



**SOUTH OF MARKET PROJECT AREA COMMITTEE**

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*Advisory body to the San Francisco Redevelopment Agency*

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**HOUSING COMMITTEE**

**Monday April 2, 2007**

**6:00 PM**

**Presiding Chair (6:09 PM)**

Raymon Smith

**Chairs Report (6:09 PM)**

**Mr. Smith** announced that he attended the PCR Forum this month regarding pedestrian safety. He met with **Ms. Amitai** from Safety Network with regard to safety issues in the neighborhood.

**Mr. Smith** attended SAN's pedestrian safety meeting where they discussed education and networking with other groups.

**Mr. Smith** met a group of neighbors from Russ Street where they expressed frustration with the Redevelopment Agency. He is working to intervene in a lawsuit against the Parks Department for a lack of signage at the new VMD Park. **Mr. Smith** met with neighbors on Harriet Street over concerns of car break-ins as well as neighbors on Clementina Street regarding the parking lot not being kept up.

**Determination of Quorum (6:25 PM)**

Present: Raymon Smith, Ingrid Aquino (/6:23 PM), John Melone/SAN and Dipak Patel (/6:26 PM)

Absent: Rudy Corpuz, Jr./United Playaz, Sam Patel, Charles Range/SOM Health Center and Mark Swenson

Staff: Marcia Ban and Karen Nolan

Agency: Jeff White, Lucia Mele and Cathy Pickering

Guests: Paul Hogarth/THC, Rosalba Navarro, Jennifer Monsarrat and Maureen McAlaneen/Mercy Housing

**Approval of minutes (7:02 PM)**

**Motion:** *"To approve the March 2007 Housing Committee minutes as is."*

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

**Agenda order (7:03 PM)**

1,2,3,4,5,6,7,8,9,10,11,12

**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. Smith** announced that the next Housing Committee would meet on Monday May 7<sup>th</sup>, at 6:00 PM.

### **Agenda Item 6. 474 Natoma Update by Agency Staff (6:16 PM)**

**Ms. Mele** announced that she is in the process of scheduling interviews with the developers for 474 Natoma Street. The developers are Bridge Housing and Michael Simmons, a private developer. They are looking at a tentative date of April 12<sup>th</sup> for the interviews. **Ms. Mele** suggested that PAC members get any questions or concerns to her or **Ms. Aquino** prior to the interviews.

**Mr. Smith** wanted to know, that with the procedures the Agency must follow, when members would be able to review the RFP in order to know what questions to ask. **Ms. Mele** responded that a copy has been at the PAC office approximately one month and it was announced at the last PAC meeting. **Mr. Melone** wanted to know if the results of the interviews would be ready in time for the May PAC meeting. **Ms. Mele** stated that she is not sure how much could be divulged prior to Commission approval. The selection panel's choice would go before the full PAC.

### **Agenda Item 7. Westbrook Plaza Update by Agency Staff (6:21 PM)**

**Ms. Navarro** introduced herself and stated that Mercy Housing has the EIR available for Westbrook Plaza. A meeting was held before the Landmarks Commission that went well. They will go before the Planning Commission for public comment and will be back at the Planning Commission in May for entitlements. **Ms. Navarro** is currently meeting with the architects to go over color schemes and amenities.

### **Agenda Item 8. Seneca Hotel Update by Agency Staff (6:23 PM)**

**Mr. White** announced that the construction on the elevator at the Seneca Hotel would begin in May and the contractor would begin their work in July.

### **Agenda Item 9. SRO Rehabilitation Loan Program by Jeff White (6:24 PM)**

**Mr. White** announced that at last month's Housing Committee a proposal was made to wind down the SRO Rehabilitation Loan Program. A recommendation was made for the full PAC to endorse this proposal. The PAC wanted the Housing Committee to discuss the wind down of the program further.

**Mr. White** gave a history of the SRO Rehabilitation Loan Program and stated that four loans have been approved. Three loans are committed with no work done at this time and one is completed. This was the elevator at the Hillsdale. The Agency has engaged Urban Solutions for outreach of the program, but the demand is still very low. Any interested hotel owner must have their application in by June 30<sup>th</sup> 2007 and complete the work by June 30<sup>th</sup> 2008. Because of the weak demand, a better use of these funds would be for housing in the Project Area

**Mr. Melone** wanted to know how many hotels on 6<sup>th</sup> Street meet the fire sprinkler code. **Mr. White** responded that he does not know the number. **Mr. Melone** stated that as of one and a half years ago, half of the hotels did not meet the code for fire sprinklers. **Mr. White** stated that fire sprinklers are a code compliance improvement that is allowed under the program however, hotels with code violations or orders of abatement are not eligible for the program. The Agency can not lend to a hotel owner who is breaking the law. **Mr. Smith** wanted clarification as to whether or not hotel owners can get a loan for fire sprinklers. **Mr. White** stated that as long as they are not breaking the law, they can.

**Mr. Smith** stated that he has spoken to hotel owners and they have told him that you could not do much with \$100,000 and he wondered if it would be possible to close out the program now and redo it with new guidelines with higher loan amounts of \$300-\$500,000 or, if we could close the program and use the funds to purchase other properties. **Mr. White** stated that purchasing other property is what is planned for the remaining funds in the program. He referred to the loan cap of \$100,000 and stated that Agency staff wanted a cap of \$400,000-\$500,000 originally, but the hotel owners and THC wanted a smaller cap to allow more hotels to benefit from the program. He reminded everyone that this program was crafted over a long period of time with a great deal of input. They currently have four loans committed and three of the four have not done any of the improvements. **Mr. Smith** wanted to know if **Mr. White** is stating that the demand is not there or that the program isn't flexible enough to meet the needs of the hotel owners.

**Mr. Patel** announced that he represents the Hotel Owner seat on the PAC. He stated that there is potential for the program and it should be reviewed on a case-by-case basis. This money is used for the betterment of the community. The program has been here for five years, the previous PAC was here even before that and the Plan Amendment for this Project Area will be here for quite some time. **Mr. Patel** reminded everyone that eventually the Agency would enforce the Owner Participation Agreements and we should keep the funds available for the program. The problem with the program is the first right of refusal. The owners do not want the loans if they are required to give that right to the Agency.

**Mr. White** introduced **Ms. McNulty** from Urban Solutions. They are contracted to market the program. **Ms. McNulty** stated that Urban Solutions has found new interest in the program now that we are talking of closing it. She stated that rather than close the program, a timeline should be added as an incentive. **Ms. McNulty** referred to the raising of the loan amounts and stated that this also raises the affordability requirements and that makes the hotel owners reluctant. **Mr. Smith** stated that he understands the rise in interest. The program has been around for four years yet we have seen very little progress. We need to make a smart decision with regard to what is beneficial to the community. **Mr. Smith** stated that making the tenants wait while the owners decide whether or not to take a loan is cruel and unusual punishment to the tenants. He wondered if we should close out the program in 30 days and then reopen it.

**Mr. White** referred to talk of raising the loan amounts and stated that if this changed the interest in the program we would have to look at this again before closing the program. **Mr. Smith** relinquished the chair to **Mr. Melone**. **Mr. Hogarth** stated that the first right of refusal is a problem. **Mr. Patel** stated that the Seneca Hotel started the program with a pilot loan of \$1 million and the program evolved and changed form there. If the owner sells the property the Agency could match the offer and purchase the hotel. **Mr. Hogarth** stated that the first right of refusal is a deal breaker for the hotel owners. **Mr. White** reminded everyone that the first right of refusal is not a part of the program. He stated that the Seneca loan was different and there is a huge difference between \$1 million and \$100,000. **Mr. Hogarth** stated that the program requires too much trouble for not enough money. He stated that it is a great program, but it needs fine tuning and loan amounts should be raised. **Mr. Hogarth** stated that he has worked on code enforcement issues with the Tenderloin Housing Clinic for the past seven years and one thing they found was that DBI doesn't enforce the housing code for wiring to be upgraded in most hotels because of their age. **Mr. Hogarth** referred to page two of the program and stated that the biggest need is for electrical upgrades that are not required by the building code. The program states that the hotel owner must be 100% compliant with applicable city codes, but most of the hotels are not and a hotel that is would be very hard to find. **Mr. White** stated that the four loans that have already closed were all code compliant so this is not an impediment to the program. He reminded everyone that the Agency could not give a loan to a hotel owner that isn't complying with the law.

**Mr. White** stated that the Agency could look at increasing the loan limits, but this would include restrictions such as first right of refusal and deeper affordability. It is hard to argue for continuing the program at higher loan amounts for just one or two hotels. **Ms. Aquino** stated that she believes the loan amounts are too low and we should put the funds somewhere else. **Mr. Patel** stated that we could argue to have funds available on a case-by-case basis with the money being allocated from acquisitions. He pointed out that just as the loan program is not used every year, acquisitions are not made every year either. **Mr. Smith** stated that after careful evaluation and the needs of the community he will make a motion. **Mr. Smith** made a motion and **Mr. Melone** seconded the motion.

**Motion:** *The Housing Committee will meet with the Redevelopment Agency, the SRO hotel representatives, the hotel owners and the community before the next PAC meeting to determine the needs of everyone in order for a recommendation to be made to the Agency regarding the SRO Rehabilitation Loan Program.*

**Mr. Patel** made an amendment to the motion: *We should meet before the next PAC meeting on April 16<sup>th</sup>.*

**New Motion:** *"The Housing Committee will meet with the Redevelopment Agency, the SRO hotel representatives, the hotel owners and the community before the next PAC meeting on April 16<sup>th</sup>, 2007 to determine the needs of everyone in order for a recommendation to be made to the Agency regarding the SRO Rehabilitation Loan Program."*

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

**Agenda Item 10. Dudley Apartments Update by Jennifer Monsarrat (7:02 PM)**

**Ms. McAlaneen** announced that the work on the 6<sup>th</sup> floor of the Dudley Apartments has been completed with the 5<sup>th</sup>, 4<sup>th</sup> and 3<sup>rd</sup> floors to be completed soon. New plants have been placed in the lobby and "no loitering" signs have been posted at the front gate.

**Ms. Aquino** referred to the work on all floors of the building and stated that the stairways are all filthy and the carpets must be removed. She referred to the desk clerk position and stated that the elimination of the midnight to 8:00 AM shift is a serious problem. This is when most problems occur and it is the most crucial shift. Nighttime is when the most problems of drug dealing and violence occur that affect the residents safety.

**Ms. Monsarrat** referred to the carpets in the stairwells and stated that Mercy Housing thought it was best to complete the hallways first, as there are not enough funds to do everything at once. The stairwell carpets will be done once the hallways are complete. She referred to the night shift desk clerk and stated that the Rose Hotel across the street has a monitoring device and people must check in at the Rose before gaining access to the Dudley.

**Mr. Smith** stated that he sees the changes occurring at the Dudley and he commends Mercy Housing for all they are doing. He would encourage Mercy to share information, more freely as you must change the mentality of the residents. **Mr. Melone** stated that he arrived an hour early for tonight's meeting so that he could observe the activity in front of the Dudley Apartments. He suggested that Mercy Housing contact **Captain O'Leary** for assistance because there were 18 people loitering in front of the Dudley at 4:25 PM in the afternoon and four of those people offered **Mr. Melone** drugs. If the desk clerk must go outside every five minutes to stop the loitering, then that is what they must do, but the drug dealing outside the entrance must stop.

**Agenda Item 11. Workshop on Housing in the Project Area by Raymon Smith (7:12 PM)**

**a. PAC Housing Mix Policy**

**Mr. Smith** announced that he has contacted **Mr. Eiberling** regarding the Housing Mix Policy and he is working on some community forums. He stated that the Housing Committee must

work with the HS & HS Committee to get the word out to the community that we are here to assist them. **Mr. Smith** has spoken to many people in the community and he has heard many complaints regarding the previous PAC and the redevelopment and the neighbors are not appreciative of the Agency.

**b. Plan Amendment Housing Goals**

**c. Quality of Life in SRO's**

**Agenda Item 12. Committee Member Announcements (7:15 PM)**

**Mr. Melone** announced that on April 18<sup>th</sup>, a bus will leave Cathedral Hill at 10:45 AM for Sacramento for the Senate Health Committee. A letter of support was sent by the PAC and we should have a representative from the South of Market on the bus. **Ms. Aquino** volunteered to attend.

**Mr. Patel** announced that he came across a program called SF Patrol and he has hired **Officer Hart** to patrol his properties. He mentions this because many other neighborhoods have BIDS like the one in Union Square and he wondered if we might set something up with the private property owners and SF Patrol to make the neighborhood safer. **Ms. Pickering** stated that SF Patrol is manned by off duty SFPD officers. She referred to the Business Improvement District that **Mr. Patel** spoke of and stated that this is a great idea for private property owners but it is not something the Agency is involved with.

**Mr. Smith** referred to a letter he received from the neighbors on Russ Street with regard to a neighborhood watch program. They are concerned about housing and HS & HS issues. Street parking is a real problem for these neighbors and **Mr. Smith** has intervened for them as a citizen, not as a PAC member.

**Mr. Melone** referred to the problems surrounding Club Six and stated that Club Six was served with a "Notice of Violation" by the Entertainment Commission. The Entertainment Commission has scheduled a hearing recommending a 30-day suspension of their license. A second violation would result in a 60-day suspension and a third would revoke their license.

**Public Comment (7:27 PM)**

**Meeting Ended (7:27 PM)**

**Raymon Smith**  
**Chair**