

**MINUTES OF A REGULAR MEETING OF THE
REDEVELOPMENT AGENCY OF THE CITY AND
COUNTY OF SAN FRANCISCO HELD ON THE
5th DAY JULY OF 2011**

The Commissioners of the Redevelopment Agency of the City and County of San Francisco met in a regular meeting at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 416, in the City of San Francisco, California, at 4:00 p.m. on the 5th day of July 2011, at the place and date duly established for holding of such a meeting.

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

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

Rick Swig, President
Darshan Singh, Vice President
Rosario M. Anaya
Miguel M. Bustos
Francee Covington
Leroy King
Agnes Briones Ubalde

Fred Blackwell, Executive Director, was not present. General Counsel Morales substituted for Director Blackwell as Acting Director.

- 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:

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

(a) Approval of Minutes: Regular Meeting of April 5, 2011

(b) Approval of Minutes: Regular Meeting of May 3, 2011

Commissioner Bustos abstained from Agenda Item 4(a), Approval of Minutes for the Regular Meeting of April 5, 2011; he was not present at the meeting.

Commissioner Covington abstained from commenting on Agenda Item 4(b), Approval of Minutes for the Regular Meeting of May 3, 2011; she was not present at the meeting.

ADOPTION: IT WAS MOVED BY COMMISSIONER SINGH, SECONDED BY COMMISSIONER ANAYA, WITH COMMISSIONER BUSTOS ABSTAINING FROM AGENDA ITEM 4(a) - APRIL 5, 2011 MINUTES, AND COMMISSIONER COVINGTON ABSTAINING FROM AGENDA ITEM 4(b) - MAY 3, 2011 MINUTES, AND UNANIMOUSLY CARRIED THAT THE MINUTES OF THE REGULAR MEETING OF APRIL 5, 2011; AND THE MINUTES OF THE REGULAR MEETING OF MAY 3, 2011, BE ADOPTED.

REGULAR AGENDA

(c) Establishing classifications of positions and compensation for the Agency staff and establishing authority for appointment to and vacation from positions under said classifications and other matters. (Resolution No. 92-2011)

Presenter: Diane Iwata, Agency Staff

Acting Director Morales stated that the Agency is currently in a state of suspension for most new activities and agreements but this action before the Agency is within an exception for that suspension because it relates to previously approved labor agreements and thus can be acted up by the Agency.

Speaker(s): Ace Washington

Commissioner Bustos put forth a motion to move this item.

Commissioner Anaya seconded Mr. Bustos' motion.

ADOPTION: IT WAS MOVED BY COMMISSIONER BUSTOS, SECONDED BY COMMISSIONER ANAYA, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 92-2011, ESTABLISHING CLASSIFICATIONS OF POSITIONS AND COMPENSATION FOR THE AGENCY STAFF AND ESTABLISHING AUTHORITY FOR APPOINTMENT TO AND VACATION FROM POSITIONS UNDER SAID CLASSIFICATIONS AND OTHER MATTERS, BE ADOPTED.

- (d) Workshop on the Effects of State Legislation Suspending New Redevelopment Activities but Allowing the City and County of San Francisco to Take Steps to Continue the Redevelopment Agency.

Presenter: Acting Director Morales, Agency Staff

Acting Director Morales stated that the previous week had been quite a week in terms of the Agency. Although it was not a complete surprise, the state legislature finally transmitted to the Governor two redevelopment trailer bills to the budget and in the same week the Governor signed the budget, which in effect, operationalized the trailer bills and other bills that were part of the budget. Because the trailer bills dealing with redevelopment were part of the budget, they went into effect immediately. Therefore, as of Thursday, when the budget bill was signed, there were certain constraints placed upon the Agency that will be explained as well as a path or mechanism for the Agency to be able to continue. The legislature passed two bills—AB 26 and AB 27 two weeks ago, which are significantly joined together so one could not have been enacted without the other and both of them have to go into effect. AB 26 is essentially a dissolution or termination bill, modeled after the legislation that was considered in March and failed by one vote in the Assembly when a 2/3 vote was needed for that to pass. AB26 basically puts the Agency on a path toward termination by October 1, 2011. Significantly, it immediately imposes upon the Agency a suspension of any new activities and amendments of existing contracts and other actions. Mr. Morales indicated that this bill is fairly specific on what the Agency is not able to do and starts with a very general prohibition that states that the Agency shall not incur new or expand existing monetary or legal obligations except as the new legislation provides for. It then defines a number of activities that the Agency cannot perform, perhaps the most significant of which, and especially in terms of the state's interest in trying to use redevelopment money for other purposes, is the prohibition on incurring any

additional indebtedness, on issuing new bonds and accepting or make new loans. In addition the Agency cannot enter into contracts for any purpose which includes loans, service contracts, leases, disposition and development agreements. The Agency cannot amend or modify existing agreements nor extend or modify the terms of existing agreements. The Agency cannot acquire property through any means for any purpose unless previously approved. The Agency cannot transfer, assign assets or funds and it cannot accept financial or other assistance from federal, state or other governmental authorities if accepting such money would incur indebtedness on the part of the Agency. Part of the reason for this very broad draconian prohibition is to essentially put redevelopment agencies into a state where all of the assets would be preserved, all liabilities would be minimized, so that upon dissolution or termination, those assets as well as the liabilities would be transferred to a successor agency which, under the bill, would be the City and County of San Francisco (SF). Under the legislation, SF would have a very narrow range of activities that it could continue to engage in during a post-redevelopment context, which would basically be implementing and carrying out any previous obligations that the Agency had, for example making payments on bonds previously issued and which the Agency is currently repaying. During this time, in the next 60 days the Agency is to prepare a list of so-called enforceable obligations that will serve as a basis for what the successor agency can do and what obligations it will assume in having to make future payments and carry out additional functions that the Agency had before. The suspension/prohibition is fairly broad and as a result, new actions that had been proposed and other items that would normally be on the agenda for today's meeting and future meetings will not be there. During this period, prior to dissolution, the Agency can do and must do certain things and they primarily relate to the carrying out of enforceable obligations. An enforceable obligation is a contract or other arrangement, whereby if one of the parties did not follow through or breached that agreement, the other party could go to court or to arbitration to seek remedy to force the other party to act. In that respect, the obligation is enforceable; it is something that one party can compel the other party to do and it is a very strict standard. Mr. Morales repeated some of the language in the legislation, which stated that the Agency can make payments on enforceable obligations, can perform obligations pursuant to those enforceable agreements, that the Agency must preserve all their assets, minimize liability, preserve all records, and avoid triggering a default. So in other words, if the Agency owes money or if the Agency must take some action or perform some activity, then the Agency must take that action to avoid the other party calling the Agency into default. As mentioned before, the Agency must establish a list of obligations in preparation for the successor agency to take over the Agency functions. The legislation defines some of the enforceable obligations explicitly, which include bonds,

loans by the Agency, payments required to be made to the federal or state government, any judgments or settlements in judicial matters. To restate the language in the legislation, “an enforceable obligation is any legally binding and enforceable agreement not otherwise void and also contracts necessary for the continued operation and administration of the Agency during what is supposed to be a wind-down period before the Agency is terminated”. Also explicitly mentioned as an enforceable obligation are labor agreements with the employees represented by unions. Mr. Morales stated that this is the bad news and it’s fairly severe.

Mr. Morales went on to explain that in passing the legislation, the legislature and then the Governor signed another piece of legislation that is the path to continued survival of the Agency, which is AB27. Under AB27, SF, as well as other local jurisdictions where redevelopment agencies are located and operate out of, have the ability to commit to making a payment to the school district and to other local taxing entities, such as community college district, BART, etc. that already receive a portion of the Agency’s tax increment each year. Mr. Morales indicated that SF may adopt an ordinance that agrees to make a payment to the schools and the other taxing entities and if it does that before October 1, the Agency will continue in existence as it has in the past, albeit perhaps with lesser resources. Mr. Morales pointed out that what was significant about AB27 and the structure for the payment is that it is not a direct obligation of the Agency to make the payment, but rather SF must agree and must provide the means by which it will make the payment. However, the legislation provides and contemplates that redevelopment agencies will be a major source of that funding for the payments that the cities commit to. Mr. Morales stated that there is a provision that the Agency can provide tax increment for the purpose of making these payments and any monies received by SF for that purpose and then paid to the school districts and other taxing entities would have to be used for redevelopment purposes consistent with the school districts’ overall mission. Mr. Morales explained that what that means is that school districts would have to use the funds for schools in redevelopment project areas and for those purposes that are consistent with redevelopment.

Mr. Morales indicated that the amount that would be owed at this point in the first fiscal year is estimated to be approximately \$25 million by the California Redevelopment Association (CRA). The Agency is looking at that number and trying to determine what exactly it will be; Mr. Morales stated that he believed the range is probably from \$20 to \$26 million. The State Department of Finance has to tell the Agency by August 1 what the exact amount is so that the Agency can then agree to make the payment with SF if that is what is decided. The money is actually due to the local agencies, the school district and other

agencies on January 15 and May 15, 2012 and the amount that needs to be provided is an equal share on each of those dates. So if the total amount turns out to be \$20 million, then \$10 million would need to be paid on January 15 and another \$10 million on May 15. The Agency staff has begun discussions with SF about possible ordinances that might be introduced. Mr. Morales indicated that obviously there is not much time between the time the Agency receives the actual numbers on August 1 and the time that SF would have to adopt the ordinance on October 1. Mr. Morales indicated that there will likely be hearings before budget and finance committees and typically there is a 30-day hold on ordinances before the committee holds a hearing and because it has to be an ordinance, there would have to be two readings of it. In addition, the Board of Supervisors does have a summer recess from mid-August to mid September. Working within those time constraints, Mr. Morales stated that he believed if all goes well, SF could have an ordinance adopted by close to the end of September and thus avoid the October 1 termination. There is also a provision in AB27 that allows the Agency to receive an extra month, until November 1, if SF believes it will be delayed. Mr. Morales also stated that if there is an interest in pursuing the ordinance, the Board of Supervisors can adopt a non-binding resolution that basically sets forth its intent to consider an ordinance that would lift the suspension and if the Board adopts that resolution, then the termination date would shift from October 1 to November 1 and give the Agency an extra month to get the ordinance finalized if necessary.

At the same time that the Board would be considering the ordinance, which is basically a commitment to pay that amount, Mr. Morales explained that it is anticipated that the Agency would propose a budget amendment that would reprogram some existing Agency funds that have been budgeted for this fiscal year and that this amended budget would go to the Board of Supervisors at the same time as the ordinance, so that SF would have both the ordinance committing to make payments as well as a means to make the payment, namely through the amended budget. Mr. Morales indicated that Agency staff is currently in broad discussions with SF about where the sources of funding would come from and what sources within the Agency are potentially available. Mr. Morales stated that staff will be keeping the commissioners apprised of that situation in the future.

Mr. Morales recapped by stating that the important deadlines facing the Agency are the August 1 statement from the State Department of Finance of the amount needed to be paid in the first fiscal year, the October 1 date for termination unless an extension is received to delay until November 1, and the payment dates of January 15 and May 15. Mr. Morales indicated that there is strong support for the Agency and that the last several months has given supporters the

opportunity to lobby both the state legislature as well as speak to the Board of Supervisors and the Mayor's Office about the important things that the Agency does. Mr. Morales stated that there are a number of significant projects that have been approved over the last several months--affordable housing and non-housing projects, a number of groundbreaking events and openings, all of which will demonstrate the importance of redevelopment.

Mr. Morales explained that if the ordinance is adopted, then the Agency would continue under the same community redevelopment law provisions that were in effect previously. Mr. Morales also noted that there was talk in the legislature and there will be consideration of a third redevelopment bill, that would reform redevelopment to some extent, particularly in the area of affordable housing, financial reporting, accounting, and providing for additional audits of redevelopment agencies. There may also be some relief from overall time limitations on redevelopment plans if agencies and cities agree to contribute the amounts specified in AB27 to give redevelopment agencies and plans additional time to generate tax increments. However, Mr. Morales pointed out that these are all measures that are to be debated in the legislature and possibly considered and that they would probably not go into effect for several months. However, Mr. Morales indicated that it is important to be aware of what additional reforms and requirements the legislature might impose on those redevelopment agencies that survive and continue.

Finally Mr. Morales noted that the CRA, which is the trade organization for redevelopment agencies, has indicated that it is going to file a lawsuit challenging AB26 and AB27. CRA believes that there are a number of state constitutional provisions that have been violated by the approval of the state legislation, the most significant of which is Proposition 22, which amended the state constitution in November and required or prohibited the state legislature from shifting funds from redevelopment agencies to purposes other than redevelopment activities. Mr. Morales stated that the intent behind Prop 22 was to stop the payments that the legislature had previously required for educational revenue augmentation funds and that the Agency had made in the past several years.

Mr. Morales stated that currently the Agency is not a party to this litigation; however, if there were relief given by a court to either enjoin the legislation temporarily or permanently, it would affect all redevelopment agencies. Mr. Morales stated that the Agency will wait to see what that litigation looks like and inform on whether any additional steps are required regarding that litigation. He indicated that this is another important step that will occur and will create some uncertainty as to future activity. So for now, new activities are

suspended but the Agency is pursuing a very aggressive course to have SF adopt an ordinance that would allow the Agency to continue and, in the meantime, the Agency will uphold all of their enforceable obligations, of which there are many, with those projects already approved, and continue to implement and staff those projects. Mr. Morales also stated that the Agency will prepare for actions that may be taken after the suspension is lifted. There is other staff preparatory work in getting RFP's and other matters together so that when the suspension is lifted, the commissioners will be able to consider approval actions as soon as possible.

Speaker(s): Victor Marquez, Ace Washington

President Swig stated that the listening audience very clearly heard an overview of what the Agency is facing over the next few months and thanked Mr. Marquez for his comments today, which were very truthful. Mr. Swig asked that those neighborhoods as well as those people who benefitted from the actions of redevelopment for the last several decades step up and reference the successes of redevelopment to the local supervisors. Mr. Swig urged those people in neighborhoods that are in anticipated redevelopment areas or are currently in or are anticipated to continue redevelopment areas and whose neighborhoods will significantly benefit from the activities of redevelopment to please stand up and be heard and call their local supervisors as well as others and let them know that redevelopment should continue. Mr. Swig referenced 900 acres in the southeast corner of the city, which will go to serious waste if the Agency is not allowed to continue. Mr. Swig stated that leaders of the community in that area as well as non-leaders need to contact the Board of Supervisors and tell them how their lives will be negatively impacted if the Agency is not allowed to continue its good work. Mr. Swig stated that he will be redundant on this subject until there is an ordinance which is considered and passed by the Board of Supervisors in support of continuance of redevelopment.

Commissioner Ubalde requested clarifications on AB26 & 27. Ms. Ubalde asked Mr. Morales to explain what he meant about not being able to accept and spend any federal funds, in the event that it would incur additional indebtedness. Ms. Ubalde asked for an explanation on that because she was thinking in terms of the Agency's obligation to the federal government for the Choice Neighborhoods grant and where would that fall under this particular legislation.

Mr. Morales responded that they are looking at each matter individually, including that grant, but the Agency has already applied for and the commissioners have authorized the acceptance of that money. If the Agency receives that money, it will be outside of the prohibition of AB26. Mr. Morales

stated that staff will continue to carefully look at whatever action is required under the grant so that it is consistent with state law.

Commissioner Ubalde stated that Mr. Marquez had pointed out that obviously an extension would be a smart direction for the Agency to take. Ms. Ubalde asked about the implications of requesting an extension, whether it would hurt the Agency or not, and whether it would not just be a good idea to go ahead and apply for that extension.

Mr. Morales responded that they intend to ask the Board of Supervisors for the extension just to have that cushion so the request for an extension is in the works.

Commissioner Ubalde asked if staff knows if there is any interested sponsor on the Board of Supervisors for this particular ordinance.

Mr. Morales responded that it was too early to determine that so they are still working with the Mayor's Office, the Comptroller's Office, and the City Attorney's Office on the broad outline of the ordinance and that sponsors will be determined very soon.

Commissioner Anaya asked Mr. Morales to give the commissioners an estimation on the amounts of payments for the subsequent years, since Mr. Morales explained that the estimated amount of SF initial contribution will range from \$20 to \$25 million but he also stated that the following years will be much less.

Mr. Morales responded that the CRA estimated that for subsequent years the amount would be under \$5 million and that there are two separate formulas that are used: one for the first year and one for the second year. The formula for the second year allows for the amount in the second and following years to be further reduced because AB27 refers to state legislation that will be considered that will reduce the amount of the payment if redevelopment has projects that fulfill certain state purposes, such as enhancing smart growth, reducing gas emissions and the like. Mr. Morales stated that that legislation has not been enacted but it may reduce the \$5 million to an even smaller number by adjusting the formula. The payment for the first year goes back to the Governor's first proposal to eliminate redevelopment at the beginning of the year and is designed to try to recapture \$1.7 billion that could be used for purposes other than redevelopment. The \$1.7 billion is the amount entered into the formula for the first year, which results in a much bigger amount that they will have to pay the first year.

Commissioner Anaya asked who the Agency is talking to in SF, whether it is the Mayor's Office or the Board of Supervisors or both.

Mr. Morales responded that they are talking to the Mayor's Office, Comptroller's Office and City Attorney's Office about next steps but indicated that it has only been two business days since all of this has come down.

Commissioner Anaya clarified then that the Agency has not begun conversations with the Board of Supervisors.

Mr. Morales stated that he was not personally aware of conversations with the Board but stated that once they had checked the ordinance and figured out the payment method, staff could start those conversations and he believed that was what Director Blackwell intended to do.

Commissioner Anaya inquired about the protocol in setting up appointments with the city to start these conversations.

President Swig responded that it was their own initiative to get that going but cautioned that they allow staff the time to work with the City Attorney's office to fashion the legislation so that when they do go to the Board, they know what they are asking for. In the spirit of continuing the activities of redevelopment, Mr. Swig encouraged the commissioners to make that contact and to keep in mind that the key date is August 1. Mr. Swig indicated that he had already spoken to a couple of supervisors.

Commissioner Anaya inquired about the possibility of the commission setting up meetings with the Board of Supervisors.

President Swig suggested that they wait until Director Blackwell returns from vacation and suggested that they contemplate what their strategy should be in moving forward as a commission.

Commissioner Anaya thanked Mr. Morales for his presentation and his summary and thanked the public for their offer to come and help with this issue.

Commissioner Covington inquired as how the \$25 million would be distributed; whether the money would go back to the state and then the state would send it back to SF and then redistribute it. Ms. Covington asked Mr. Morales to describe the process.

Mr. Morales responded that the payment would be made directly to the city comptroller for placing it within the school district fund and that it would not go to the state first but rather would stay local because it is comprised of local funds.

Commissioner Covington inquired about the challenge made by the CRA and if that challenge was to be based on the constitutionality of AB26 & AB27.

Mr. Morales responded yes.

Commissioner Covington asked if he was anticipating that it will then be fast-tracked to the California Supreme Court.

Mr. Morales responded that he believed that the CRA will seek to file directly to the California Supreme Court, which is an extraordinary measure, and that it is completely within the discretion of the Supreme Court to accept it or send it down to a lower court to hear. Mr. Morales indicated that it will most likely be expedited no matter what court hears it because the CRA will ask for a preliminary injunction to stop the law from going into effect. The court would then have the option of temporarily enjoining the matter until a hearing takes place and until it is able to make a decision or it could allow the law to go into effect until it hears the matter. Mr. Morales pointed out that if the law is temporarily enjoined in the Agency's effort to pursue an ordinance adopted pursuant to part of that legislation; this would lend another level of uncertainty. Mr. Morales believed that the CRA is considering that fact but they won't know until action is filed and relief is sought. A video conference is scheduled for Thursday by the CRA, which they are doing because the lawsuit will be filed by that time. Mr. Morales indicated that at this time clearly the CRA will seek some immediate relief to stop the state from implementing that law.

Commissioner Covington asked if the court is currently in session or in recess.

Mr. Morales stated that he was not sure about the California Supreme Court's schedule.

Commissioner Covington stated that the schedule of the court would also play into the timing of all this. Ms. Covington inquired as to once the preliminary injunction is handed down, what would happen next to the Agency.

Mr. Morales responded that they would have to see what the injunction says. It could be a very broad or a very narrow injunction. Mr. Morales indicated that it could lift some of the restrictions placed on agencies or perhaps will say that no aspect of the law will go into effect. It could also say that it will consider this at

a later date but the law should continue on the path of implementation. Mr. Morales indicated that they will need to determine what it is that the Agency can do once they receive the court order.

Commissioner Covington inquired as to who the plaintiffs were to the lawsuit since the SFRA is not party to the lawsuit. Ms. Covington inquired as to whether there are other agencies or counties that are party to the lawsuit or is it solely the CRA.

Mr. Morales responded that he did not know the answer but he knew that the CRA has filed two lawsuits involving the ERAF payments made in 2010 and 2011 which they were a party to as well as individual redevelopment agencies. Mr. Morales indicated that the point of doing that is to be able to tell the particular story of the Redevelopment Agency and how this law will have such a terrible effect by undercutting legitimate operations of the Agency. He pointed out that, in that sense, the San Francisco Redevelopment Agency would not be the best plaintiff because they do have a path forward and it will be able to survive this. However, there will be other agencies that will go out of business and not be able to comply with existing obligations. Mr. Morales stated that the point of putting together the plaintiffs in a lawsuit like this is to show the court the worst possible scenarios demonstrating not only the unfairness of the law but how it is inconsistent with the overall intent of the legislature and the constitution.

Commissioner Covington asked to be able to see the first page of the lawsuit that delineates who the parties are and who has stepped forward to have their city seal affixed to the lawsuit.

Commissioner Singh inquired that since the CRA has filed this lawsuit with the California Supreme Court, as to what the effect will be on the Agency once they have made their decision and will the Agency still be in existence.

Mr. Morales responded that regardless of the lawsuit, the Agency will still be in existence because the Agency does have a path forward to have the city pass an ordinance to allow the Agency to continue. He indicated that that lawsuit is still to be filed and the court is unlikely to act immediately upon it, but one possibility is that the court will stop the law from going into effect and everything will continue as usual. Mr. Morales also pointed out that even though the lawsuit will be filed with the California Supreme Court, that court could direct it to a lower court, which is the more common and more likely scenario, so that a lower court reviews all the facts and then have it be brought up to the higher court.

President Swig indicated that they will stand by and wait with baited breath for the results of this lawsuit. Mr. Swig indicated that there is still much work to be done regardless of what happens in the next couple of months and he wanted to assure the commission as well as the public that this is not over by any means.

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

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

Speaker(s): Ace Washington, Charles Range, Linda Richardson

7. **REPORT OF THE PRESIDENT:**

- President Swig indicated that throughout the meeting he had already given his report on various matters and did not have anything else to say.

8. **REPORT OF THE EXECUTIVE DIRECTOR:**

- Acting Director Morales stated that they will be working with the Agenda Review Committee regarding upcoming meetings to make sure that either there are items worthy of consideration or to recommend to not have a meeting, if appropriate. Several matters will need to be taken up over the next several weeks, one of which is the proposal to amend the budget to accommodate the city's payment under this new state legislation. Mr. Morales pointed out that in the packet before the commissioners, as an example of an activity that will continue by the staff, there is a notice of a request to issue proposals for one of the first significant developments in the Transbay project area for blocks 6 & 7, which is a market rate and affordable housing project. Mr. Morales stated that final approval and selection is conditioned on the Agency having the ordinance passed and its full authority restored. In the meantime they want to start the process of gathering applications and starting some level of review so when ordinance is adopted or when the Agency is able to continue its full operations, the commissioners will be able to consider that matter at the earliest possible time. Mr. Morales stated that they are trying to let applicants know that there are changes in the state legislation but they will continue with the process until further notice.

9. **COMMISSIONERS' QUESTIONS AND MATTERS:**

- Commissioner Covington stated that in light of the upcoming pressing schedule, she requested that the Commission Secretary contact each commissioner to find out when commissioners will be out of town since this is the prime time for vacations, etc. and to gather that information for August and September.

- President Swig asked the Secretary to contact each commissioner to check possibility of attendance for every future scheduled commission meeting throughout October.

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 5:15 p.m.

Respectfully submitted,

Gina E. Solis
Agency Secretary

ADOPTED:

SEPTEMBER 20, 2011