

**South of Market Project Area Committee  
Housing Committee  
November 2, 1998**

A meeting of the Housing Committee of the South of Market Redevelopment Project Area Committee was called to order on the above date at Mercy Charities, Columbia Square at 5:40 PM.

**Members Present:** Antoinetta Stadlman, Chair, Jim Berk, Tenants Union/Marlies Hensel, West-Bay Filipino/Edwin Jocson and Jeff Roth

**Members Absent:** Mercy Charities/Amy Bayley and Dr. Mahendra Dave

**Others Present:** Teresa Vergel/TODCO, Annabel Hoyt/Emerald, Sharon Christen/TODCO, Lori Matsukuma/TODCO, Bill Carney/Redevelopment, Patrick Zak/Redevelopment, Al Luis/Redevelopment, Jose Wheelock/TODCO, Ada Chan/AND, Charles Range/PAC Chair, Chris Durazo/AND and Olson Lee/Redevelopment

**Agenda:**

Delta Hotel  
Hugo Hotel  
Emerald  
Delta Replacement Plan I  
Housing Strategies  
474 Natoma  
AND  
Rehabs/Replacements  
Delta Replacement Plan II  
Adjournment

**Delta Hotel**

**Jose Wheelock** reported that in general, the status of the proposed project was the same as it was at our last meeting. Redevelopment had in the meantime indicated that they would consider a 140 room Delta Hotel realistic, and **Roth** asked TODCO what they would do if Redevelopment stood firm by that figure. **Teresa Vergel** said that they would take out the commercial space, but that they didn't want to do this as the income from the commercial rents went to wards providing services for the seniors involved.

**Hugo Hotel**

**Antoinetta** said that there was evidently nothing new to report here, the owner and Redevelopment remained far apart as to their estimates of the value of the building, and to her knowledge, no movement towards a resolution of this was happening.

**Emerald**

**Annabel Hoyt** reported that Emerald expected to have the final drawings of the project in about two weeks. She said that they expected the actual groundbreaking to take place in January, as would Emerald's obtaining their final permits. After these were obtained,

an appeal of the "Work-Work" designation of twenty units on Minna would be taken up, most likely in February.

### **Delta Replacement Plan I**

**Bill Carney** distributed copies of a draught of a replacement plan for the units to be lost in the Delta's rehab. **Carney** said there would be a workshop for the benefit of the Redevelopment Commissioners at their meeting of November 10 with a vote on approving the Replacement Plan for the Delta units set for the Commissioner's meeting of November 17.

He said that Redevelopment was working on similar sets of Replacement Plans for units lost in the rehabs of both the Rose and Grand Southern. He said that rehabs resulted in the loss of rooms; new construction was necessary, and that Redevelopment might put out a Notice Of Funding Availability (NOFA) by the end the year. This would be to attract proposals for an SRO hotel of about 150 units. **Carney** said that our choice of locations was not confined to PACland, but could be anywhere in the greater South of Market. **Jeff Roth** spoke up said that he wanted locations to be considered on a citywide basis, and cited the concentration of SROs on Sixth Street. **Bill** said that legally, they could consider replacing lost units in any part of the City, but that Redevelopment policy was that replaced units should be located in the general area from which the original units were lost. **Jeff** asked Redevelopment to produce statistics comparing the concentration of SRO hotels in PACland vs. City-wide. **Jim** asked if the late Delta tenants, if they did not want to move back into the restored Delta would have first crack at getting the new replacement housing. Redevelopment did not have a definitive answer for this, but **Bill** said that in any case the rents, either in the Delta or in any replacement housing could not be less than the operating costs of the building. This would make the old rental standard of \$280.00 per month unrealistic. **Jose** said that we needed to clearly state our policy regarding replacement housing and come up with some concrete reasons to justify looking outside PACland for a location.

**Carney** said that the 150 or so units of SRO housing that Redevelopment was legally bound to replace would consume much of the available resources, and that most activity now going on was in some form of family housing. **Olson Lee** of Redevelopment said that the next funding cycle was getting underway soon, and that we should identify funding sources (such as tax credits) to acquire land for future construction. He said that our share of the budget next year would be from \$2-3 million.

### **Housing Strategies**

**Al Luis** of Redevelopment distributed charts with the cost breakdowns of constructing either live-work lofts or family housing on this site. He said that the family housing concept provided for more units (26) than did the lofts (14). **Luis** then referred to an idea for senior housing that would yield 54 units; this last could get funding from Section 202 and the hotel tax. **Roth** then said that there was also a need to provide home ownership opportunities, and that we needed to support all types of housing in PACland, including lofts. **Antoinetta** said that she felt lofts were an inefficient use of the limited space we had at our disposal. **Jim** said that we needed to deal with the lowest-income part of the population, and suggested some sort of "group housing" building. **Marlies** said that home ownership ought to be encouraged as owners had more of a stake in the neighborhood, tended to stay longer, and thus provided an element of stability. **Annabel Hoyt** of Emerald said that 14 units of lofts was a waste of scarce land, and suggested that the family housing plan could be reconfigured to squeeze out a few extra units.

**Edwin Jocson** said that for many immigrant families, this was a transitional neighborhood, and that he favored family housing for this location. **Wheelock** of TODCO suggested that a workshop be set up to deal with overall housing plans, and **Berk** distributed his ideas on housing strategies to the group.

#### **AND**

**Ada Chan** said that a flier announcing the impending start of construction on the Minna-Russ project had been distributed to every residence and business within a 300-foot radius of the project site, as required by law. Construction is due to start in two weeks. She said that AND would be going back to Redevelopment to get the Community in the Park part of the project underway.

#### **Rehabs/Replacements**

**Antoinetta** cited the Rose as an example of a completed rehab project, and the Knox as a sample of replacement housing. **Berk** said that these could serve as examples and give us ideas as we considered their rents structures, floor plans, etc. **Berk** asked if the 1994 SRO ordinance was meant to mandate the upgrading of units, but **Olson Lee** said that it was to conform several different definitions within different City departments.

#### **Delta replacement Plan II**

**Charles Range** spoke up, and encouraged Redevelopment to be "creative" and try to reconfigure the Delta plans to the 140-148 units they were now considering, so that we would lose fewer units. It was stated that TODCO was requesting \$1.53 million for the purchase of the Delta and the land it sits on, in its current condition. **Charles** said that blight could also exist in new buildings, and said that he feared that if the commercial ground floor spaces remained vacant for long, they could be a negative influence over the entire building. **Charles** said that we needed to study the feasibility of commercial rentals before we just took this for granted.

#### **Adjournment:**

The meeting was adjourned at 7:20 PM.

The minutes were taken and typed by **Antoinetta Stadlman**.