



SOUTH OF MARKET PROJECT AREA COMMITTEE

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Advisory body to the San Francisco Redevelopment Agency

**HOUSING COMMITTEE
Monday November 6, 2006
6:00 PM**

Presiding Chair (6:00 PM)

John Melone

Chairs Report (6:00 PM)

Mr. Melone announced that as parliamentarian, he would chair the meeting until we elect a chair later in the agenda. He introduced **Ms. Shirley Bierly** who serves on the Board of Senior Action Network, the Alliance for Retired Persons, CARA and as a member of the Rent Board.

Determination of Quorum (6:02 PM)

Present: Ingrid Aquino, John Melone/SAN, John Markham and Raymon Smith

Absent: Dipak Patel, Sam Patel and Charles Range/SOM Health Center

Staff: Karen Nolan

Agency: Mike Grisso, Vanessa Dandridge, Jeff White and Lucia Mele

Guests: Shirley Bierly and Andrew Hart

Approval of minutes (6:03 PM)

No minutes to approve

Agenda order (6:04 PM)

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

Motion: *“To approve the Housing Committee agenda removing Item 8 regarding the Seneca Hotel and replacing it with a discussion regarding date, time and frequency of the Housing Committee meetings.”*

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

Announcement of Next Housing Committee Meeting

Mr. Melone announced that the next Housing Committee would meet on Monday December 4th at 6:00 PM unless we determine another date and time during agenda item 8.

Agenda Item 6. 474 Natoma Update by Agency Staff (6:06 PM)

Mr. Grisso introduced **Ms. Mele** from the Agency’s Housing Division. She is the project manager for the 474 Natoma Street site.

Ms. Mele announced that the RFP issued on October 6th for the 474 Natoma project has been withdrawn for updates. They are adding the zoning requirements and the city policy with regard to green building in San Francisco. The Agency is planning to re-release the RFP on November

17th or 19th. **Mr. Grisso** pointed out that this change would also change the meeting schedule for the selection panel and he would provide **Ms. Aquino** with a new schedule. **Ms. Mele** stated that the RFP states that the selection panel would meet during the week of February 15th. They have not set an exact date.

Mr. Smith wanted to know if the PAC would be prohibited from making a stipulation that all buildings built in the Project Area be smoke-free buildings. **Mr. White** responded that this would be a fair housing issue and he does not know if the PAC could make such a stipulation. **Mr. Grisso** suggested before the Housing Committee makes a recommendation to the full PAC, he would check to see if this were possible. **Mr. Melone** wanted to know how many units would be built in this project. **Mr. Grisso** reminded everyone that this is the RFP and the Agency has not yet received any proposals from developers. He stated that a developer could build as high as 85 feet so it could be possible to have up to 50 units but we will not know until we receive developer proposals.

Agenda Item 7. Westbrook Plaza Update by Agency Staff (6:11 PM)

Ms. Dandridge announced that there are a number of items regarding Westbrook Plaza to be discussed and voted on at the Commission meeting tomorrow. She reminded members that the PAC voted to approve an amendment to the loan agreement with Mercy Housing at the September 18th PAC meeting. This increase would be for \$931,380 with a total loan amount of \$6,206,894.

The Health Center will be requesting an increase to the grant agreement of \$588,061 for a total grant of \$2,008,978. **Ms. Dandridge** stated that Mercy Housing and the Health Center would be requesting that the Commission approve the naming of the project. The project would be named Westbrook Plaza after Elouise Westbrook, a longtime community activist and fundraiser for the health center.

Mr. Grisso stated that Agency staff will mention the support of this project by the PAC but it would be nice if PAC members could attend and speak during public comment. He pointed out that Commission members love to hear from PAC members.

Agenda Item 8. Discussion Regarding Regular Date, Time and Frequency of the Housing Committee (6:15 PM)

Mr. Melone announced that we must determine a regular meeting schedule for the Housing Committee. He asked for a show of hands of those who would like to keep the 6:00 PM start time for the meeting. Members unanimously agreed to keep the 6:00 PM time. **Mr. Melone** then wanted to know if the first Monday of the month was a good date for everyone to meet.

Mr. Grisso stated that the previous PAC only met every other month as there was not a great deal to discuss and they were working on many housing issues with regard to the Plan Amendment which has now been passed. He stated that most of what is discussed pertains to the updates and **Mr. Grisso** could provide these updates at the full PAC meeting every month.

Mr. Markham stated that he would like to separate this PAC from the previous PAC. **Mr. Smith** stated that he agrees with **Mr. Markham** and believes there is a lot going on in this area with regard to housing. **Mr. Melone** stated that he would like for this committee to meet monthly as there are a lot of housing issues coming up. If we determine at a later date that this is not necessary, we could always change to bi-monthly meetings. **Mr. Smith** made a motion and **Mr. Markham** seconded the motion.

Motion: *“For the Housing Committee to meet on the first Monday of every month at 6:00 PM until such time that the committee deems it necessary to change the frequency of the meeting.”*

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

Agenda Item 9. SRO Rehabilitation Loan Program by Agency Staff (6:21 PM)

Mr. White announced that the SRO loan program was adopted in 2003. The program provides loans up to \$100,000 to rehabilitate the SRO hotels on 6th Street. Other hotels in the project area are also eligible but the target is 6th Street. The Hillsdale Hotel recently received a loan for \$100,000 to completely redo their elevator.

Mr. White explained that the Agency recently contracted with Urban Solutions to work with the hotel owners and conduct a more intensive outreach. They have a contract with an underwriting consultant through the end of June 2007. If the demand for these loans increases, the Agency would try to extend the contracts. If there is no demand, they will look at stopping the program.

Mr. Smith wanted to know if it would not be appropriate to interface with the tenants of the hotels to determine what would improve their quality of life. **Mr. White** explained that this was done before the program began and that is why most of the hotel owners have taken loans out for quality of life improvements and code enforcement. The Seneca is an example of the rehabilitation loan program. Most of the improvements that were made at the Seneca were based on tenant requests.

Mr. Grisso stated that this is why the old PAC should have been kept in place. They had extensive meetings regarding the loan program, the scope of the program and many tenant meetings to determine what the tenants wanted with regard to improvements. **Mr. Markham** wanted to know if the Seneca rehabilitation included the exterior of the building. **Mr. Grisso** stated that the Agency is working with the owner on the exterior.

Mr. Melone referred to the Hillsdale Hotel and wanted to know if they are back on sound financial footing. **Mr. Grisso** stated that the Hillsdale has a new owner. **Mr. Melone** stated that they had been on the verge of foreclosure. **Mr. Grisso** responded that this was how the new owner purchased the property.

Mr. Melone wanted to know if the Hillsdale Hotel was ADA compliant. **Ms. Mele** stated that the owner did not do any rehabilitation work on the bathrooms. **Mr. Melone** stated that SAN received funding for a citywide program to install handrails in showers. This program is funded through the CHIPS program. He pointed out that this is important for seniors to know because steam in the showers can cause seniors to lose their balance making handrails very important in senior housing. **Mr. Melone** stated that anyone interested in the program should call 546-1333 and they would be able to access all of the information with regard to the program. **Mr. Grisso** stated that he would inform the hotel owners of this program.

Mr. Markham stated that the Seneca Hotel installed one ADA bathroom on the ground floor as a part of the rehabilitation. **Mr. White** explained that as a part of the Agency loan, ten rooms at the Seneca are ADA accessible.

Agenda Item 10. Election of New Chair (6:33 PM)

Mr. Melone announced that we must elect a chair for the Housing Committee. He read the "Duties of the Chair" from Roberts Rules of Order and stated that anyone that is elected chair should be aware of their duties as chair of the committee. **Ms. Aquino** announced that she would like to nominate **Mr. Smith** as chair of the Housing Committee and **Mr. Markham** seconded the nomination. With no other nominations a vote was taken

Motion: *"To elect Raymon Smith as Chair of the Housing Committee."*

Vote: Yes: 3 No: 0 Abstain: 1 Motion Passes

Mr. Smith stated that he accepts the Chair position but he has great concerns. He stated that he came to San Francisco many years ago and his career in government allowed him to see there is a better way to do housing.

Agenda Item 11, Ellis Act Resolution by John Melone (6:38 PM)

Mr. Melone gave everyone a handout regarding the repeal of the Ellis Act. He announced that the Ellis Act was enacted in 1986 as a State measure. In 1989 there was an eviction of 4 units in the Mission District by a real estate developer. One tenant, **Lola McKay** became depressed. She then became ill and consequently died. The new owner made over \$250,000 in profit when he turned around and sold the building without doing one iota of work.

Mr. Melone stated that to date we have had over 2,000 seniors evicted under the Ellis Act. This issue of repealing the Ellis Act is so important that **Willie Nelson** has agreed to come to Sacramento along with over 200,000 people to assist the fight to repeal the Ellis Act.

Mr. Melone stated that the Ellis Act allows small property owners to get out of the rental business. Twenty five percent of the evictions are seniors. When you add in the disabled and veterans the total is 42%. In February 2005 Assemblyman **Mark Leno** introduced legislation to curb Ellis Act abuse. According to **Mr. Leno**, two-thirds of Ellis Act evictions are motivated by profits for speculators.

Mr. Markham asked if this wasn't a political issue. **Mr. Melone** stated that housing is a human right. The State Legislature passed this law at the request of landlords. **Mr. Grisso** wanted to know why **Mr. Markham** is questioning whether or not this is a political issue. **Mr. Markham** stated that he feels if the PAC is not a political body, we should not take positions on political issues. **Ms. Aquino** stated that she would agree with **Mr. Markham**. **Mr. Grisso** explained that there is no law stating that the PAC could not support a political issue. He stated that the previous PAC took a stand not to endorse candidates or issues but this PAC could if they choose to.

Mr. Smith wanted to know if he is to understand that this committee is being asked to make a recommendation to the PAC regarding the repeal of the Ellis Act. **Mr. Melone** stated that this is what he is asking. **Mr. Smith** wanted clarification as to whether we are going to the full PAC requesting a position statement or are we asking individual members to sign the petition.

Mr. Melone stated that he is asking for both. He stated that 750,000 people at the CARA delegation voted for this unanimously. He stated that it should be everyone in the State of California's duty to act and repeal this legislation. **Mr. Smith** stated that he has lived here a long time and has seen many evictions. He stated that as an individual he would circulate the petition. As a committee member he will entertain a motion.

Mr. Melone made a motion.

Motion: *"The Housing Committee recommends that the PAC endorse and sign the resolution to repeal the Ellis Act."*

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

Public Comment (6:55 PM)

Ms. Bierly congratulated members for their vote to repeal the Ellis Act.

Meeting Ended (6:57 PM)

**Raymon Smith
Chair**