

Stakeholder Working Group Meeting #5 Summary Memo April 27, 2023

Working Group Attendees (12)

City & County of San Francisco Staff (5/9)

<u>Invited</u>	<u>Attended</u>
Judson True, Director of Housing Delivery, Office of Mayor Breed	-
Lisa Gluckstein, Housing & Land Use Policy Advisor, Office of Mayor Breed	X
Raquel Bito, President, Building Inspection Commission	-
Neville Pereira, Deputy Director of Permit Services, Department of Building Inspection	X
Raymond Lui, Structural Engineering Section Manager, San Francisco Public Works	X
Dan Sider, Senior Advisor for Special Projects, San Francisco Planning Department	-
Liz Watty, Director of Current Planning, San Francisco Planning Department	-
Susan Ma, Joint Development, Project Manager, Office of Econ. & Workforce Dev.	X
Holly Babe Faust, Construction Rep., Mayor's Office of Housing & Comm. Dev.*	X

Technical Experts (4/6)

<u>Invited</u>	<u>Attended</u>
Duke Crestfield, Principal, Triangle Engineering	Х
Ned Fennie, Architect, DBI Code Advisory Committee	X
David Friedman, Board Member, SPUR	-
Sarah Atkinson, Earthquake Resilience Policy Manager, SPUR*	X
Robert Kraus, Structural Engineer, Structural Engineers Assoc. of Northern California	X
Jenna Wong, Assistant Professor of Civil Engineering, San Francisco State University*	X

Residential Building Owners (2/6)

<u>Invited</u>	<u>Attended</u>
Chris Cummings, Dir. of Housing Development, Tenderloin Neighborhood Dev. Corp.	-
Heather Lea Heppner, Housing Preservation Mgr., Chinatown Comm. Dev. Center	X
Janan New, Executive Director, San Francisco Apartment Association	-
Charley Goss, Govt & Community Affairs Mgr., San Francisco Apartment Association	-
George Orbelian, Building Owner, 640 Mason Street*	X
Freeda Rawson, Associate Director of Resident Services, Mercy Housing California	-

Commercial Building Owners (0/2)

<u>Invited</u>	<u>Attended</u>
Alex Bastian, Director, Hotel Council of San Francisco	-
Lisa Yergovich, Principal, Architectural Resources Group (on behalf of BOMA SF)	-

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Tenant Representatives (1/4)

<u>Invited</u>	<u>Attended</u>
John Elberling, Executive Director, Yerba Buena Neighborhood Consortium	-
Raquel Redondiez, Director, SoMa Pilipinas	-
Fred Sherburn-Zimmer, Executive Director, Housing Rights Committee of SF	-
Alicia Sandoval, Tenant Counselor, Housing Rights Committee of SF*	X

Business Representatives (0/3)

<u>Invited</u>	<u>Attended</u>
Rodney Fong, President & CEO, San Francisco Chamber of Commerce	-
Emily Abraham, Dir. of Legislative & Community Affairs, SF Chamber of Commerce	-
Johnny Jaramillo, Executive Director, PlaceMade	-

<u>Labor Representatives (0/1)</u>

<u>Invited</u>	<u>Attended</u>
Rudy Gonzalez, Secretary-Treasurer, SF Building & Construction Trades Council	-

Builders & Developers (0/3)

Invited	<u>Attended</u>
Matt Field, President, TMG Partners	-
Gregory Johnson, Associate Director, CBRE	-
Brian Main, Vice President, Construction Manager, Plant Construction	-

Project Team Attendees (12)

Office of Resilience & Capital Planning (4), Project Lead

Brian Strong, Chief Resilience Officer **Melissa Higbee**, Resilience Program Manager **Laurel Mathews**, Senior Earthquake Resilience Analyst

Applied Technology Council (3), Technical Lead

Ayse Hortacsu, ATC Project Technical Team Manager **Karl Telleen**, ATC Project Technical Team Member*

CivicMakers (2), Engagement Lead

Judi Brown, Project Director & Lead Facilitator
Terri Feeley, LBE Subcontractor & Facilitator*

Other City Staff (2)

Christine Gasparac, Assistant Director, Department of Building Inspection

Patrick Hannan, Communications Director, Department of Building Inspection*

Angela Yip, Communications and Legislative Analyst, City Administrator's Office

^{*}Indicates members who attended via Microsoft Teams.

Stakeholder Working Group Meeting #1 Agenda

Meeting Purpose

1. Members understand the **Process Streamlining** subgroup's proposed approach to streamlining processes to lessen various stakeholder pain points that may be caused by the implementation of a Concrete Building Safety Program (CBSP). The working group develops a first draft list of

Members understand the landscape of considerations for how the City might approach
 Temporary Tenant Relocation, as informed by Temporary Tenant Relocation subgroup
 presentations. The City receives feedback from members on their priorities for temporarily
 relocating tenants.

3. The City receives feedback from members on the new in-person meeting format and subgroups.

Meeting Background Materials

1. <u>Stakeholder Engagement Summary Report</u> (July 2022)

recommendations related to Process Streamlining.

2. CBSP Working Group Meeting #5 Slide Deck

Meeting Summary

Welcome, Previous Meeting Recap & Agenda Overview

Project team and working group attendees convened in-person and online via Microsoft Teams. Judi Brown, Lead Facilitator, welcomed everyone and facilitated introductions in the room. Terri Feeley, LBE Facilitator, led the Microsoft Teams group through introductions. All conversations happened in real-time, in the same room. No breakout rooms were created. Laurel Mathews, Senior Earthquake Resilience Analyst, reported out on what happened during the last meeting in February, in particular with regard to timelines: there is an outstanding question about when high-occupancy, high-complexity buildings will be retrofitted. Want to phase the work so we don't flood the housing market. Some key questions: high occupancy and complex retrofit sooner or later? What does high occupancy mean 15 years in the future? Laurel discussed the Participatory Program Design timeline with three remaining meetings until recommendations from the Working Group go to the Executive Panel in October. Reminded Working Group members that we are looking for input based on your experience and expertise, as well as feedback on how we can get to recommendations efficiently. The deliverable of this working group is a set of recommendations to the Executive Panel about the Concrete Building Safety Program. Brian Strong, Chief Resiliency Officer, and Carmen Chu, City Administrator, came in person to thank participants for their work on the program to date.

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Lisa Gluckstein, Housing & Land Use Policy Advisor, Office of Mayor Breed, and Neville Perreira, Deputy Director of Permit Services, Department of Building Inspection, shared some of the recommendations they discussed during a Process Streamlining Subgroup meeting on April 6, 2023.

Lisa Gluckstein stressed that the Planning Department should be part of the Process Streamlining conversation, especially when talking about office-to-residential conversions. She highlighted two questions: "How can we remove the permitting burden for these projects?" and "What is the role of third-party reviewers?"

Neville Perreira shared that the Process Streamlining Subgroup recommends hiring two full-time staff at DBI to support this program: a program manager and a staff person (minimum 2ppl). He also mentioned that training will be needed so that all staff can do all types of reviews. He mentioned that the Process Streamlining subgroup recommended that DBI consider contracting with third-party reviewers to add surge capacity.

Laurel Mathews reminded the group that the process streamlining subgroup also discussed a few additional recommendations at their pre-meeting. These included a full-time employee at Planning to support administration of the concrete program, a companion document to the administrative bulletin focused on historic preservation, and removing non-seismic permit triggers wherever possible. The Process streamlining subgroup also discussed making Tilt-up permits "Over-the-Counter", steamlining sidewalk encroachment permits, and streamlining demolition and rebuilding.

Working Group Questions & Comments

Note: the language below in italics reflects the spirit of the dialogue but is not always a direct quote.

C5. In CAPSS soil was also important. Because we know these now, it will be easier to manage. Because we are looking at soils, we need to think about infrastructure. Whole City needs to come together, COVID underlined that. Once CAPSS got to consensus that it's the mutual benefit of everyone, it was very easy. Went through Board of Supervisors without any negatives.

C6. State published some detail sheets for residential reinforced sheets for wood frame. Can we do the same for RWFD? Maybe standard detailing?

- **C7.** May be difficult for this type. It's a good idea and we will do it where we can.
- **C8.** Plan Set A is for contractors, so you don't have to use engineering. But in this case, you will need an engineer.
- **C9.** Recommendations: Ordinance can come with a companion document for historic preservation. Remove permit triggers for seismic work. Removing peer review required for retrofits for new technologies.

Q1: Does DBI have lessons learned from soft-story?

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A1: Soft Story lessons are always front of mind for us. Additionally, SPUR is working on a report about lessons learned from Soft Story that also includes Oakland, LA.

C10: There are process issues with demolition. Hearing a lot of interest in demolishing and building back, but there are issues if they are historic. Also, what we can built back is typically much smaller. Is there a way to allow rebuilding closer to the original size?

C11: what incentives can we add on? E.g., allowing additional types of uses, density, making sure the replacement building is viable for the building owners.

C12: When you talk about user process streamlining, Planning should be involved. Also, historic preservation gets in the way. You have to make sure these processes are streamlined. Regardless of how much staff you hire, you will need to get those processes streamlined.

C13: Sounds like there could be other historic preservation recommendations in addition to a companion document is not sufficient.

Temporary Tenant Relocation: Presentation, Considerations & Discussion

Heather Heppner, Housing Preservation Manager, Chinatown Community Development Center, shared considerations for Temporary Tenant Relocation from her 30 years of experience. Alicia Sandoval, Tenant Counselor, Housing Rights Committee of SF, shared considerations from their subgroup conversation on April 20, 2023.

By Heather's count there are 439 non-ductile concrete residential buildings in Chinatown and Tenderloin housing >25,000 residents - many of whom are senior, disabled, immigrants. There are an additional 5,000 residents in SROs. If we can figure out how to support them, we can support those with more resources.

Heather shared the example of 990 Pacific: This non-ductile concrete retrofit was funded through Mayor's office of housing and development (RAD program). It was a collapse risk, open lower floors, heavy partitions on upper floors. It housed 90 senior residents. The project cost \$50M, and construction was completed in 12 months. Heather mentioned that if you displace residents longer than 12 months, you have to provide permanent relocation benefits (= 48 months of market rate rent). Started construction on the outside, shear walls from the outside. 7 months of noisy construction while residents were still living in the building. When utilities had to be shut down, residents were relocated. Retrofits that cause units to lose square footage, layout changes, loss of units, can quickly become untenable.

Heather emphasized the large staffing needs for retrofit projects involving temporary tenant relocation. You have to be transparent and meet with residents regularly. Every effort should be made to keep communities together during temporary tenant relocation. Care must be taken when doing work on

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these buildings because these are the last affordable places you can live in San Francisco. It's tiny but it's home for many people.

Working Group Questions & Comments

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Q1: Where did you relocate them to?

A1: had to include market-rate housing, too. If City could provide a relocation space, that would be great. CCDC had developed some units already, so they have been using those.

C1: need an incentive to allow them to build a swing space they couldn't build otherwise.

C2: escalation of construction cost is a big issue with City projects.

C3: it's all about cost of money over time. We have escalation built in and try to stick to the timeline.

C4: during pandemic, City bought a bunch of hotels for shelter-in-place. Now we are renovating them. Maybe we can do it again?

C5: thought about it for a soft-story project, but the project took too long so we couldn't do it.

Q2: senior housing provides a lot of services. If you distribute people during relocation, how do you provide the support?

A2: we have a strong program, so they provided different type of support, e.g., helping with services you need when you are relocating, e.g., moving your cable.

C6: commercial impacts: most of our buildings have a commercial tenant on the first floor. Impacts on commercial is at least as much or more than residential. Businesses have to move out, especially for foundations and frames. Vacancy loss for commercial: you need to find a site, you need to cover construction, marketing, insurance per day, offsite storage. Very expensive.

Q3: What if the tenant stays in the new location? I rely on their rent for my affordable housing!

A3: City doesn't allow us to make changes to first floor business, but how can we encourage money for tenant improvements.

C7: Vacancy loss: our funders don't allow us to bank vacancies. Moving half of occupants in building and flipping them up and down the building, is not allowed. City should think about maintaining communities, so they should allow us "bank up vacancy losses". This way you also would not have to rent market-rate for all occupants.

C8: Mayor's Office of Housing has not been funding projects with the level of resources necessary. RAD project was an anomaly, allowed conversations with our tenants. We do not have the staffing anymore. If we cannot support folks, there is an increase in transfer stress.

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C9: Some existing constraints: State laws, SF rent ordinance

Alicia from Housing Rights Commission share some observations and considerations:

Been here 7 years. Shared concerns from soft-story program. Tenants often don't receive notification. Notification should be in their own language. Notice doesn't say how long the work will take and when the work will start. Also tenants should be paid relocation payments for the entire time they are relocated. Be transparent with tenants. We suggest tenants to go to DBI to see if permits have been submitted. If you are being asked to leave before permits are requested, that makes no sense. Do not want tenants to bear any cost of the retrofits. If small landlords and nonprofits cannot afford it, then the City needs a no or low interest program.

C1: everything Alicia says is called "transfer stress". It's real and it's a cost of the process.

C2: requests to see a soft story notification that is not sufficient. Alicia will have to check.

C3: What if we set up a Real Estate Investment Trust? We purchase buildings on bad soil conditions, they relocate. We continually move from more vulnerable to less vulnerable areas. We incentivize them with excluding from 1031s. City aggregates all the efforts to have a lower cost.

C4: OEWD – we have a pop-up vacancy program starting soon. Have 200 applications in 1 week! Now we have to match them with property owners. Could give us a temperature check as to whether this might work.

Q1: Is the intent to dump this responsibility to the owner? Is there a packet of information? Is there a Department of Relocation? (used to exist!)

C5: UMB had packets, but they were quite limited in what they cover.

C6: lots of overlap with communications!

C7: UMB used to require that you talk to your tenants before you apply for your permit. That doesn't work so well, it's better to inform tenants after you have your timeline, your funding.

Q2: Has BORP been engaged?

A2: BORP is a DBI program. We can find out about BORP'ed buildings to see if they are concrete.

C8: Don't let engineers set policy.

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Wrap Up & Next Steps

Team will compile the notes and allow you to vote, so we know what recommendations to bring forward to the Executive Panel. Team will also be reaching directly to those who have not been present. Team will circulate list of draft recommendations put forward back to the topical subgroups, and subsequently to the full working group. Team will meet with the Planning Department to review the Process Streamlining recommendations. Members were shown a slide with subgroups they've been divided into, and that they can choose to be in other groups.