



SOUTH OF MARKET PROJECT AREA COMMITTEE

1035 FOLSOM STREET • SAN FRANCISCO, CA • 94103

415.487.2166 Fax 415. 487.2169 • website: <http://www.sompac.com>

Advisory body to the San Francisco Redevelopment Agency

HOUSING SUBCOMMITTEE

Monday August 6, 2007

6:00 PM

Presiding Chair (6:00 PM)

Raymon Smith

Chairs Report (6:00 PM)

Mr. Smith announced that he attended the Positively 6th Street Fair. He attended the PCR forum this month where the focus was on pedestrian safety. **Mr. Smith** attended the VMD Park cleanup a couple of weeks ago and stated that there was a lot of trash to be picked up.

Determination of Quorum (6:02 PM)

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

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

Staff: Marcia Ban and Karen Nolan

Agency: Jeff White, Lucia Tallchief Mele and Vanessa Dandridge

Guests:

Approval of minutes (6:03 PM)

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

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

Agenda order (6:04 PM)

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

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 Tuesday September 4th, at 6:00 PM.

Agenda Item 7. Seneca Hotel Update by Agency Staff (6:06 PM)

Mr. White announced that the Seneca Hotel is under construction and they are aiming for completion in January 2008.

Agenda Item 8. SRO Rehabilitation Loan Program by Jeff White (6:07 PM)

Mr. White reviewed the history of the SRO Rehabilitation Loan Program. He stated that the Agency proposed a wind down of the program in March due to a lack of interest by hotel owners. The Agency had reported on the lack of interest for quite some time prior to March. The

original SRO Rehabilitation Loan Program was designed in 2003 after many meetings with hotel owners, DBI, the SRO Collaborative and the PAC. Since 2003 only one loan was closed with work completed. This was the elevator rehabilitation at the Hillsdale Hotel. Three other loans have closed, but work has not been completed. These hotels include the Sharon, the Shree Ganeshee and the Alder. The Baldwin Hotel has taken out a \$100,000 loan for elevator rehabilitation that is expected to close soon.

During 2006 the demand for SRO rehabilitation loans continued to be dismal. There was extensive outreach and communication, but no interest from the hotel owners. The Agency would like to take the funds from this program and redeploy them to other housing options. They would like to close the program 30 days after the Commission approves the wind down and any loans not completed by June 30, 2008 would be cancelled.

The Housing Subcommittee voted to send the wind down of the program to the full PAC in March 2007 and the PAC sent it back to the subcommittee for further discussion. The program went back to the Housing subcommittee in April and in May all of the hotel owners were invited to attend and discuss the program. The Housing subcommittee again voted to send the wind down to the full PAC and again in May the PAC sent the program back to the subcommittee.

In June **Mr. Smith** requested information from the Agency regarding the program and information was delivered to him on June 11th. In July the Agency again proposed the wind down of the program, but **Mr. Smith** wanted members to first review all of the information provided and be prepared to discuss the wind down in August.

Mr. White announced that the Agency is requesting a wind down of the program tonight and would like the Housing Subcommittee to again recommend that the full PAC vote to wind down the SRO Rehabilitation Loan Program. **Mr. Melone** stated that he did an extensive investigation and spoke with many hotel owners regarding the lack of interest in the program. He stated that the hotel owners told him that they could get a much better loan from a bank and would not use the program. **Mr. Melone** would recommend that we close the program completely in 90 days with a closing date of November 30th.

Ms. Stadlman stated that the SRO loan program is too onerous with all of the requirements. Since it is not politically possible to remove all of the restrictions, the hotel owners believe it is much easier to get a loan from Wells Fargo or Bank of America. The city will not do what needs to be done to make these loans more attractive.

Mr. Smith stated that the concept of the program is great, but it is very confusing to the hotel owners. He feels it is time to bring closure to this program. **Mr. Smith** stated that how we bring about this closure is how we will be remembered. **Ms. Stadlman** made a motion and **Mr. Melone** seconded the motion.

Motion: *"The Housing Subcommittee recommends that the full PAC endorse the wind down of the SRO Rehabilitation Loan Program in 90 days and that the PAC will make a decision as to where the remaining \$1.2 million in funds should be reallocated to."*

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

There was a discussion regarding the full closure of the program in 90 days, but allowing time for the loans that have closed to be dispersed. **Mr. White** explained that there are three loans that have closed and the Agency is waiting to disperse the funds. **Ms. Aquino** wanted to know if this item will now go before the full PAC. It was agreed that the SRO Rehabilitation Loan Program would now go before the PAC for a vote.

Agenda Item 9. Presentation on Pesticide Reduction in Rental Housing by Cynthia Knowles (6:22 PM)

Ms. Knowles introduced herself and announced that she works for the Department of Environment assisting residential properties with pesticide concerns and safe pest control alternatives. She stated that she is here tonight to ask questions regarding pest problems people might be having in their homes, what types of pests, ways they can be treated and how the treatments can affect us. **Ms. Stadlman** wanted to know if the Department of Environment was a part of the Department of Public Health. **Ms. Knowles** stated that they are a City and County Agency and they work with the Department of Public Health. Most of the Department of Environment's work is in the area of recycling and how to dispose of toxic waste.

Ms. Stadlman referred to the SRO hotels and stated that they used to spray monthly for roaches, but now they use a paste that is supposed to be safer. She referred to the problem of mice and stated that most hotels now have a lot of cats running around and this seems to work for the mice problem. **Ms. Stadlman** stated that currently the biggest problem in the hotels is the bedbug epidemic. In order to eliminate the bedbugs, the tenant must seriously participate in the elimination process and this is a big problem.

Ms. Knowles stated that the Department of Public Health has a program for eliminating bedbugs and she wondered if this program is effective. **Ms. Stadlman** explained that the tenants for many reasons do not cooperate and in order to be effective, the city must come out and force the issue. **Mr. Smith** stated that the Department of Public Health has a program that the hotels are required to follow when bedbugs are an issue. He stated that the tenant must bag all of their belongings and wash everything. This process must be followed every two weeks for six weeks in order to effectively eradicate the bedbugs. The problem is with the tenants who are unable or unwilling to follow the instructions.

Ms. Stadlman stated that because the bedbugs get into the walls and spread, the rooms next door, below and above must also be treated or you would never be rid of the problem. **Mr. Smith** stated that TODCO is removing the carpet and sealing all of the outlets in units where bedbugs are a problem.

Ms. Aquino referred to the Department of Environment and wanted to know if **Ms. Knowles** has information or pamphlets she could provide with regard to apartments. **Ms. Knowles** stated that she provides information on the safe disposal of household waste, old pesticides and toxic chemicals as well as teaching about safe cleaning methods. The Department of Public Health provides services regarding bedbugs. There was a discussion regarding the bedbug epidemic and the program offered through the Department of Public Health. Members agreed that there must be more oversight in assuring that tenants follow through with the instructions so as not to re-infest once treatment has been completed.

Mr. Smith stated that information on pesticides effects on pets would be very helpful. **Ms. Knowles** asked if there were a problem with fleas. **Mr. Smith** explained that many tenants have pets and some buildings have community pets that roam the building. This tends to cause a problem with fleas. **Ms. Knowles** stated that she would leave outreach materials for members to review. **Mr. Smith** wanted to know if there is a program in place for tenants to dispose of old medications safely. **Ms. Knowles** explained that there was a program in place for the disposal of old medications through Golden Gate Disposal, but the lawyers determined that they could not collect controlled substances and the program was stopped. She stated that they are currently working with Walgreens to develop a safe disposal program.

Agenda Item 10. Committee Member Announcements (6:46 PM)

Ms. Aquino announced that the HS & HS Subcommittee would meet tomorrow at 12:00 noon. They will hear an update on the Youth Center and the Victoria Manalo Draves Park.

Mr. Melone announced that there will be a demonstration regarding Senate Bill 840 on Wednesday August 8th at 12:00 in front of the office of Blueshield at 50 Beale Street.

Mr. Melone announced that a walkthrough was done on 6th Street regarding the street trees. The area around the trees has now been filled in with sand to be level with the sidewalk and these will be monitored three times per week to maintain this level.

Mr. Smith announced that SAN requested this subcommittee to host their Pedestrian Safety meeting on the last Thursday of the month. He will notify members as soon as the time is set.

Mr. Melone announced that the Department of Public Health received a grant for \$180,000 for pedestrian safety issues and \$25,000 of this grant will be spent in the South of Market.

Mr. Smith announced that he attended the Alley Streetscape Workshop. He stated that it was well attended, but he felt there should have been more time for input from the community.

Agenda Item 6. Westbrook Plaza Update by Agency Staff (6:53 PM)

Ms. Dandridge announced that Mercy Housing received the project entitlements for the Westbrook Plaza project and the project is now fully titled. They will now move forward to construction. Mercy Housing and the SOM Health Center are working on the construction drawings that are approximately 50% complete. Once they are 80% complete they will go to the loan committee for approval. They expect to be before the PAC in December 2007 **Ms.**

Dandridge explained that it is important to keep to the schedule because Mercy Housing would like to submit their tax credit application in February 2008.

Ms. Mele referred to the 474 Natoma Street project and announced that the 58 units being developed by Bridge Housing was approved by the loan committee on Friday and is scheduled to be heard at the Commission on August 21st.

Public Comment (6:57 PM)

Meeting Ended (6:58 PM)

**Raymon Smith
Chair**