direction for policy.

8. REPORT OF THE EXECUTIVE DIRECTOR:

- Postponement of bringing the final budget for approval at this meeting is that they are still working with the Mayor's Office to finalize the changes to minimize the impact on the general fund. An extension was given to submit the Agency's budget to the Mayor's Office. The Informational Memorandum on the budget proposed a complete version of the budget be brought before the Commission rather than giving them a budget that will be changed.

9. COMMISSIONERS' QUESTIONS AND MATTERS:

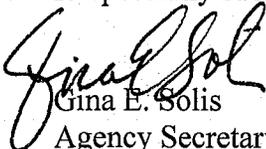
- Commissioner Breed reminded all that Commissioner King is being honored at the San Francisco Marriott by the A. Phillip Randolph Institute is honoring him.

10. CLOSED SESSION: None.

11. ADJOURNMENT:

It was moved by Commissioner Breed, seconded by Commissioner Singh, and unanimously carried that the meeting be adjourned at 7:50 p.m.

Respectfully submitted,


Gina E. Solis
Agency Secretary

ADOPTED:

May 18, 2010