

Parkmerced Transition and Vision Update Meeting
Q & A Portion
November 10, 2014

Summary of Presentation and Q&A from November 10, 2014

The following is a summary of resident comments and suggested noted during the November 10 presentation.

The meeting was held at the Parkmerced Leasing Office (3711 Nineteenth Avenue, SF CA 94132) exclusively for existing Parkmerced Residents.

Since early 2007, Parkmerced has held numerous meeting with residents and neighbors to discuss concepts for long-range planning and how to enhance Parkmerced for the future. In September 2014, Parkmerced submitted the Development Phase 1 Application to the San Francisco Planning Department which outlines development intentions for implementation of the initial development of the Parkmerced Vision Plan.

The first half of the meeting was presented by Chris Bricker, Parkmerced's new General Manager. Chris focused on his professional experience and background as well as the property management transition to Sutro Management Group LTD.

Rogelio Foronda, Jr., Development Manager for Parkmerced, presented the second half of the meeting focusing on the history of the Parkmerced Vision Plan, resident protections, Development Phase 1 Application, and next Steps.

Comments and Questions

- **Will you be upgrading water controls in case of emergencies on property?**
All newly constructed billings will fully comply with current and applicable building codes. Several community improvements will be implemented property wide as part of implementing the Parkmerced Vision Plan. These improvements include new or upgraded utility infrastructure, including a proposed Auxiliary Water Supply System, which will provide a dedicated water supply system for the San Francisco Fire Department.
- **What will buildings look like?**
Selected architects for the first buildings to be constructed are currently in the conceptual design process. As part of this process they are only looking at building shape/size and building footprint and ensuring their compliance with the Parkmerced Design Standards & Guidelines adopted in 2011. In early 2015 we will be presenting initial design concepts to residents during resident meeting(s) to receive and integrate feedback into designs. Information regarding the resident meeting will be distributed in early 2015.
- **Will residents get to choose which size building they relocate to?**
Residents will move as a block with their neighbors into an appropriate sized building ranging from 3-4 stories to potentially 11 stories. Residents will only move once, from their existing apartment to their brand new apartment. All lease terms, including rent and fees for parking and storage, if applicable, will stay the same in the brand new apartment. Existing residents will maintain their rent control status. Existing residents will be provided with a brand new apartment with the same number of bedroom(s) and bathroom(s), comparable in size to their existing apartment, with modern amenities including dishwashers and washers/dryers.
- **How many workers will be on site at peak of construction?**
At this time this information is unknown, but can be provided at a later date.
- **Are new blocks separated into rent control or fair market?**
Residents will move as a block with their neighbors into a brand new building/block. The rent control and new apartments, both fair market and affordable, could be mixed within the same building or buildings. As part of the Parkmerced Development Agreement with the City and

County of San Francisco, there will always be 3,221 rent-controlled apartments at Parkmerced. At project completion rent control and fair market homes will be mixed throughout the property.

- **Will current onsite amenities be sacrificed to pay for the vision of PM?**
Onsite amenities will improve or be enhanced for all Parkmerced residents as part of the Parkmerced Vision Plan. However, there might be short-term interruptions during construction. At project completion Parkmerced will have opportunities for a grocery store, cafes, and restaurants, a preschool/daycare, community center and recreational fields, a new fitness center, community gardens, and other neighborhood-serving amenities.
- **Will 50 Chumasero be torn down?**
No. As part of the Parkmerced Vision Plan and Development Agreement with the City and County of San Francisco all eleven existing 13-story towers and their approximately 1700 rent controlled apartments will remain. However, landscaping and building amenities may be improved as part of the long-range plan.
- **Will current parking rates remain?**
The terms as part of an existing resident's lease will remain the same, this includes maintaining the then current base rent and rent for parking (if applicable). If parking was included as part of the base rent or charged as an additional charge, then a parking space will be maintained under those terms. However, the parking space may need to be relocated because of the construction, but the charge will remain the same as the then current. For new residents, Parking will remain "unbundled" from rent just as it is today. Parking rates will be adjusted accordingly for all future residents regardless if they live in a newly constructed building or an existing tower.
- **Will asbestos be removed from towers?**
In 2006 and 2007, a project occurred at Parkmerced to remove asbestos from all resident accessible areas within the towers. That project was completed under strict environmental regulations.
- **Any planned improvements to existing towers?**
At this point, there are no planned improvements, outside of improved maintenance and cleaning services. However, future improvements might be planned down the road, including landscaping and building amenities that may be improved as part of the long-range plan.
- **Any units being reserved for low income families?**
As part of the Parkmerced Development Agreement with the City and County of San Francisco, there will always be 3,221 rent-controlled apartments at Parkmerced. Additionally, per San Francisco Planning code, Parkmerced will comply with necessary requirements to comply with the Below Market Rate requirement. Options to fulfill the Below Market Rate requirement include building units on-site, off-site, or through paying an in-lieu fee.
- **What contractor has been chosen?**
At this time a general contractor has not been selected for construction work. This information will be available at the next resident meeting in early 2015.
- **Where are we starting first?**
In order to guarantee that residents will only have to move once from their existing apartment into their brand new apartment, we will be constructing the first buildings on opportunity sites. Opportunity sites are locations on property where no residential building currently exists. Once a new building is constructed, residents will move as a block into new building(s) within the same block. Phase 1 is primarily concentrated around the existing towers along Lake Merced Boulevard, Arballo Drive, Font Boulevard and Chumasero Drive. Subphase A includes construction of 4 new buildings: two adjacent to existing buildings 310 and 350 Arballo and another two adjacent to 405 Serrano and 810 Gonzalez.
- **How close will current garden units be to demolition? Will I breathe bad air during demo?**
Existing garden units will be deconstructed rather than demolished, using best practices to minimize environmental impact on the surrounding areas. Air monitoring will occur throughout deconstruction, "mistifiers" will be used to minimize dust, as necessary, and rumple strips will be used for trucks existing the construction site to remove dust and dirt particles prior to entering the street.

- **Will condos become available for purchase?**
 As part of the Parkmerced Development Agreement with the City and County of San Francisco, there will always be 3,221 rent-controlled apartments at Parkmerced. We have heard from the community that opportunities to purchase homes on the west side is something that would be of interest. All new buildings constructed in Phase I will be condo-mapped, however at this time none will be sold as condos.
- **Will you consider hiring SF citizens for construction?**
 As part of the Parkmerced Development Agreement, Parkmerced entered into a First Source Hiring and Equal Opportunity Employment Program Agreement with the City and County of San Francisco in August of 2013. All construction and professional services contracts include an attachment outlining the terms of the Agreement which includes good faith efforts for local hiring as well as hiring local business enterprises.
- **When phase 1 application is approved, will it contain language that promises to relocate current tenants?**
 The Tenant Relocation Plan is part of and included as an appendix in the Development Agreement approved in 2011. Rent control protection, relocation, and the processes to relocate residents are law enacted by the Development Agreement.
- **Who are current owners of PM?**
 Parkmerced Owner LLC
- **If ownership changes during development, are tenant protections lost? Will total current number of rent control units remain?**
 The Parkmerced Development Agreement is a law tied to the land and not to the owner. Should ownership change during development all tenant protections outlined in the Development Agreement will remain, including the total number of rent-controlled units to remain on site.
- **Can the towers be sold separately, how can we promise there will always be 3,221 rent control units?**
 Yes, the towers can be sold separately, but there is no plan to do so at this time. The Parkmerced Development Agreement is tied to the land and not to the owner. Should ownership change during development all tenant protections outlined in the Development Agreement will remain, including the total number of rent-controlled units to remain on site.
- **What are the logistics regarding tenant relocation? What are the options?**
 The Tenant Relocation Plan is part of and included as an appendix in the Development Agreement approved in 2011. Rent control protection, relocation, and the processes to relocate residents are law. As part of the Tenant Relocation Plan, residents will be provided with three options: to relocate to a brand new apartment, receive a “buy out” as defined by the San Francisco Rent Board and move independently offsite, or if a Long Term Existing Tenants (10 year+ resident as of July 11, 2011), the option to move to an Interim Replacement Unit. Interim Replacement Units include three approved blocks of existing Parkmerced garden apartments that will not be replaced until the final phase of the overall development.
- **Is there an option to buy existing unit?**
 No. All existing Parkmerced apartment homes are rental rent-controlled and cannot be sold individually.
- **How does the rent board “buy out” option work?**
 The San Francisco Rent Board has a formula to calculate the “buy out” option that is updated annually by them. Each Existing Tenant must deliver written notice (the “Replacement Unit Preference Notice,” which will be provided by Parkmerced) of his or her decision to (a) relocate to a Replacement Building, and his or her selection of all available Replacement Units ranked in the order of preference, or (b) remain in his or her Existing Unit up to the To-Be-Replaced Building’s Vacancy Date (the date on which the building must be vacated in preparation for demolition) and receive Relocation Payment Benefits.
- **What will the total number of replacement unit’s vs total number of new rentals in phase 1?**

56 Replacement Units will be constructed for existing residents in Phase 1 and an additional 166 Replacement Units will be constructed for existing residents in future Phase 2. A total of 222 replacement units and 1,350 new rentals will be constructed as part of Phase 1.

- **Will residents have a choice to relocate to a particular area of property?**
Residents will move as a block to their new building. Due to the resident protections and nature of the project's phasing, the phasing will dictate which buildings each existing block of residents will be relocating to.
- **What was the recently sent change in terms notice for?**
The change in terms notice was just to update the Payee for rent to the new management company.
- **Existing garden units have outdoor/semi-private space? Will new units have these common spaces?**
Most new buildings will have "walk-up units" and central courtyards. During the initial planning phases of the Parkmerced Vision Plan, maintaining the courtyards came up frequently so this is something we responded to and included in the Design Standards and Guidelines that help govern the new development.
- **Is there an opportunity for resident feedback on new building design?**
Selected architects for the first buildings to be constructed as part of Subphases 1A and 1B are currently in the conceptual design process. As part of this process they are only looking at building shape/size and building footprint. In early 2015, we will be presenting initial design concepts to residents during resident meeting(s) to receive feedback on the proposed designs. Information regarding the resident meeting will be distributed in early 2015.
- **How is resident density going to change with redevelopment?**
Parkmerced will grow from 3,221 homes to approximately 8,900 homes over the next 20-25 years. The current population of Parkmerced is approximately 9,000. At project completion, Parkmerced may be home to over 20,000 people.
- **Will my wheelchair ramp be replaced?**
All newly constructed buildings will comply with applicable Building Codes, including compliance with the American with Disabilities Act, which requires handicap accessibility to new buildings, apartments, and public spaces.
- **What was our outreach effort to students who live at Parkmerced?**
All residents were notified the same way. All residents were mailed letters that included information regarding the meeting, emails were sent out, and advertisements were placed in all laundry rooms, in elevators, tower bulletin boards, and at all entries at the leasing office.
- **Will student population at Parkmerced be integrated with remaining resident population?**
Due to fair housing laws, we cannot dictate where students live at Parkmerced. All residents are distributed fairly throughout the property without bias.