



**Potrero Yard Neighborhood Working  
Group Meeting Minutes**

Monday, September 9, 2019, 6:00 p.m. to

8:00 p.m.

Potrero Yard, 2500 Mariposa Street

*Note - the meeting minutes capture the overall tone of the group's discussion and is not meant to be an exact transcription.*

**Attendees**

**Present:**

Magda Freitas  
Scott Feeney  
Alexander Hirji  
Erick Arguello  
J.R. Eppler  
Claudia DeLarios Moran  
Thor Kaslofsky

**Not Present:**

Alexandra Harker  
Roberto Hernandez  
Kamilah Taylor  
Mary Haywood Sheeter

Kerstin Magary  
Licina Iberri  
Rafe Rabalais

**Other Attendees:**

Rosie Dilger (consultant)  
Marianne Glaser (consultant)

**SFMTA Staff:**

**Purpose of the meeting:**

To discuss decision-making processes for this project and others, and to provide updates on current conversations with the City about Building Progress.

**Item 1. Meet & Greet**

*Introductions made by Working Group members.*

*Working Group members filtered in and helped themselves to food and conversation. Once we started a more formal discussion, Claudia DeLarios Moran reminded the group that though they may know each other, it's important to introduce ourselves and remind each other of why we are here, and what experience we bring to the table.*

**Item 2. Working Group Member Announcements**

Licina Iberri: We are looking to fill a transit advocate role for the Working Group. We got many applications and are still getting the word out.

Erick Arguello: I am excited for upcoming outreach event at Fiesta de las Americas – food, music and vendors!

**Item 3. August 10 Recap**



Rosie Dilger: The Event Summary Report is included in packet. The community responded positively to the event, and we conducted 67

tours of the facility.

Licinia Iberri: We printed the boards with the newest content for everyone to take a look. We changed a lot to incorporate pieces from the Working Group, so thank you for the feedback. Especially Magda, had some great insight to how to show the 3D images. We hope the process was helpful for you all too.

Magda Freitas: I didn't see the shadows in the park.

Licinia Iberri: At the next event, we will bring up the shadows again. For this time, it felt like we were throwing in too much information. But a lot of people were concerned about shadow.

Rosie Dilger: Yes, several people in the park asked about the shadow.

*Magda asked a question about the image of the housing on top of the Muni Yard.*

Licinia Iberri: Both images have the facility and the housing in the background.

Magda Freitas: People are saying the SFMTA will not do the high rise.

Rosie Dilger: The images are helpful to point out how large floors for buses are compared to typical floors.

*Rafe Rabalais reiterated that SFMTA wanted to get people familiar with the size.*

Licinia Iberri: Does anyone have experiences to share?

Rafe Rabalais: I attended "Friends of Franklin Square" cleanup event. There wasn't too much feedback. Most people were from the neighborhood. There was a lot of interest in resident parking. There was some feedback on transportation measures and pushing strongly for parking. We let them know about all the constraints and limitations involved. Jolene Yee, who also gave this feedback at the event, suggested a public restroom at the site to complement Franklin Square. That would be a huge community benefit since the park does not have a public bathroom.

Rosie Dilger: We did a really good job for outreach – mailers, posters, door to door intercept, and merchant outreach. Specifically, we did a really good job at engaging immediate neighbors. There was so much interest in doing tours! We had to add an additional tour time to make sure everyone could go. We want to continue doing public tours, so people understand the reality of the space we are working with. So, if you have groups of people who are interested, we can coordinate something outside the regular tour schedule with Adrienne Heim with SFMTA.

#### **Item 4. Discuss Decision Making Process**



Licinia Iberri: This process was what you had asked for. So, let's go through the steps and if you have questions, jot them down on a sticky so we can address all the questions at the end.

Rosie Dilger: Try to hold questions or place sticky note on whiteboard to navigate questions. Everyone has a unique perspective even if some of the themes may overlap. It will help us get to the heart of the issues.

Licinia Iberri: This is the process that Rafe and I have undertaken for this project. It is also one step back to try and generalize the project process. This is not necessarily what every Project Manager does. This particular project touches so many stakeholders, departments etc. This process may be different than what you guys usually encounter as public stakeholders. SFMTA identifies a and then defines the requirements. It can be very technical and includes industrial facility level criteria.

Rafe Rabalais: In terms of the technical requirement, this was the starting point for the process. This is the core need for us as an agency. It is the most essential element. We had to drill down on this before we knew what else was on the table.

Licinia Iberri: Along with that is a schedule requirement. Schedule for this project is important because of the fleet expansion. Therefore, we have a defined deadline of 2026. Because it is a development project and we are a city agency, we are asked by the City and the charter to analyze the project within the City's larger framework. We need to look at citywide policy. The biggest overarching policy is the Mayor's Public Lands for Housing Program. And then, there's the general citywide conversation about shortage of housing and crisis of affordable living. Then, from the SFMTA city charter, we need "to diligently seek other sources of money." From there, we start thinking about the SFMTA, policy goals, and then the critical questions of "What project would meet the most of these goals" or "How do we put together a project to address these issues in the right way?" Or, "Can we do joint development? What does the neighborhood say? What does the market say?" Consultants did the basic demographic assessment to see what the lay of the land was. For this site, they had been working Mission Action Plan, as the neighborhood in general is densifying. We are also responding to the Mayor's call for increased housing.

Rosie Dilger: We shared a lot of feedback with Planning, and they shared their findings. Planning community outreach takes place at the same time.

Licinia Iberri: After we start a city family conversation, we start talking policy. Then, we have a chance to create a maximum build scenario. With the height limitations of 150 feet from the Planning Commission – how many units can you fit without thinking about other factors. That's where we came up with the 885 units in an initial "max scenario." For the purposes of analysis, that number was unconstrained. We have internally talked about the stakeholder plan and wanted to address more needs of the stakeholder groups. We formed this group as a focused set of stakeholder outreach compared to a public meeting. Then, we nailed down communication plan for next year. Then we had a first workshop series in December. Based on the feedback we received from you and the public, we went back to the Planning Department. We just kept hearing the call for the City to participate in



affordable housing. As we are having these conversations, the affordable housing bond was being discussed for the ballot. This project was in the right place in the right time. The project has started coming down in size – so it wouldn't be so huge and looming for people who live nearby.

We have taken what we have heard from the city family and stakeholder groups over the year to refine a project that we think will work. We think we are close. We are still working with numbers and cost estimates. Once we have images, we will present a refined concept to stakeholder group, to the larger community, and then to the public. We will be looking for comments on that proposal to make tweaks, and then file a planning application. The application will not be a complete architecture design. The SFMTA needs to do a CEQA review. That process takes a long time, and it does not hurt us to overanalyze and prepare. There are still more steps after this but come once we bring a developing partner on board. Then, we can have a community conversation about all the details.

Rosie Dilger: There will be a lot of opportunities for public feedback, especially for immediate neighbors.

Rafe Rabalais: What we have done in other developer proposals, we ask them to submit a community process approach in their response. There are probably three or four years between filing the application and actual construction. Potential features of the facility could be worked out at that point. One thing to be added then would be like I mentioned the public bathroom. Those details are not worked out now.

Rosie Dilger: The RFP is not ready. We still need more financial analysis, but we are building the narrative for the RFP to make it appealing for developers as well.

Claudia DeLarios Moran: When you say "attractive to developers" does that mean it needs to be a money maker? What does that mean for percentage of affordability? How does that decision get made? How do we determine affordability percentages?

Rafe Rabalais: Some combination of a few places. Feedback from community (workshops etc.) and conversations with Working Group. Second is talking to city family. Projects can provide affordable housing through one of two ways: market rate units to cross subsidize and public subsidy. Then, we'd run it through a financial model again. We are in that phase right now. Construction costs are escalating so quickly, so we are making our best effort based on the most recent numbers.

Rosie Dilger: A financial advising firm would come on. Ideally, there would be more than one pathway of funding a project like this. We have the policy goals, and we have stakeholder feedback. Now we need to find a way to increase affordability in a way that the project will get done

Erick Arguello: Are you reaching out to local nonprofit developers? Depending on the level of affordability, what will the design be? Are there separate entrances for Below Market Rate and Market Rate units? It should be a mixed community and all amenities should be the same.



J.R. Eppler: Will the RFP include architect choice? Or do you choose afterwards?

Rafe Rabalais: We would have to have a firm that has done a transit before -probably an interdisciplinary firm that has done housing too. Or multiple firms, but they would definitely need to show experience. We are also talking to the Mayor's Office on Housing who are very close to the affordable housing community.

Rosie Dilger: This project is so unique and so new for the city - unique opportunities that haven't been thought of. We need to have the conversation about public and private partnerships. There is an opportunity to reach out to developers who only do affordable development.

Kerstin Magary: There are two parts of this project. The first gap is the facility, and the second gap is what goes above it. We are working on both. We (SFMTA) can't use transit funds to fund housing. We can negotiate who pays for what, but there is still a gap.

Thor Kaslofsky: The gap has not been identified right? There might be no gap. But I don't think the community would accept an all luxury building. Maybe Erick is alluding to outreach to that community?

Licina Iberri: I think there is room in this group for you to talk amongst yourselves to deliberate about things that are important to be in the RFP. If you guys come up with a Working Group consensus, you have the ability to create a requirement for it. For instance, saying that the "RFP must have affordable housing component" is valid and appropriate for this group. Staff wants to remove ourselves from the conversation so you can talk to each other to have a conversation about this group's policy priorities. All the things you are listing could potentially be included.

Thor Kaslofsky: We are not at the point where we have decided to put an affordability target minimum, right?

Licina Iberri: It is an evolving conversation.

Rafe Rabalais: When we present at the next Working Group Meeting we hope to talk about all of the parameters of the project, including an affordability target, and get feedback.

Erick Arguello: Can you talk more about the development group?

Licina Iberri: If one wants to be a consultant for an entity that would want to participate in the development project, there would be conflicts with one's participation on the Working Group.

Rafe Rabalais: Besides that issue (avoiding conflicts of interest), we want to have a conversation around parameters.

Rosie Dilger: After we have done more analysis and have more of a project idea, we'll have a tentative date for the next big public workshop to share parameters. We spaced it out to have several weeks in between.



Scott Feeney: Do you have news from city family about what subsidy is available?

Licinia Iberri: There is an affordable housing bond, but they can't specifically designate certain projects. About 40 projects are still waiting for gap funding. As bond has grown, there is a bigger pot for other potential projects, including ours. We are working closely with Mayor's office and OEWD.

Scott Feeney: I thought the bond was written in with specific projects?

Licinia Iberri: Some projects have already received environmental clearance. All the remaining projects that do not have clearance and cannot be named formally in a bond. If the bond passes, we will have a conversation. That \$600 million budget will allow them to fund projects with a gap.

Scott Feeney: I have a finance question – what if a project has some market rate units? (not all affordable housing). Suppose, and hopefully this doesn't happen, rent is twice as much. Can the City capture land value from private developer?

Licinia Iberri: It is all negotiable.

Rafe Rabalais: There is precedent with that with participation, like the hotel on Embarcadero with base rent, and then shared rent based on revenues.

Kerstin Magary: Appraisal value changes over time. Giants had that done for the ballpark with the lease from the Port. This can also be worked into the lease.

Licinia Iberri: All financing mechanisms are open to negotiation. That's why it is hard to announce "this is the project" to allow room for the back and forth. The City and the development community have different interests. Another thing, if this group feels strongly about one structure, then that is appropriate to discuss. Maybe a real estate advisor to come do a crash course would be helpful?

Thor Kaslofsky: Once RFQ is released, how are we involved?

Licinia Iberri: It is not defined yet. It can be difficult and conflicting to have intensive stakeholder engagement during an RFP process before selection. Post selection, the Working Group should continue to exist for the life of the project, and through construction.

Rosie Dilger: We can add a big engagement part to the RFQ.

Thor Kaslofsky: Can we participate on the actual selection? Workforce and contracting with small businesses will be a big one.

Licinia Iberri: Any other thoughts on that idea?



Erick Arguello: Looking at ones that come in? Would like some Working Group representation on the selection committee.

*Most members agree that they like that idea*

Licinia Iberri: Note that it is a confidential process. So, you would not be able to share that information. How would you pick who that person would be? Any other process questions?

Magda Freitas: Is there a target date for the last two bubbles on the flowchart?

Licinia Iberri: We are planning on October 7 for the next Working Group meeting. We will go with first Mondays since it is better for most people. Then, October 26 is public meeting to more formally present content to public. There are no hard dates. We are looking at November or December of this year for environmental application. If it was only transit facility, we would just be submitting the environmental application. This is intended to be non-architectural. We want to start a conversation about the environmental impact, but we can't start that yet. We'd be applying based on the October 26 event.

Magda Freitas: Do we have access to those documents?

Licinia Iberri: Yes, it is public. An application to the planning department should not be a surprise.

Rafe Rabalais: Two big immediate milestones: 1. Submit the project for environmental review and then 2. Bringing a developer on board with set parameters.

Rosie Dilger: Tradeoffs can be weighted differently. Requirements, versus things that would be "nice" to have.

Erick Arguello: Public meeting vs tours – The tours did not go very in-depth.

Licinia Iberri: It was very transit specific. Only time we talked about development was at 2<sup>nd</sup> floor.

Erick Arguello: If it was more transit focused, and not about the housing?

Rosie Dilger: It was helpful for people to see the need. When we talk about joint development with housing, people will be aware of size and need. It is a lot to have in one conversation.

Erick Arguello: Is the conversation going to dictate the housing or will the housing conversation dictate the facility?

Licinia Iberri: The need for transit fatality is kind of basic, essential information. Walking people through is helpful.

Rosie Dilger: Intense transit demand necessitates the new facility.



Erick Arguello: Will that influence who is housed? If tours were more transit oriented, where does housing conversation lead? People

got the framework.

Rosie Dilger: Tours lend themselves to some conversations. For example, there is no crosswalk and no restroom for the tours. Some concerns naturally come up especially for immediate neighbors.

Thor Kaslofsky: We should encourage this site to look at off-site improvements. Maybe the developer can put it in. A list of community benefits that we'd like to see.

Erick Arguello: Depending on who lives there, will dictate what is needed. If there are lots of families, they might have larger cars. Studios might require more bicycle infrastructure.

Rosie Dilger: There are a lot of constraints, but there are things that can be meaningful as a community asset.

Erick Arguello: Like the park at 16<sup>th</sup> Street? They surveyed families and neighbors and learned that the amenities they were proposing did not match the needs. That project is still in the works. How do we make sure the needs match?

Licinia Iberri: Maybe we can use the feedback as discussion points in future meetings to flesh them out.

Rosie Dilger: We can do some of the leg work on community benefits now, so people do not feel like too much has happened and they can't go back to change plans.

Licinia Iberri: There is a fee structure.

Scott Feeney: I thought it was SFMTA policy to not build parking? Will it be in the project?

Licinia Iberri: Our working assumption is that the project will not include any dedicated parking for private residents or employees. This is guided by the city's transit-first policy. It should be stated that this is a policy and not a requirement of the Planning Code. It is very expensive to build underground, structured parking. It is essentially infeasible to build enough.

Scott Feeney: More parking, means more people will own cars, which has a negative impact on air quality.

Rosie Dilger: Since it is a transit facility, there are few opportunities to provide on-site parking.

Licinia Iberri: We understand the sensitivities about parking.

Thor Kaslofsky: I think we need some parking.





Claudia DeLarios Moran: I agree. You can't be so flippant about parking. There are seniors, people with disabilities, and families with young kids that would have a really hard time with daily activities without parking.

Thor Kaslofsky: Maybe make the parking ADA? Or, delivery and loading for the building?

Licinia Iberri: In terms of outlining the "decision space" for the project, our policy guidance and working assumption is that dedicated parking on-site would not be feasible.

Claudia DeLarios Moran: People will still park and displace where residents can park. If I had young kids, I would not be able to go grocery shopping and pick them up from school. Taking the bus all the time is a big thing to put on everyone. It is unreasonable.

Erick Arguello: Transportation is not fitting the needs of the current community. For example, painters use their cars for work. They are getting parking tickets or driving around and then get displaced. That is how the City gets gentrified, by not supporting working class people.

J.R. Eppler: We are suffering from parking displacement because the parking squad at SFMTA are slow at putting in parking regulations. They are working on it and there has been progress. We can control folks in this building for using parking in this area. We are making parking decisions up front. The folks that would move in, would be people who do not require cars for their livelihood. By making the decision early in the process, we can help others make a decision of where to live and reduce congestion in the neighborhood.

Scott Feeney: More parking in the neighborhood means more safety concerns and traffic collisions. We are right near the air pollution line. More cars is worse for air pollution and it hits seniors and children the hardest.

Erick Arguello: It becomes a certain income of folks who live there. We must make room for families and different types of folks - not just people who bike everywhere. Can we leverage current parking?

J.R. Eppler: Maybe parking can be absorbed from this building?

Erick Arguello: People who come to work here drive. By not accommodating them, we are making it hard for them to come to work. A lot of guys who work here park in Bayview. We are pushing our working class further out.

### **Item 5. Project Updates**

Rosie Dilger: We'd like to have three employee engagement events. So far, the external outreach has been great, and now we are engaging workers. Many operators live in the East Bay, so we will be out there.

Thor Kaslofsky: Did you talk to the union?



Licinia Iberri: We talked to union leadership but have not been to a union chapter meeting.

We offered, and they wanted us to come back when we are at a stage further along. Each event is geared towards a group of employees. So, everyone will be invited to different things. By having an event geared towards operators, we are essentially talking to the union.

Rafe Rabalais: As we defined initial requirements, we spoke to management in maintenance and operations. Our next step is making sure the front staff is in the know.

Licinia Iberri: At least one more operator will be joining the Working Group too.

### **Item 6. A Look Ahead**

Rosie Dilger: We received 11 applicants for 4 spots. The public loved the tours and we have many scheduled.

Licinia Iberri: The tour requires a waiver and closed toe shoes.

Thor Kaslofsky: Can we tie the event to Halloween? It would be a great outreach opportunity – not sure how many kids there are.

Rosie Dilger: The Fall workshop planned for Oct 26. The date is fairly set, and we will make sure everyone's input is included before we present it to public. The goal will be to present the updated project, get feedback, and explain how the Mayor and OEWD are involved. We'll also share a roadmap of project refinement plan to give people an idea of what next year will look like. After robust outreach, we had seven Spanish speakers come. This round we'll have even more outreach. In addition to last time, we will expand to non-profits, churches, and community organizations. Last round primarily focused on immediate neighbors. Does this group has suggestions of places to reach out to?

Rosie Dilger: Please be in touch if you have questions and encourage folks who are interested to apply to be part of the Working Group!

*The notes below were handwritten by Working Group members in the room and posted on a flip chart during the meeting:*

### **Flip Chart Page 1**

- Potential Roles:
  - Contracting
  - Workforce
  - Review Proposals
- Confidential Process
- Parking?
  - ADA loading/access



- Project Application Date: TBD
- November/December
- Based on feedback from October 26

event

- Tours – Focused on facility not housing
- “Is the conversation going to dictate the housing – or will the housing conversation dictate the facility design?”

### Flip Chart Page 2

- Will there be an affordability requirement?
- Working on parameters = Unit size, affordability, etc.
- Affordable Housing Bond = Projects
  - In approval, needing funding are named
  - Not all can be listed legally
- Definitely no \$ for PY if Bond fails
  - Land/Rental value – Could city recoup funds when rents rise?
- PYNWG – Will it go away after RFP? No!

### Flip Chart Page 3

- What is an attractive bid for developers?
- How/who determines affordability?
  - Stakeholder feedback
  - Subsidy available
  - Other funding
- How are nonprofit developers being considered?
- Can PYNWG participate in selection process?

### Flip Chart Page 4

- Will architect be included in RFP?
  - Can we leverage current parking?
  - Vertical Striping
- Would need transportation expert
- More parking=more cars=more pollution
- \$140-\$150M gap to build \$400M Facility
- Community benefits?
  - Bathrooms?
  - Streetscapes?
- SFMTA can't fund housing
- Mission Housing, MEDA □ Conversations/Meeting w/ language Re: “Must have affordable housing developer”