

**MINUTES OF A REGULAR MEETING OF
THEREDEVELOPMENT AGENCY OF THE CITY
AND COUNTY OF SAN FRANCISCO HELD ON
THE 21st DAY OF JUNE 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 21st day of June 2011, at the place and date duly established for holding of such a meeting.

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

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

1. RECOGNITION OF A QUORUM

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

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

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

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

At this time, the Agency Commission will consider taking Closed Session Items 10(a) and 10(b) out of order and recessing to Closed Session.

10. CLOSED SESSION(s):

(a) Pursuant to Government Code § 54957.6 to confer with Agency designated representatives regarding negotiations with 1) the International Federation of Professional and Technical Engineers (IFPTE) Local 21 representing the Engineers and Architects bargaining unit, the Management/Supervisory bargaining unit, and the Professional/ Technical bargaining unit; and 2) the Service Employees International Union (SEIU) Local 1021 representing a miscellaneous employees bargaining unit. Agency negotiators: Fred Blackwell, Amy Lee, Diane Iwata, and James Morales.

(b) Pursuant to Government Code § 54957.6 to confer with Agency designated representatives regarding negotiations with the Service Employees International Union (SEIU) Local 1021 Bargaining Unit. Agency negotiators: Fred Blackwell, Amy Lee, Diane Iwata, and James Morales.

3. MATTERS OF UNFINISHED BUSINESS: Continued from the June 7th Commission meeting.

(a) Authorizing a Personal Services Contract with Asian Neighborhood Design, a California nonprofit Corporation, for workforce services in connection to the agency's Job Readiness Initiative, for a term of twelve months, in an amount not to exceed \$67,000, with one six month extension option, exercised at the discretion of the Executive Director, pending available funds, for a total aggregate amount not to exceed \$100,000, subject to the annual appropriation of funds; Mission Bay, South of Market, and Transbay Redevelopment Project Areas. (Resolution No. 72-2011)

(b) Authorizing a Personal Services Contract with Positive Resource Center, a California nonprofit Corporation, for workforce services in connection to the agency's Job Readiness Initiative, for a term of twelve months, in an amount not to exceed \$67,000, with one six month extension option, exercised at the discretion of the Executive Director, pending available funds, for a total aggregate amount not to exceed \$100,000, subject to the annual appropriation of funds; Mission Bay, South of Market, and Transbay Redevelopment Project Areas. (Resolution No. 73-2011)

(c) Authorizing a Personal Services Contract with Mission Hiring Hall, Inc., a California nonprofit Corporation, for workforce services in connection to the agency's Job Readiness Initiative, for a term of twelve months, in an amount not to exceed \$270,010, with one six month extension option, exercised at the discretion of the Executive Director, pending available funds, for a total aggregate amount not to exceed \$403,000, subject to the annual appropriation of funds; Mission Bay, South of Market, and Transbay Redevelopment Project Areas. (Resolution No. 74-2011)

Presenter: Fred Blackwell, Executive Director

President Swig inquired of General Counsel Jim Morales whether on Resolution 3(c), in the first paragraph, for the commissioners' point of view, where it says \$403,000, if it should now indicate \$450,000.

General Counsel Morales responded that the proper way to handle this issue is by amendment to the resolution.

President Swig clarified that if someone decides to move this item later on, part of the move would be to suggest that change.

Speakers: Steven Suzuki, Raymon Smith, Victor Marquez, Queena Lu, Miguel Penn, Jackie Flin, Joshua Arce, Eddie Ahn, Stella Becerra, Lee Kuhn, Oscar James

Director Blackwell stated that he felt compelled to correct and clarify some of the statements that had been made so everyone got the facts right. First, Director Blackwell clarified that the reduction in funding in the northeastern sector of the city has absolutely nothing to do with the focus on serving project area residents and has everything to do with the expiration of the Yerba Buena Project Area. What they have done is to increase the amount of money coming from Transbay and Mission Bay to make up half of that which gets them within spitting distance of the \$4 million over three years that the Agency had originally committed to the JRI program. Director Blackwell did not want anyone to think that they are \$300,000 shy of their obligation to JRI. Second, Director Blackwell also stated that the reduction to South of Market Employment Center (SOMEK) is a result of the focus on project area residents and that there were probably 60-70% of the people served over the last 18 months who were not project area residents, so the recommendation before the commission this evening is a result of trying to sync up the support to SOMEK with the number of project area residents that were served. Third, Director Blackwell clarified that another line item that was referred to in the Agency's budget is related to the TIFIA federal loan, which is focused on the shipyard and the transportation improvements there, and the CAL reuse money, which is also earmarked for a specific purpose in terms of cleanup and remediation on the shipyard, so it is not some amorphous amount of money or millions of dollars that are out there to be redirected. The fourth item that Director Blackwell wanted everybody to understand is that there had been discussion about the overall Agency budget the previous evening, which was presented personally by himself, and what Director Blackwell told the PAC was that the Agency lost the \$600,000 from Yerba Buena, and have already lost another \$600,000 in the budget process at the Board of Supervisors this week. And if the legislation that is under consideration at the state level is actually passed and enacted, the Agency will have to find \$24 million to redirect to the schools, which is \$24 million that has not been budgeted. Director Blackwell indicated that he laid all of that out the previous evening. He indicated that he believed there was a difference between people not liking the answer and the issue not being discussed.

Commissioner Bustos thanked the staff for all their work and mentioned that it could not be easy trying to figure out how to make this work but wanted to applaud what they have been trying to do in walking this fine line. Much has been said about Mission Hiring Hall (MHH) and the project areas and the Agency leaving but there is much work still to be done especially with Transbay and a lot of wonderful opportunities that the city, as well the workers, will be able to benefit from. Mr. Bustos stated that he would like to move the entire item and knew he had to add an

amendment, but to preface the amendment based on the key words of “pending available funds”, a phrase which is something that everyone must be aware of. Mr. Bustos inquired about the Agency looking at project area savings as well as even the savings that may come from the grant that SOMEK has now. Mr. Bustos put forth a motion to move this item with the amendment to 3(c).

President Swig asked General Counsel Morales if he wanted to advise on this item.

General Counsel Morales suggested that they take the resolutions in order.

Commissioner King argued that they are trying to get a motion through the Commission and he disagreed that President Swig went to Director Blackwell before the Commission had a right to take the vote and he criticized the chair for that. Mr. King stated that the Commissioners have a right to speak out and that there is not even a rebuttal from the chairman before they even make a determination.

President Swig again asked Mr. Morales for his advice.

General Counsel Morales responded that he felt they should keep the order of business intact, so take care of 3(a) first, then 3(b), etc.

President Swig stated that they will have discussion on 3(a) first, then 3(b), then 3(c).

Commissioner Bustos then indicated that he would like to move on 3(a).

Commissioner King asked Mr. Bustos if he made the motion.

Commissioner Bustos replied that he set forth the motion for this item and told Mr. King that they were going to do one by one. He asked Mr. King if he seconded it.

Commissioner King stated that he was for full funding for Mission Bay. Mr. King stated that he was commissioner when Laurel Heights, Mission Bay and South Bay were set up. He stated that in order to get the workers out of the different communities, when one community did not have enough workers, they would refer back to another project area for workers and he believed that was the program that has made this commission successful. Mr. King stated that what is happening here is that the basic program that helped create the Agency is being undercut and he indicated that he did not understand it. What happened was that Ella Hill Hutch got the workers in the Western Addition, and MHH got the workers around Mission and then South of Market. When there wasn't enough work, they would transfer workers and make sure that they were funded through subsistence from these other areas. Mr. King stated that he believed that is the way it should be and he believed that MHH should be funded the total amount because they have done a good job and should continue doing it. He thought that undercutting their basic community organizations was not right and he disagreed with the director in the report that we are trying to undercut the basic community organizations. He certainly hoped that Mr. Bustos was making a motion to

support the MHH for full funding and Mr. King indicated that what he wants is to get the full funding back for MHH.

Commissioner Ubalde stated that she wanted to share some comments about this topic as well and applauded staff for going out to the community and also for clarifying some of the facts as Ms. Ubalde did not have the background. Her history with MHH and SOMEK is that she sat on the board of MHH when Rich Sorrow was the director there so she had much pride and connection to South of Market in the fact that MHH has been doing such great work in the community. Her concern, although she stated that she does want to support staff recommendation, is that fundamentally this is a really important issue for not only MHH but for non-profits throughout the city to be concerned about, because funding from the Agency will not be constantly there. Second, as someone who works in corporate philanthropy and focuses on community development and workforce development, in terms of grant requests coming before her and advising people on what they should be thinking about in terms of diversification of funding, when she sees government funding as the only source of funding for non-profits to support their programming, it becomes a big red flag. What she would like to see, especially for MHH and SOMEK is that diversification of funding become the mantra and the thought of forward action in terms of how you sustain their programs. Ms. Ubalde stated that it is all about sustainability. The Agency does not want these entities to be constantly coming to the Agency for funding because when it comes to the point where there is no funding, then what happens to the direct services for the community. The one that loses is the community. With all due respect to Commissioner King, Ms. Ubalde stated that she really believed that SOMEK and MHH are hallmarks and models in the community, but her fear is that if the Agency continues to fund the program, and they are not looking at it in terms of taking away funding, the point is that YBC is expiring and the Agency does not have the resources to continue with that funding. Ms. Ubalde suggested that the commissioners try to think creatively to identify additional sources of funding, not through the government, but through other sources through the community around foundations, philanthropy and other sources that can help sustain this workforce development strategy in San Francisco. Ms. Ubalde reiterated that it is not about not wanting to fund, but rather being able to sustain these programs and the level of work that has been done by MHH and SOMEK.

Commissioner Covington stated that she understood that item 3(a) had been moved by

Commissioner Bustos seconded Ms. Covington's motion.

ADOPTION: IT WAS MOVED BY COMMISSIONER BUSTOS, SECONDED BY COMMISSIONER COVINGTON, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 72-2011, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH ASIAN NEIGHBORHOOD DESIGN, A CALIFORNIA NONPROFIT CORPORATION, FOR WORKFORCE SERVICES IN CONNECTION TO THE AGENCY'S JOB READINESS INITIATIVE, FOR A TERM OF TWELVE MONTHS, IN AN AMOUNT NOT TO EXCEED \$67,000, WITH ONE SIX MONTH EXTENSION OPTION, EXERCISED AT THE

DISCRETION OF THE EXECUTIVE DIRECTOR, PENDING AVAILABLE FUNDS, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$100,000, SUBJECT TO THE ANNUAL APPROPRIATION OF FUNDS; MISSION BAY, SOUTH OF MARKET, AND TRANSBAY REDEVELOPMENT PROJECT AREAS, BE ADOPTED.

President Swig turned to Commissioner Bustos to initiate discussion on the successive items.

Commissioner Bustos set forth a motion to move 3(b) as is.

Commissioner Covington seconded Mr. Bustos' motion.

ADOPTION: IT WAS MOVED BY COMMISSIONER BUSTOS, SECONDED BY COMMISSIONER COVINGTON, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 73-2011, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH POSITIVE RESOURCE CENTER, A CALIFORNIA NONPROFIT CORPORATION, FOR WORKFORCE SERVICES IN CONNECTION TO THE AGENCY'S JOB READINESS INITIATIVE, FOR A TERM OF TWELVE MONTHS, IN AN AMOUNT NOT TO EXCEED \$67,000, WITH ONE SIX MONTH EXTENSION OPTION, EXERCISED AT THE DISCRETION OF THE EXECUTIVE DIRECTOR, PENDING AVAILABLE FUNDS, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$100,000, SUBJECT TO THE ANNUAL APPROPRIATION OF FUNDS; MISSION BAY, SOUTH OF MARKET, AND TRANSBAY REDEVELOPMENT PROJECT AREAS, BE ADOPTED.

President Swig requested that Commissioner Bustos continue on Item 3(c).

Commissioner Bustos set forth a motion to move Item 3(c), amended as: Authorizing a Personal Services Contract with Mission Hiring Hall, Inc., a California nonprofit Corporation, for workforce services in connection to the agency's Job Readiness Initiative, for a term of twelve months, in an amount not to exceed \$270,010, with one six month extension option, exercised at the discretion of the Executive Director, pending available funds, for a total aggregate amount not to exceed \$500,000, pending the available funds of the project area savings and potential grant savings of leftover funding from the current grant, subject to the annual appropriation of funds; Mission Bay, South of Market, and Transbay Redevelopment Project Areas.

Commissioner Anaya stated what needs to be underlined is "if available". Ms. Anaya also added that she was uncomfortable about changing the budget without looking at the total budget and not knowing where the monies are coming from or not coming from. Ms. Anaya stated that they should get together as a commission and set procedures to make sure that CBO's get credit for what they have. She stated that one of the problems they have now is that CBO's are not being valued for what they are and of course they have the experience, the love and the sensitivity for their communities that they are serving and yet the Agency does not give credit for that. Ms.

Anaya stated that this is the mission of the commission and they need to sit down and make sure that they have those policies and procedures for the future. On the other hand, she stated that the big non-profits do have policy developers, etc. and they are competing hand-to-hand with small CBO's and that is not right. This has to do with not having some kind of a policy for CBO's and non-profit organizations that compete with each other when submitting proposals. Ms. Anaya asked the chair to please set something up for the commissioners to be able to talk about this in the future.

Commissioner Singh asked Director Blackwell how much money is going to be in this motion by Commissioner Bustos.

Director Blackwell responded that they have the \$403,000 available that they originally recommended, they took \$20,000 from another line item in the budget, and by his projection by looking at the invoicing from MHH, it looks like there will probably be about \$40,000 left after their June billing.

Commissioner Singh inquired if that meant that they will have \$40,000 extra in addition to the \$450,000.

Director Blackwell responded yes, potentially. He reiterated that it all depends on what they have done and how the invoicing will look like when it comes in.

Commissioner Singh stated that in other words it could be \$490,000.

Director Blackwell reiterated that they have the \$403,000, they have another \$20,000 that became available when they found it from another line item, and based on the projected burn rate, there is likely to be another \$40,000 left over at the end of the contract period.

Commissioner Anaya reminded the chair that she requested that Commissioner Bustos add "if available". Ms. Anaya stated that she called for the question.

President Swig requested for Commissioner Anaya, who had to leave early, that they follow up on her request to have a discussion on how to really assist small grass-roots CBO's in working through some things like outside funding, etc. as Ms. Anaya claims that larger firms might already have that. Mr. Swig asked Director Blackwell to schedule a discussion with staff, purchasing, and whoever appropriate on this issue sometime in the very near future but sometime after Director Blackwell returns from vacation.

Director Blackwell responded that he wanted to note that he has already made himself available to assist many of these groups with their fundraising efforts but was happy to comply and have the conversation.

President Swig stated that this would be for the benefit of Commissioner Anaya so that she can be comfortable with that and perhaps they will all learn something from it as well.

Commissioner Singh stated that he would like to know exactly what the motion is and exactly how much money it would be for.

Commissioner Bustos read the resolution again as: Authorizing a Personal Services Contract with Mission Hiring Hall, Inc., a California nonprofit Corporation, for workforce services in connection to the agency's Job Readiness Initiative, for a term of twelve months, in an amount not to exceed \$270,010, with one six month extension option, exercised at the discretion of the Executive Director, pending available funds of the project area savings and potential savings left over from the current grant, for a total aggregate amount not to exceed \$500,000, subject to the annual appropriation of funds; Mission Bay, South of Market, and Transbay Redevelopment Project Areas. (Resolution No. 74-2011)

ADOPTION: IT WAS MOVED BY COMMISSIONER BUSTOS, SECONDED BY COMMISSIONER COVINGTON, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 74-2011, AUTHORIZING A PERSONAL SERVICES CONTRACT WITH MISSION HIRING HALL, INC., A CALIFORNIA NONPROFIT CORPORATION, FOR WORKFORCE SERVICES IN CONNECTION TO THE AGENCY'S JOB READINESS INITIATIVE, FOR A TERM OF TWELVE MONTHS, IN AN AMOUNT NOT TO EXCEED \$270,010, WITH ONE SIX MONTH EXTENSION OPTION, EXERCISED AT THE DISCRETION OF THE EXECUTIVE DIRECTOR, PENDING AVAILABLE FUNDS OF THE PROJECT AREA SAVINGS AND POTENTIAL SAVINGS LEFT OVER FROM THE CURRENT GRANT, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$500,000, SUBJECT TO THE ANNUAL APPROPRIATION OF FUNDS; MISSION BAY, SOUTH OF MARKET, AND TRANSBAY REDEVELOPMENT PROJECT AREAS.

4. Matters of New Business:

CONSENT AGENDA :

- (a) Approval of Minutes: Regular Meeting of March 15, 2011.
- (b) Authorizing a First Amendment to the Permit to Enter Agreement with Brian Goggin, an individual, to extend the term of the agreement by an additional 12 month term ending June 20, 2012, related to an existing art installation, Hugo Hotel, 200-214 Sixth Street, South of Market Redevelopment Project Area. (Resolution No. 78-2011)
- (c) Authorizing a Third Amendment to a Personal Services Contract with Elation Systems, Inc., a California corporation, to increase the Contract amount by \$199,500, with two one-year extension options, for a total aggregate amount not to exceed \$1,075,900, to provide for annual licensing fees and continued development, technical support, and training for the Agency's web-based contract and labor compliance system. (Resolution No. 79-2011)

- (d) Authorizing a First Amendment to the Letter Agreement with the Mayor's Office of Housing in an amount not to exceed \$100,000 for contract administration and to provide workforce development services to residents of the Hunters View Development from August 3, 2010 to August 2, 2011 through a community-based organization, Family Services Agency, serving as the fiscal agent for Urban Strategies; Bayview Hunters Point Redevelopment Project Area. (Resolution No. 80-2011)
- (e) Authorizing a First Amendment to the Ground Lease Agreement with the City and County of San Francisco to change the permitted uses and related terms to allow for non-parking uses on a portion of Assessor's parcel 831, Lot 24, known as Central Freeway Parcel O; Citywide Tax Increment Housing Program. (Resolution No. 81-2011)
- (f) Authorizing a First Amendment to the Amended and Restated Memorandum of Understanding with the City and County of San Francisco, acting by and through its Arts Commission, and the Mexican Museum, a California nonprofit corporation, to extend the term to December 31, 2012, with one additional six-month extension at the discretion of the Agency's Executive Director, to collaboratively implement a predevelopment plan for a new museum associated with a new mixed-use project on a site that includes 706 Mission Street (Assessor's Block 3706, Lot 93) and Agency disposition parcel CB-1-MM (Assessor's Block 3706, portion of Lot 277). (Resolution No. 82-2011)
- (g) Authorizing an Amended and Restated Loan Agreement with College Track, a California nonprofit public benefit corporation, in an amount not to exceed \$1.0 million to amend the loan security to comply with the requirements for New Markets Tax Credits financing for College Track campus renovations at 4301 Third Street; Bayview Hunters Point Redevelopment Project Area. (Resolution No. 83-2011)
- (h) Authorizing an Indemnification Agreement with U.S. Bancorp Community Development Corporation, a Minnesota corporation, in an amount not to exceed \$4,725,200 million as part of the New Markets Tax Credit financing for the College Track campus renovations at 4301 Third Street; Bayview Hunters Point Redevelopment Project Area. (Resolution No. 84-2011)

President Swig asked if there were any speaker cards for any of the consent items.

Commission Secretary indicated there was one speaker card for consent item 4(b).

President Swig stated that 4(b) would be pulled from the consent Agenda and asked for a staff presentation on that item separately.

Commissioner Bustos commented on the Mexican Museum and acknowledged the Board of Directors that were present and thanked them for all their work. Mr. Bustos stated that he had heard some wonderful things from other foundations about the work they were doing and that they seem to be meeting all the targets and Mr. Bustos was

very appreciative of that. Mr. Bustos set forth a motion to move this item and indicated that in September he would like the staff to return with an update on what is going on.

President Swig clarified that Mr. Bustos was moving the entire consent agenda.

Commissioner Bustos indicated that he was.

Commissioner Covington indicated that she wanted consent items 4(d) and 4(h) pulled for discussion.

President Swig asked Ms. Covington if she would second the rest of the consent agenda.

Commissioner Covington seconded the rest of the consent agenda.

President Swig clarified that he had a motion and second to move the consent agenda with the exceptions of consent items 4(b), 4(d), and 4(h).

ADOPTION: IT WAS MOVED BY COMMISSIONER BUSTOS, SECONDED BY COMMISSIONER COVINGTON, AND UNANIMOUSLY CARRIED THAT THE MINUTES OF THE REGULAR MEETING OF MARCH 15, 2011; AND RESOLUTION NO. 79-2011, AUTHORIZING A THIRD AMENDMENT TO A PERSONAL SERVICES CONTRACT WITH ELATION SYSTEMS, INC., A CALIFORNIA CORPORATION, TO INCREASE THE CONTRACT AMOUNT BY \$199,500, WITH TWO ONE-YEAR EXTENSION OPTIONS, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$1,075,900, TO PROVIDE FOR ANNUAL LICENSING FEES AND CONTINUED DEVELOPMENT, TECHNICAL SUPPORT, AND TRAINING FOR THE AGENCY'S WEB-BASED CONTRACT AND LABOR COMPLIANCE SYSTEM; RESOLUTION NO. 81-2011, AUTHORIZING A FIRST AMENDMENT TO THE GROUND LEASE AGREEMENT WITH THE CITY AND COUNTY OF SAN FRANCISCO TO CHANGE THE PERMITTED USES AND RELATED TERMS TO ALLOW FOR NON-PARKING USES ON A PORTION OF ASSESSOR'S PARCEL 831, LOT 24, KNOWN AS CENTRAL FREEWAY PARCEL O; CITYWIDE TAX INCREMENT HOUSING PROGRAM; RESOLUTION NO. 82-2011, AUTHORIZING A FIRST AMENDMENT TO THE AMENDED AND RESTATED MEMORANDUM OF UNDERSTANDING WITH THE CITY AND COUNTY OF SAN FRANCISCO, ACTING BY AND THROUGH ITS ARTS COMMISSION, AND THE MEXICAN MUSEUM, A CALIFORNIA NONPROFIT CORPORATION, TO EXTEND THE TERM TO DECEMBER 31, 2012, WITH ONE ADDITIONAL SIX-MONTH EXTENSION AT THE DISCRETION OF THE AGENCY'S EXECUTIVE DIRECTOR, TO COLLABORATIVELY IMPLEMENT A PREDEVELOPMENT PLAN FOR A NEW MUSEUM ASSOCIATED WITH A NEW MIXED-USE PROJECT ON A SITE THAT INCLUDES 706 MISSION STREET (ASSESSOR'S BLOCK 3706, LOT 93) AND AGENCY DISPOSITION PARCEL CB-1-MM (ASSESSOR'S BLOCK 3706, PORTION OF LOT 277); AND, RESOLUTION NO. 83-2011, AUTHORIZING AN AMENDED AND RESTATED LOAN AGREEMENT

WITH COLLEGE TRACK, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$1.0 MILLION TO AMEND THE LOAN SECURITY TO COMPLY WITH THE REQUIREMENTS FOR NEW MARKETS TAX CREDITS FINANCING FOR COLLEGE TRACK CAMPUS RENOVATIONS AT 4301 THIRD STREET; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- (b) Authorizing a First Amendment to the Permit to Enter Agreement with Brian Goggin, an individual, to extend the term of the agreement by an additional 12 month term ending June 20, 2012, related to an existing art installation, Hugo Hotel, 200-214 Sixth Street, South of Market Redevelopment Project Area. (Resolution No. 78-2011)

Presenter: Jeff White, Agency Staff

Speaker: Raymon Smith

Commissioner Singh put forth a motion to move this item.

Commissioner Bustos seconded Mr. Singh's motion.

Commissioner Covington asked Mr. Grisso for an update about what happened at the meeting.

Mr. Grisso responded that this was a routine item so he made a very short presentation to the PAC explaining that they intended to extend this permit to enter for 12 months. There was no discussion because no one disagreed with the staff recommendation. There were nodding heads and agreement and that was the end of the item. There was no vote because it was felt that it was a routine item and no need to discuss it any further.

Commissioner Covington inquired what the reasons were for the extension.

Mr. Grisso indicated that the original permit to enter did have a long discussion at the PAC. This extension had a much shorter discussion but the original permit was approved by the PAC. He indicated that it is the intention of the Agency to redevelop the property and they are not extending the permit because they do not want to keep the property there any longer than necessary. The permit to enter is simply so that the artist can continue to maintain the artwork that is there as long as the building is there and not any longer than that.

Commissioner Covington inquired if there were discussions with the artist concerning getting the artwork down as soon as possible.

Mr. White responded that the agreement is that the artist will keep the work up until the new project starts, which was the desire of the artist. When they entered into the permit to enter 18 months ago, part of the agreement was, as a courtesy to the artist, that he would be able to refurbish the work slightly and also ensure that it was structurally

sound, which is what has taken place. Subsequently, there have been discussions with the artist and the artist desires to keep the artwork up until construction starts. Mr. White stated that the artist is in total agreement that the artwork is going to come down but they have no detailed plan as to how the artwork will come down.

Commissioner Covington inquired as to who is responsible for taking the artwork down and taking it to storage or whatever happens to it.

Mr. White responded that the way the agreement is written is that when they are ready to start construction, the Agency will provide notice to the artist that construction will begin on a certain date and the artist will have 90 days to take the artwork down. After that 90 day period, the art becomes the property of the Agency and the Agency can take it down as it sees fit when the building is demolished.

Commissioner Covington stated that what she did not understand is why those two things are linked; why the taking of the artwork down is linked to the start of construction since the art was put on the building while the building existed so the art can be taken off the building while the building still exists.

Mr. White explained that the artwork is structurally affixed to the building in a very substantial way so he believed that if they were to take some of the artwork down now, parts of the building would be destroyed as well.

Director Blackwell stated that the feedback that they have received from the community is that they like the artwork and they would like it to stay there until the building is demolished.

Commissioner Covington inquired which community Director Blackwell was referring to.

Mr. Grisso responded that it was the PAC. They had an extensive discussion when the original permit to enter was proposed and the question was whether they were going to allow the artwork to stay up there while the building still exists because they are not ready to demolish the building yet. Mr. Grisso indicated that there was universal agreement that the artwork has been there a long time, has been refurbished by the artist and has lights in it now, and is liked if not loved by many people and while there was universal agreement that the building should be demolished and replaced with affordable housing, the PAC felt very strongly that at least until the Agency is ready to do that, the artwork should be left up there and the artist allowed to clean it up and fix it up so that it looks nice for a period of time until they are ready to redevelop the property. So the reason for the agreement was that the artwork was not in good condition and the artist had to fix it up. Now that he has done that, the extension is to allow him to maintain it until the Agency is ready to demolish the building. Mr. Grisso also added that the artwork has been certified by an engineer that it is safe and will not fall off the building.

Commissioner Covington stated that moving forward it would be a good idea that whenever this building comes up for discussion, to include it on the agenda for the PAC so there can be a discussion and a renewal of their adoration for this piece of art.

President Swig inquired as to when the construction is going to begin.

Mr. White stated that he expected construction to begin in 2014 and that currently they are in the historic review as well as the environmental review process.

ADOPTION: IT WAS MOVED BY COMMISSIONER SINGH, SECONDED BY COMMISSIONER BUSTOS, AND UNANIMOUSLY CARRIED THAT RESOLUTION NO. 78-2011, AUTHORIZING A FIRST AMENDMENT TO THE PERMIT TO ENTER AGREEMENT WITH BRIAN GOGGIN, AN INDIVIDUAL, TO EXTEND THE TERM OF THE AGREEMENT BY AN ADDITIONAL 12 MONTH TERM ENDING JUNE 20, 2012, RELATED TO AN EXISTING ART INSTALLATION, HUGO HOTEL, 200-214 SIXTH STREET, SOUTH OF MARKET REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- (d) Authorizing a First Amendment to the Letter Agreement with the Mayor's Office of Housing in an amount not to exceed \$100,000 for contract administration and to provide workforce development services to residents of the Hunters View Development from August 3, 2010 to August 2, 2011 through a community-based organization, Family Services Agency, serving as the fiscal agent for Urban Strategies; Bayview Hunters Point Redevelopment Project Area. (Resolution No. 80-2011)

Presenter: Erin Carson, Agency Staff

Speaker: Tessie Ester

Commissioner Covington stated that she requested this item be pulled so that they could get clarification on what exactly this item is. Ms. Covington indicated that this is not a new contract, it is an extension of a month to correct an administrative error and then in August they will have a full discussion about numbers, procedures and outcomes when this contract is up for renewal for a formal one-year extension. Ms. Covington stated that she was happy to hear about the numbers--that 16 people or 41% of the people who have been working on the project come from Hunters View. Ms. Covington stated that this is essential to the success of the very important work that they are trying to accomplish at Hunters View because they are not just building buildings, but rather trying to help people build and rebuild their lives. Ms. Covington put forth a motion to move this item.

Commissioner Ubalde requested clarification on some of the outcomes that are presented in the memo. Ms. Ubalde inquired as to what types of workshops were conducted with jobseekers and inquired about the barriers to employment that were mentioned that resulted in the elimination of some of the jobseekers.

Ms. Kelly Dearman, Urban Strategies (US), indicated that some of the major barriers were that their dues needed to be paid and pointed out that all of the jobs are union jobs so US was able to help pay the dues for Hunters View residents so that they could get on the job. Ms. Dearman stated that there were also issues of not having the appropriate certifications and that US was helping with training in terms of providing transportation to the training facility. One of the other barriers was substance abuse and they were working with Walden House to provide substance abuse counseling.

Commissioner Ubalde inquired about the workshops.

Ms. Dearman responded that every Wednesday they have a jobs club and at that jobs club they remind the residents of what the priorities are and they let them know what construction jobs are coming up, what trainings are coming up and other opportunities outside of construction.

Commissioner Ubalde seconded Ms. Covington's motion.

ADOPTION: IT WAS MOVED BY COMMISSIONER COVINGTON, SECONDED BY COMMISSIONER UBALDE, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 80-2011, AUTHORIZING A FIRST AMENDMENT TO THE LETTER AGREEMENT WITH THE MAYOR'S OFFICE OF HOUSING IN AN AMOUNT NOT TO EXCEED \$100,000 FOR CONTRACT ADMINISTRATION AND TO PROVIDE WORKFORCE DEVELOPMENT SERVICES TO RESIDENTS OF THE HUNTERS VIEW DEVELOPMENT FROM AUGUST 3, 2010 TO AUGUST 2, 2011 THROUGH A COMMUNITY-BASED ORGANIZATION, FAMILY SERVICES AGENCY, SERVING AS THE FISCAL AGENT FOR URBAN STRATEGIES; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- (h) Authorizing an Indemnification Agreement with U.S. Bancorp Community Development Corporation, a Minnesota corporation, in an amount not to exceed \$4,725,200 million as part of the New Markets Tax Credit financing for the College Track campus renovations at 4301 Third Street; Bayview Hunters Point Redevelopment Project Area. (Resolution No. 84-2011)

Presenter: Angela Hayward, Agency Staff

Speaker: Oscar James

Mr. Penick started off by alerting the Commission of an incorrect reference that appears in the resolution (page 11) and the memorandum (pages 4 & 8), which in effect stated that, "in the event of a recapture event, the bank will look to the project for the first 120 days before looking to the Agency for recovery". Mr. Penick indicated that this was something they had asked the bank for early on in the negotiations and it appeared in an early draft of the indemnification agreement. However, it was a proposal that the bank ultimately could not agree to. Mr. Penick stated that, as a result, the additional 120-day

cure period is not part of the indemnification agreement. The last sentence of Paragraph 11 of the resolution should be deleted and he informed the Commission that they should not rely on this reference when considering this item. Mr. Penick stated that he would be available for questions concerning this item.

Commissioner Covington stated that she was glad that they have had a chance to revisit their previous actions regarding College Track and also hear more about New Markets Tax Credit. Ms. Covington put forth a motion to move this item.

Commissioner Ubalde seconded Ms. Covington's motion. Ms. Ubalde stated that she was very excited about the New Markets Tax Credit allocation of the Agency, that it is a great financing tool to really help with these very needed services in communities like the Bayview and she looked forward to hearing about the progress that College Track is making to expand their facility into the Bayview Hunters Point foundation facility which is being used for this site.

General Counsel Morales clarified that this is as amended with the deletion to Paragraph 11 of the Recitals in the resolution.

President Swig commented that he thought that College Track rocks and that it is a great organization and they look forward to that site being built and moving forward for the benefit of the community.

ADOPTION: IT WAS MOVED BY COMMISSIONER COVINGTON, SECONDED BY COMMISSIONER UBALDE, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 84-2011, AUTHORIZING AN INDEMNIFICATION AGREEMENT WITH U.S. BANCORP COMMUNITY DEVELOPMENT CORPORATION, A MINNESOTA CORPORATION, IN AN AMOUNT NOT TO EXCEED \$4,725,200 MILLION AS PART OF THE NEW MARKETS TAX CREDIT FINANCING FOR THE COLLEGE TRACK CAMPUS RENOVATIONS AT 4301 THIRD STREET; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, BE ADOPTED AS AMENDED.

REGULAR AGENDA

Agenda Items 4(i, j, k, & l) will be presented together, but acted on separately

- (i) Authorizing An Amendment To The Memorandum Of Agreement With International Federation Of Professional And Technical Engineers (IFTPE), Local 21, Architects And Engineers Bargaining Unit, To Extend The Term Through March 31, 2012. (Resolution No. 85-2011)
- (j) Authorizing An Amendment To The Memorandum Of Agreement With International Federation Of Professional And Technical Engineers (IFTPE), Local 21, Management/Supervisory Bargaining Unit, To Extend The Term Through March 31, 2012. (Resolution No. 86-2011)

- (k) Authorizing An Amendment To The Memorandum Of Agreement With International Federation Of Professional And Technical Engineers (IFPTE), Local 21, Professional/Technical Bargaining Unit, To Extend The Term Through March 31, 2012. (Resolution No. 87-2011)
- (l) Authorizing An Amendment to the Memorandum Of Agreement with the Service Employees International Union (SEIU) Local 1021 Bargaining Unit To Extend The Term Through March 31, 2012. (Resolution No. 88-2011)

Presenter: Diane Iwata, Agency Staff

Speakers: Lily Louie, Alex Tonisson, Oscar James

Commissioner Covington stated that she thought it was great that Director Blackwell and General Counsel Morales, and other negotiators for the Agency as well as the negotiators for the unions, Local 21 and 1021, have been able to come to agreement on this item. Ms. Covington put forth a motion to move these items.

Commissioner King seconded Ms. Covington's motion.

ADOPTION: IT WAS MOVED BY COMMISSIONER COVINGTON, SECONDED BY COMMISSIONER KING, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 85-2011, AUTHORIZING AN AMENDMENT TO THE MEMORANDUM OF AGREEMENT WITH INTERNATIONAL FEDERATION OF PROFESSIONAL AND TECHNICAL ENGINEERS (IFTPE), LOCAL 21, ARCHITECTS AND ENGINEERS BARGAINING UNIT, TO EXTEND THE TERM THROUGH MARCH 31, 2012; RESOLUTION NO. 86-2011, AUTHORIZING AN AMENDMENT TO THE MEMORANDUM OF AGREEMENT WITH INTERNATIONAL FEDERATION OF PROFESSIONAL AND TECHNICAL ENGINEERS (IFTPE), LOCAL 21, MANAGEMENT/SUPERVISORY BARGAINING UNIT, TO EXTEND THE TERM THROUGH MARCH 31, 2012; RESOLUTION NO. 87-2011, AUTHORIZING AN AMENDMENT TO THE MEMORANDUM OF AGREEMENT WITH INTERNATIONAL FEDERATION OF PROFESSIONAL AND TECHNICAL ENGINEERS (IFPTE), LOCAL 21, PROFESSIONAL/TECHNICAL BARGAINING UNIT, TO EXTEND THE TERM THROUGH MARCH 31, 2012; AND, RESOLUTION NO. 88-2011, AUTHORIZING AN AMENDMENT TO THE MEMORANDUM OF AGREEMENT WITH THE SERVICE EMPLOYEES INTERNATIONAL UNION (SEIU) LOCAL 1021 BARGAINING UNIT TO EXTEND THE TERM THROUGH MARCH 31, 2012, BE ADOPTED.

- (m) Authorizing a First Amendment to the San Francisco Redevelopment Agency Legal Services Contract with Kutak Rock LLP to provide specialized legal services primarily related to the transfer of the remaining Navy owned parcels at the Hunters Point

Shipyard from the Navy to the Agency in the amount of \$490,000, for a total contract amount not to exceed \$965,000; Hunters Point Shipyard Redevelopment Project Area. (Resolution No. 89-2011)

Presenter: Thor Kaslofsky, Agency Staff

Speaker: Oscar James

Commissioner Singh put forth a motion to move this item.

Commissioner Ubalde seconded Mr. Singh's motion.

ADOPTION: IT WAS MOVED BY COMMISSIONER SINGH, SECONDED BY COMMISSIONER UBALDE, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 89-2011, AUTHORIZING A FIRST AMENDMENT TO THE SAN FRANCISCO REDEVELOPMENT AGENCY LEGAL SERVICES CONTRACT WITH KUTAK ROCK LLP TO PROVIDE SPECIALIZED LEGAL SERVICES PRIMARILY RELATED TO THE TRANSFER OF THE REMAINING NAVY OWNED PARCELS AT THE HUNTERS POINT SHIPYARD FROM THE NAVY TO THE AGENCY IN THE AMOUNT OF \$490,000, FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$965,000; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- (n) Approving a personal services contract with CMG Landscape Architecture, a California corporation, in an amount not to exceed \$2,479,808, to provide design services and construction support for portions of the Transbay Streetscape and Open Space Plan; Transbay Redevelopment Project Area. (Resolution No. 90-2011)

Presenter: Mike Grisso, Agency Staff

Speaker: Peter Hartman

Commissioner Singh inquired about who the competing bids were after seeing that fourteen bids were submitted.

Mr. Grisso responded that he did not have the complete list in front of him but he could get the list to Mr. Singh. Mr. Grisso added that the list included other very qualified firms, such as Marta Fry Landscape Associates, Peter Walker and Associates, WRT Solomon, and others whose names he could not remember at the moment.

Commissioner Singh put forth a motion to move the item.

Commissioner Bustos seconded Mr. Singh's motion.

Commissioner Covington inquired as to which entity is responsible for the upkeep of the landscaping and the streetscape after the build out.

Mr. Grisso responded that all of the streetscapes improvements that they are building will be adjacent to new private developments, from high rise buildings to podium affordable buildings, and generally the private property owners are responsible for the upkeep and the maintenance of the sidewalks and landscaping around them. Mr. Grisso stated that this was the same general rule throughout the city. In addition to that, the Agency is proposing and has the funding to generate a Mellow Roos community facilities district that will include all of the public parcels that are in the project area and that Mellow Roos district will generate funding to help pay for the maintenance of the improvements, similar to the way Mission Bay pays for the maintenance of those parks and open spaces.

Commissioner Covington inquired about the timing of the project in that if they are talking about the sidewalks, and the sidewalks and streetscaping go in first, how is that going to impact the building that needs to come later, which is usually extremely disruptive and is not compatible with sidewalks. She stated that her concern is that she did not want the Agency to spend \$2 million plus only to have to spend it again.

Mr. Grisso responded that he agreed with Ms. Covington, and stated in the areas of the scope where there are new private developments going in; they are only doing streamline construction documents and temporary improvements. The permanent improvements will be built at the same time that the projects are built so the CMG team will be generating construction documents and full design documents but the actual improvements for those spaces where there will be new private development will not get built until the same time that the private development is built. Mr. Grisso indicated that that will be staged along the north side of Folsom as the new towers go in.

Commissioner Covington inquired about whether the appropriations for this resolution will include all of that or will they have to come back for additional funding.

Mr. Grisso responded that it includes all of the design work, all of the architecture services, including full construction documents for both the temporary as well as the permanent improvements but they will be built at different times based on when the actual private developments get built.

Commissioner Covington inquired as to who was responsible for the costs of the temporary development.

Mr. Grisso responded that the Agency will be paying the cost of both the temporary and the permanent streetscape improvements to assist the private development.

Commissioner Covington inquired as to whether those monies have been discussed with the Agency.

Mr. Grisso responded that \$12 million has already been allocated in the approved Agency budget for the design and construction of both the temporary and the permanent improvements. Mr. Grisso stated that they intend to request an additional \$3 million in fiscal year 2012-13 for those improvements but no construction contracts

have been issued and that money has not been appropriated yet. However, it is in the approved Agency budget.

Commissioner Covington stated that the Agency budget is very big so she did not recall every line item in the budget, especially when things are pushed out for a later date. Ms. Covington asked at what point will there be a discussion with CMG regarding the kinds of elements that would be most beneficial to this effort in terms of attractiveness and upkeep.

Mr. Grisso responded that that is a key part of the contract. Many of the elements that they will be working on already have approved concept designs from the 2006 streetscape and open space plan that was approved by the Agency, so those will be the basis for the construction documents, for example, for the Folsom Street improvements. For other areas, for example, Essex Street and Oscar Park and the under-ramp areas, they are starting from scratch on those designs and part of CMG's contract is to analyze every facet of both the appearance as well as the maintenance requirements for whatever is proposed. Mr. Grisso indicated that there are many community meetings involved in that, presentations to the Agency and the CAC, and they fully intend to explore every aspect including the maintenance cost of whatever is proposed. Mr. Grisso indicated that the concept plan and the designs will come back to the Agency for approval before starting construction.

Commissioner Covington stated that before they get too far downstream, she wanted to reiterate her preferences for whatever they are doing in terms of landscaping. Ms. Covington indicated that she did not want the Agency or DPW to be burdened with the upkeep of many deciduous trees that clog up the sewers and make a mess because that costs more money. She indicated that they need to save as much money as possible for affordable housing and other things. In terms of benches, Ms. Covington added that backless benches are very attractive but are only good for people who are between the age of 6 and 60. When benches are being considered, Ms. Covington would like benches that are suitable for everyone.

ADOPTION: IT WAS MOVED BY COMMISSIONER SINGH, SECONDED BY COMMISSIONER BUSTOS, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 90-2011, APPROVING A PERSONAL SERVICES CONTRACT WITH CMG LANDSCAPE ARCHITECTURE, A CALIFORNIA CORPORATION, IN AN AMOUNT NOT TO EXCEED \$2,479,808, TO PROVIDE DESIGN SERVICES AND CONSTRUCTION SUPPORT FOR PORTIONS OF THE TRANSBAY STREETScape AND OPEN SPACE PLAN; TRANSBAY REDEVELOPMENT PROJECT AREA, BE ADOPTED.

- (o) Expressing the intent of the Redevelopment Agency of the City and County of San Francisco to issue multifamily mortgage revenue bonds in one or more series, in an amount not to exceed \$20,000,000, to finance the construction of residential facilities located at 474 Natoma Street, South of Market Redevelopment Project Area; Citywide Tax Increment Housing Program. (Resolution No. 91-2011)

Presenter: Elizabeth Colomello, Agency Staff

Speaker: Oscar James

Commissioner Ubalde put forth a motion to move this item. Ms. Ubalde stated that she looked forward to this project moving forward and that this is a crucial opportunity of affordable housing. The economic climate in the city is making it difficult for developers and for cities to create good housing for low to moderate income communities and so the shift from for-sale housing to recommending rental affordable housing is a smart move that the commission is advocating. Ms. Ubalde stated that this makes a lot of sense with moving forward with Bridge Housing as a developer on this particular project.

Commissioner Singh seconded Ms. Ubalde's motion.

Commissioner Covington requested more information about the size of the units since she understood that this housing is going to be for families.

Ms. Colomello responded that there are 7 studios, which are about 460 sq. ft. The one-bedrooms are approximately 650 sq. ft., the two-bedrooms are 880 sq. ft., and the three-bedrooms are 1272 sq. ft.

Commissioner Covington inquired as to how many three-bedroom units there were.

Ms. Colomello responded that there are 7 three-bedroom units.

Commissioner Covington clarified then that the majority of units are one- and two-bedrooms.

ADOPTION: IT WAS MOVED BY COMMISSIONER UBALDE, SECONDED BY COMMISSIONER SINGH, AND UNANIMOUSLY CARRIED, THAT RESOLUTION NO. 91-2011, EXPRESSING THE INTENT OF THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO TO ISSUE MULTIFAMILY MORTGAGE REVENUE BONDS IN ONE OR MORE SERIES, IN AN AMOUNT NOT TO EXCEED \$20,000,000, TO FINANCE THE CONSTRUCTION OF RESIDENTIAL FACILITIES LOCATED AT 474 NATOMA STREET, SOUTH OF MARKET REDEVELOPMENT PROJECT AREA; CITYWIDE TAX INCREMENT HOUSING PROGRAM, BE ADOPTED.

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

Speakers: Tessie Ester, Oscar James

7. **REPORT OF THE PRESIDENT:**

President Swig stated that he had nothing to report.

8. REPORT OF THE EXECUTIVE DIRECTOR:

• ***Update on Governor's proposal to dissolve Redevelopment Agencies***

Director Blackwell stated that since the last meeting there had been quite a bit of action in Sacramento with regard to redevelopment and he stated that he wanted to update the commission on that and also provide an update on the city's budget process and where the Agency's budget rests in that process. Last week the State Assembly and Senate portions of the House passed a two bill approach to addressing redevelopment in the budget. Director Blackwell stated that the first bill very closely tracks with the Department of Finance bill that was introduced by the Governor back in February or March. That bill basically called for the elimination of redevelopment and the appointment of successor entities to wind down the existing activities. There were a couple of differences between this elimination bill and the prior one, one being the date of dissolution for redevelopment agencies, the date before was July 1 and in this bill it was October 1. The other difference relates to the second bill. There was a provision in the first bill that allows for exemption from elimination if agencies participated in the second bill, which basically says that if you pay your proportionate share of \$1.7 billion in the current fiscal year to local schools in subsequent years, your proportionate share of \$400 million, then you can buy your way into an exemption from elimination. The bill passed by a close margin, a majority vote in the Senate and by a wide margin in the Assembly and within less than 24 hours the Governor vetoed the budget package that the Legislature put together. The Governor's veto of the budget package did not include the redevelopment bills because those bills are actually what they call trailer bills that accompany or follow the budget. Those trailer bills have not been delivered to the Governor as of yet. There is an uneven opinion about what the Governor would do with those bills if he did receive them. Director Blackwell's understanding is that the Governor is looking at each one of the trailer bills on a case-by-case basis and many people think he may support or sign the trailer bills. Others think he would not sign those bills and there is another group who thinks that the fact that he vetoed the overall budget means that he cannot consider the trailer bills anyway. The bottom line is that the Agency is still in limbo. If the Governor were to sign the bills, the Agency's proportionate share of the \$1.7 billion in the current fiscal year would be between \$21 and \$25 million that the Agency would have to pay by January and that the city would have to indicate whether or not it was going to pay by October 1, 2011. The Agency's proportionate share of the ongoing \$400 million annually would be somewhere between \$5 and \$7 million. Director Blackwell indicated that he was giving ranges because the calculation is based both on the amount of tax increment that each jurisdiction gets and on the amount of debt payments that each individual agency has. Director Blackwell stated that it would be virtually impossible to calculate the number by itself because it requires knowing what everybody else's debt is. These numbers are estimates from the California Redevelopment Assoc. Director Blackwell stated that it is likely that there will be more budget deliberations very quickly because the comptroller at the state level today said that legislators have not delivered a balanced budget and therefore will not

get paid on July 1. Director Blackwell expects to see a flurry of action over the next week, so that everyone can receive a paycheck in Sacramento.

- With regard to the Agency's budget in the city process, the Agency was before the Budget and Finance Committee on Monday and the budget analyst office has recommended a little more than \$600,000 in cuts to the Agency, which the Agency has agreed to. Director Blackwell indicated that there will be another round with the Finance Committee the next Monday and that that is another budget process that will close the first week of July.

9. COMMISSIONERS' QUESTIONS AND MATTERS:

- President Swig reported that he did have something to report for the Report of the President and Charles Range would be upset if he did not bring up this item. Mr. Swig, Commissioners Covington and Singh, the ED and others had the opportunity of going to the grand opening, ribbon-cutting of the South of Market (SOM) Health Center, which Mr. Swig highly commended, stating that the facilities are state of the art, in the truest sense. There is a dental facility, wide open spaces, it is well-lighted, well designed, everything that one would desire in their health center. Mr. Swig congratulated Mr. Range on behalf of his community for completing this wonderful project and said it was a great event. Most importantly the health center will be enjoyed by all for decades to come.
- Commissioner Covington stated that this had been a very busy month in terms of the commissioners being able to go to projects that have reached fruition and are successful and to hear the stories of the people who are living in those facilities and how euphoric they are to have these wonderful places in which to live. The SOM Health Center also has the Westbrook Plaza as a component, which is fabulous housing. Ms. Covington reminded everyone about the grand opening for Armstrong Place as well, which Ms. Covington highly commended. She talked about the Armstrong Place Senior Housing, which has 116 apartments for low-income seniors as well as another beautiful, large condominium project which has 124 newly constructed affordable for-sale homes for working families, which is also state of the art, located on Third Street and is a wonderful addition to the neighborhood and people are so very pleased to be there. Ms. Covington indicated that the next day was going to be the opening of the Coronet, the old movie theatre, which now holds 150 affordable apartment homes for seniors. She stated that she is very proud of the staff, the commission and the developers who have been able to bring all of these projects online.
- Commissioner King thanked Mr. James and added that when they built the Bank of America, he was opposed to it. He stated that that was Alioto's big project. He responded that he did not want the building named after him but he thanked Mr. James for suggesting it anyway.

10. CLOSED SESSION:

Closed Session Items 10(a) and (b) were considered at the beginning of the meeting.

(a) Pursuant to Government Code § 54957.6 to confer with Agency designated representatives regarding negotiations with 1) the International Federation of Professional and Technical Engineers (IFPTE) Local 21 representing the Engineers and Architects bargaining unit, the Management/Supervisory bargaining unit, and the Professional/ Technical bargaining unit; and 2) the Service Employees International Union (SEIU) Local 1021 representing a miscellaneous employees bargaining unit. Agency negotiators: Fred Blackwell, Amy Lee, Diane Iwata, and James Morales.

(b) Pursuant to Government Code § 54957.6 to confer with Agency designated representatives regarding negotiations with the Service Employees International Union (SEIU) Local 1021 Bargaining Unit. Agency negotiators: Fred Blackwell, Amy Lee, Diane Iwata, and James Morales.

(c) Pursuant to Section 54957 of the California Government Code, a public employee performance evaluation for the position of Executive Director.

11. ADJOURNMENT:

It was moved by Commissioner Covington, seconded by Commissioner Singh, and unanimously carried that the meeting be adjourned at 8:00 p.m.

Respectfully submitted,

Gina E. Solis
Agency Secretary

ADOPTED:

SEPTEMBER 20, 2011