



SOUTH OF MARKET PROJECT AREA COMMITTEE

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Advisory Body to the San Francisco Redevelopment Agency

SPECIAL BUDGET COMMITTEE

Wednesday March 7, 2007

12:00 Noon

Presiding Chair (12:10 PM)

Chris Durazo

Chair's Report (12:10 PM)

Ms. Durazo announced that she would encourage members to attend the Special Budget Committee. As a new PAC, we all have a learning curve with regard to the budget and the budget process. We will move the next meeting back to 6:00 PM to allow for maximum participation.

Roll Call (12:11 PM)

Present: Chris Durazo, Ingrid Aquino (/12:10 PM) and Angelica Cabande/Bindlestiff Studios (/12:10 PM)

Absent: Raymon Smith, Jason Ortega and Charles Range/SOM Health Center
PAC Staff: Marcia Ban and Karen Nolan

Agency Staff: Mike Grisso and Cathy Pickering

Guests:

Review of Minutes (12:12 PM)

Minutes were reviewed.

Agenda Order (12:13 PM)

It was agreed to follow the agenda as is.

Announcement of next Special Budget Committee meeting

After a brief discussion members agreed to meet every two weeks at 6:00 PM. **Mr. Grisso** stated that this would make the next meeting on the 21st just after the PAC meeting. He suggested that instead of meeting on the 21st, we just discuss the budget at the full PAC. **Ms. Durazo** announced that the next meeting would be one week later on March 28th at 6:00 PM.

Agenda Item 6. Review and Discussion of the 2004-2009 South of Market Redevelopment Project Area Implementation Plan by Mike Grisso (12:16 PM)

Mr. Grisso announced that at the previous budget meeting members wanted to know if there were drastic changes in the Project Area, would this change the Implementation Plan budget. He explained that it is important to remember that the Implementation Plan

is non-binding. It is a guide relating to the Plan Amendment and is updated every five years. The Agency reports to the Commission about half way through the Implementation Plan. **Mr. Grisso** reminded members that this Implementation Plan was approved prior to the Plan Amendment and we did not know what the revenue would be at that time. He stated that the previous PAC, based on what they wanted to do with the funds available, determined what would go in the Implementation Plan. It also shows the community what we want to do in the Project Area. It was agreed to review the items in the Implementation Plan budget.

The first item is the planning and implementation that refers to the Plan Amendment documents and the staff time involved in this process. The second item refers to housing in the Project Area. The PAC wanted to acquire new affordable housing sites and improve the conditions of current housing through the SRO Rehabilitation Program.

Economic Development is in the Plan budget to encourage economic activity. The job training, business assistance and entrepreneurship programs are financed with citywide general fund dollars. The Board of Supervisors provides the funds to the Agency. The Agency funds the 6th Street revitalization program. In the area of social services, the Agency has several projects that are listed because they are in the Project Area but are actually funded by other city agencies. **Mr. Grisso** referred to the Bessie Carmichael School and Victoria Manalo Draves Park and stated that these projects were funded by the School District and the Recreation & Parks Department. **Mr. Grisso** pointed out that Bindlestiff Studios is listed as previously funded because at the time the Implementation Plan was completed Bindlestiff was going to be raising the funds themselves. In reality, they have been given over \$400,000. Other community support could be used for additional expenditures. He referred to a youth center and reminded members that in addition to the feasibility study, there must be a program sponsor or group to develop a plan and run the center.

Mr. Grisso referred to the public infrastructure and stated that at the time of the Implementation Plan we did not know the costs for the sidewalk improvements. The Agency pays for the street cleaning as well as MJM for sidewalk cleaning. He referred to the neighborhood parking garage and stated that members of the previous PAC wanted a neighborhood garage for people to have accessible parking while they shop in the area. There was some controversy over this and a garage was never built. The Agency did not push for a parking garage because they felt a better use of land would be for affordable housing and community benefits. **Ms. Durazo** agreed and stated that this is a contentious issue as some people think there should be no parking in affordable housing, but people do have to get to work.

Mr. Grisso referred to the 6th Street improvements and stated that this was another project where funding was provided by other Agencies. At the time they did the street improvements the water mains were replaced and were paid for by the Fire Department because it is their responsibility to maintain the water mains.

Ms. Durazo referred to the new park and stated that the Agency did not pay for this because it is a Recreation & Parks project, but because it is a new park and it is in the Project Area could the Agency have helped pay for it. **Mr. Grisso** pointed out that the South of Market is not the richest Project Area, but the Agency has built parks in other areas. This new park was already in the works by the Recreation & Parks Department and they paid for it.

Mr. Grisso referred to funding for the South of Market Project Area and stated that a special amendment was passed for the Golden Gateway Project Area to use Golden Gateway tax increment funding for affordable housing in the South of Market. **Ms. Durazo** requested a spreadsheet of the total affordable housing budget. **Mr. Grisso** stated that he could request this form the Housing Division, as they are the ones that deal with the affordable housing.

Ms. Durazo referred to the pedestrian safety measures and the alley streetscape project and wanted to know what the cost break out would be for the Agency versus DPW. **Mr. Grisso** stated that anything in the street would be DPW's responsibility such as street lights, crosswalks and bump outs at the corners. The Agency would be responsible for anything on the sidewalk such as sidewalk replacement, street trees and lighting. **Ms. Durazo** referred to the new park and stated that there are concerns about putting a crosswalk mid block on Folsom at Russ Street for people to access the park. **Mr. Grisso** stated that it might be possible to bundle this into the alley streetscape project.

Ms. Durazo wondered if the Agency could assist the PAC in bringing all the city departments and community groups together around these issues. **Ms. Cabande** wanted to know if the Agency could assist in pressing DPT to look at safety, crosswalks and streetlights. **Mr. Grisso** stated that DPT states that they are all in favor of pedestrian safety but they are also pressured to keep the flow of traffic moving. He stated that they could be invited to a future meeting.

Mr. Grisso referred to the PAC support that the Agency is required to fund. **Ms. Durazo** asked **Mr. Grisso** to explain the Agency policy on street fairs. **Mr. Grisso** stated that there is no Project Area where funding for street fairs is provided through tax increment dollars. In Yerba Buena the Agency owns ground leases and could use that revenue to pay for things, but that is not tax increment funding. Tax increment funds could only be used for capital improvements and support of the PAC as required by state law. This includes PAC staff, outreach, etc. They could not fund a street fair because there is no revenue source. You could only fund a fair if you had a revenue source outside of tax increment money.

Ms. Durazo wanted to know if the Agency could fund public art projects. **Mr. Grisso** stated that they could because public art is considered a permanent physical improvement. **Ms. Cabande** referred to the affordable housing and wanted to know what kind of affordable housing the Agency is looking to build. **Mr. Grisso** stated that the next project coming up is 474 Natoma Street and that is ownership housing because that is what the previous PAC wanted. **Mr. Grisso** referred to the PAC Housing Mix Policy and stated that this PAC might want to review this policy to see if they agree with it or think changes should be made.

Ms. Cabande referred to affordable housing built outside of the Project Area and wanted to know if this were possible for a youth center. **Mr. Grisso** explained that you could build affordable housing citywide and you could build other infrastructure outside the Project Area, but the primary benefit must be to the Project Area. He stated that it could be hard to prove that a citywide youth center benefits mostly Project Area youth.

Agenda Item 7. Review and Discussion of SFRA Draft Budget by Chris Durazo
(1:08 PM)

To be discussed at the next meeting. **Ms. Durazo** commented that this has been a very productive meeting and we have all learned quite a bit. She hopes that we will have more participation by members and the public at the next meeting.

Public Comment (1:10 PM)

Meeting Ends (1:10 PM)

Chris Durazo
Chair