



SOUTH OF MARKET PROJECT AREA COMMITTEE

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Advisory body to the San Francisco Redevelopment Agency

HOUSING COMMITTEE

Monday June 6, 2005

6:00 PM

Presiding Chair (6:05 PM)

Jeofflin Roh

Chairs Report (6:05 PM)

Determination of Quorum (6:05 PM)

Present: Jeofflin Roh, Wilma Parker, Henry Karnilowicz and Mark Swenson

Absent: Charles Range/SOMA Health Center, Marlo Matilanno/West Bay Filipino Multi-Service Center, Antoinetta Stadlman and David Wilbur/SF Tenants Union

Staff: Marcia Ban and Karen Nolan

Agency: Mike Grisso and Vanessa Dandridge

Guests: J. P. Kellar and Brian Egg

Approval of minutes (6:06 PM)

Minutes not approved.

Agenda order (6:06 PM)

1,2,3,4,5,6,7,8,9,10,11

Motion: *“To approve the Housing Committee agenda as is.”*

Vote: Yes: 4 No: 0 Abstain: 0 Motion Passes

Announcement of Next Housing Committee Meeting

Mr. Roh announced that the next Housing Committee would meet on Tuesday, July 5th, 2005 at 6:00 PM.

Agenda Item 6. Plaza Hotel by Erin Carson (6:07 PM)

Ms. Dandridge announced that the Plaza Hotel is 66% complete. They poured the last floor this past week completing the major structural work. The remaining work would go quickly and they are on schedule for project completion in October.

Mr. Roh referred to the Bindlestiff Theatre that is planning on returning to the ground floor space in the Plaza and wanted to know what was happening with their fundraising efforts.

Mr. Grisso responded that they have not raised the funds. He pointed out that everyone agreed it would be a challenge and the grant agreement gave Bindlestiff a considerable amount of funding for consultants. They are having trouble getting organized and coming

up with a plan. **Mr. Grisso** stated that it was hoped that Bindlestiff would be prepared to occupy the space when the Plaza opens but it is pretty clear that they would not be ready. **Ms. Parker** stated that she would assume that TODCO is the fiscal agent for Bindlestiff and if this is so they should assist them with their fundraising efforts. **Mr. Grisso** explained that TODCO is good at raising funds for housing but not for community centers.

Mr. Swenson suggested that since the Agency is set on having a theatre space, they should consider allowing other theatre groups to occupy the space and not just Bindlestiff. **Mr. Grisso** explained that Bindlestiff was supposed to pay for the tenant improvements to make the space a theatre. Bindlestiff was going to raise \$500,000 with the Agency contributing \$100,000 towards the tenant improvements. If another theatre group came in, they would have to pay to improve the space and it could prove difficult to find a theatre group that could afford to develop the space. **Mr. Swenson** questioned whether the Agency's commitment was to a theatre space or to Bindlestiff specifically. **Mr. Grisso** stated that the commitment was to both and that no one has given up on Bindlestiff yet. **Mr. Swenson** wanted to know at what point the Agency would recognize that this is not happening. **Mr. Grisso** stated that there is no trigger point at this time. He stated that Bindlestiff has not performed at the level that they should have. They have not met the schedule of performance but the Agency is not looking at a particular date for completion. He suggested that the PAC invite Bindlestiff back for further discussion.

Ms. Parker stated that the Agency has experience with theatrical businesses such as Zeum in Yerba Buena Gardens and they should request Bindlestiff to meet with Zeum for assistance. **Mr. Grisso** reiterated that Bindlestiff was supposed to hire consultants. They are very unorganized and it is their responsibility. There was a discussion regarding Bindlestiff Theatre and **Mr. Roh** agreed to invite them to the full PAC for discussion.

Agenda Item 7. Mercy Housing/South of Market Health Center by Rosalba Navarro (6:24 PM)

Ms. Dandridge announced that the SOM Health Center submitted a three-year fundraising plan that was well planned and thought out. She stated that the Agency wants them to present a plan for their fundraising ability by the beginning of construction for the shell of the building. The Agency is requesting that they provide a contingency plan in the event that the fundraising does not go well. Construction on the site would begin next spring.

Agenda Item 8. Seneca Hotel Update by Tenderloin Housing Clinic (6:26 PM)

Skipped due to Tenderloin Housing Clinic's absence.

Agenda Item 9. Raymond Hotel Update by Henry Karnilowicz (6:28 PM)

Mr. Karnilowicz announced that the Raymond Hotel is anticipating a temporary certificate of occupancy for a couple of floors of the hotel in two weeks. They are a couple of months away from full completion. **Ms. Parker** wanted to know if there was any retail space in the ground floor. **Mr. Karnilowicz** stated that there are two spaces at 1700 square feet of retail space on the ground floor.

Agenda Item 10. Sharon Hotel by Henry Karnilowicz (6:30 PM)

Mr. Karnilowicz announced that the owner of the Sharon Hotel is looking for support from the PAC and the Redevelopment Agency for a loan to enable them to add an additional story to the hotel. The problem with this is at the Planning Department because of the height limit and **Mr. Karnilowicz** is hoping that the Agency could assist them in getting a variance to go up to 50 feet instead of 40 in order to add an additional 20 units. He stated that he would update everyone when the plans are completed.

Mr. Grisso pointed out that the delegation agreement is in place between the Agency and the Planning Department giving all of the decision-making powers to the Planning Department. They are required to consult with the Agency when a development is in the Project Area.

Ms. Parker wanted to know if the additional units would be SRO units or studios. **Mr. Karnilowicz** stated that they would be SRO units. **Ms. Dandridge** explained the SRO Ordinance with regard to residential units and tourist units and the replacement requirements for SRO units. **Ms. Parker** stated that she would be in favor of this if they were designated tourist units.

Mr. Roh wanted to know if **Mr. Karnilowicz** was asking for a letter of support from the PAC regarding the additional units for the Sharon Hotel. **Mr. Karnilowicz** stated that he would like for the PAC to provide a letter of support and **Mr. Roh** agreed to put this item on the full PAC agenda for discussion. **Mr. Karnilowicz** stated that the Sharon Hotel is also in the process of completing a façade improvement. They have submitted two bids for the interior and the exterior of the property. **Mr. Swenson** wanted to know if there was a conflict of interest for **Mr. Karnilowicz** to discuss the Sharon Hotel since he is the leasing agent for the hotel. **Mr. Grisso** stated that he would verify this with the Agency's legal department and that **Mr. Karnilowicz** should have someone else present this item at the full PAC. He reminded **Mr. Karnilowicz** that with conflict of interest, he would also have to abstain from the discussion.

Agenda Item 11. SRO Rehabilitation Loan Program by Agency Staff (6:40 PM)

Skipped due to **Mr. White's** absence

Public Comment (6:40 PM)

Mr. Kellar referred to the discussion regarding Bindlestiff and wanted to know when the Agency would stop throwing good money after bad. He stated that it seems to be a case of a lot of unorganized people with a great deal of pride. He stated that when the theatre was in the old Plaza Hotel they never cleaned up after performances and there was always a lot of garbage left on the street and sidewalk in front of the theatre.

Mr. Egg referred to the request to enlarge the Sharon hotel and stated that you must do it according to the rules of the Project Area requiring 20% to be affordable. He referred to Bindlestiff and stated that if the intent is to have a theatre then you should involve the children for a children's theatre in conjunction with Zeum and share the space with Bindlestiff.

Meeting Ended (6:55 PM)

**Jeoflin Roh
Presiding Chair**