

ENVISIONING THE FUTURE OF MIDTOWN PARK APARTMENTS!

NEW DATE!!!!

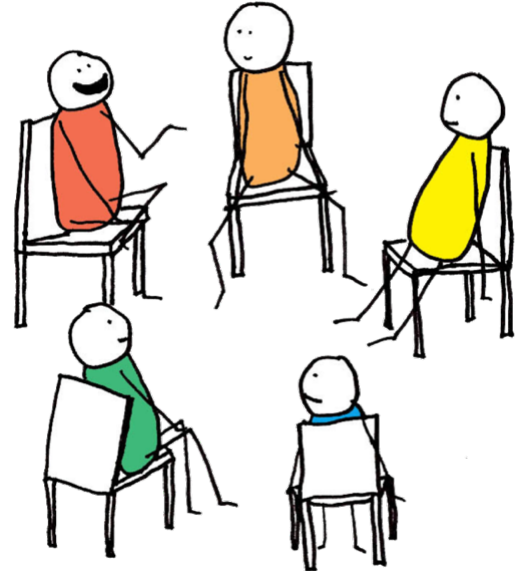
SATURDAY, JANUARY 20, 2024

11am – 2pm

GATEWAY HIGH SCHOOL

1430 Scott Street, CAFETERIA

Lunch provided



Dear Midtown Resident,

We are a local architects and planners who care about our communities and the homes we live in. San Francisco's Local Agency Formation Commission contracted us – Steve Suzuki and Fernando Martí – to support Midtown's residents by providing an independent review of the buildings' capital needs, and to help you envision a long-term housing model.

To kickstart this initiative, we are organizing an opportunity for us to come together, voice our concerns and hopes, and collectively decide on the way forward!!



We believe in the power of community, and look forward to seeing you on January 20!

For more info, contact:

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- Kyle Smeallie, kyle.smeallie@sfgov.org

MIDTOWN PARK APARTMENTS

Community Visioning and Needs Assessment Process

AGENDA

January 20, 2024, 11AM - 1:30PM

Gateway High School Cafeteria

11:00 – Introductions to team and process (Fernando)

- Outline of process with six meetings
- Review goals of process:
 - understand costs
 - financing (up-front and ongoing financial needs)
 - directions for ownership models,
 - process for developing or transferring property
- Review today's agenda

11:15 – Physical needs assessment - what you can expect (Steve)

- Up-front costs for systems upgrades (plumbing, electrical, structural)
- Up-front costs for other improvements: accessibility, elevators, path of travel, adaptable units
- Ongoing costs: reserves, which typically are covered by rents

11:20 – Parameters of this process (Sup. Preston's office)

11:25 – Review resident goals and values from November 2022 to guide our discussion (Fernando)

1. Community ownership and control
2. Resident control over property management decisions
3. Accessibility and aging in place
4. Preference for family members and passing units on to children
5. Permanent affordability

11:35 – Break out into four groups (30 minutes), facilitated by team

- Are these the right overarching goals?
- What's missing?

12:05 – BREAK, Refreshments

12:30 – Reconvene

12:35 – Review six possible future scenarios (Fernando)

1. City ownership (continue as is, with rent control)
2. Nonprofit-run building (can be a partnership with a local nonprofit or church, can leverage Federal tax credit funds, rents are tied to "AMI")
3. Mutual Housing Association (an MHA is a resident-run nonprofit)
4. Limited Equity Cooperative conversion (residents own shares in the building)
5. Cooperative Corporation (coop can raise capital by selling additional membership shares)
6. Limited Equity Condo (residents have title to their unit, resale value limited for affordability)
7. Mix of models, from rental to coop or condo ownership

12:50 - Break out into four groups OR big-group Q&A (30 minutes)

- Are we missing other models?
- What resonates the most with residents?
- Which aligns most with our goals and values?
- What questions do you have?

1:20 – Reconvene (Fernando)

- Facilitators note big takeaways from breakout
- Next steps, and next meeting

1:30 - FINISH

MIDTOWN PARK APARTMENTS

Community Visioning and Needs Assessment Process

Workshop #1 SUMMARY

January 20, 2024



RESIDENT GOALS DISCUSSION

We began the January 20 meeting discussing the Resident Goals that had been previously identified in November 2022. Those goals included 1.) Permanent affordability, 2.) Community ownership and control, 3.) Resident control over property management decisions, 4.) Accessibility and aging in place, and 5.) Preference for family members and passing units on to children. In small groups, residents discussed and elaborated on these goals to come up with a more comprehensive list to guide future decisions.

1. Affordability
 - All residents continue to pay existing rent rate = rent Control
2. Community control
 - Respect, representation, involvement, care
 - Need Resident Oversight, vetting process /selection by residents: contractors, moving company, and construction management to ensure work is done professionally, respectfully and that work is completed. Last time work was left incomplete and accepted/paid by property management.
 - Temporary relocation practices. Lack of RESPECT. Emotional, upsetting lack of respect by contractor crews. Personal property/belongings stolen during last relocation process
 - Resident control over property management decisions. Need trust and communication between residents and property management.
3. Ownership, equity

- All residents have Ownership, access to asset equity, creation of Generational Wealth for legacy individuals, family
- Access to low or forgivable loans – Black-owned bank
- 4. Access to units, preferences
 - Residency set for 30-year period to avoid future sale of units/buildings.
 - Resident ‘Lineage’ for families. Maintain in Trust.
 - Should not be based on City/HUD ‘Affordability’ requirements, but on legacy of family/community
 - Preference for family members and passing units on to children
- 5. Accessibility and aging in place
- 6. City responsibility for state-of-the-art renovation
 - Reparations framework
 - Permanent long-term/sustainable construction. Create a model for life-time design and renovation for the future. Provide ‘state of the art’ renovation: green, energy efficient, solar, de-gasification, composting, sustainable, tech, internet, etc.
- 7. Capacity-building / knowledge transfer
 - Create a paid Resident oversight position to oversee.
 - Provide capacity training opportunities for Development/Management, project management , etc.
 - Youth training.
- 8. Economic development
 - Rehab/Renovation \$\$ should involve Black-owned businesses, corporations, philanthropies

FUTURE SCENARIOS DISCUSSION

Consultant Fernando Martí presented six possible future scenarios for ownership and governance of Midtown park Apartments, beginning with the current ownership structure and discussing various other structures that gave residents increasing amounts of control and ownership. These included:

1. City ownership (continue as is, with rent control)
2. Nonprofit-run building (can be a partnership with a local nonprofit or church, can leverage Federal tax credit funds, rents are tied to “AMI”)
3. Mutual Housing Association (an MHA is a resident-run nonprofit)
4. Limited Equity Cooperative conversion (residents own shares in the building)
5. Cooperative Corporation (coop can raise capital by selling additional membership shares)
6. Limited Equity Condo (residents have title to their unit, resale value limited for affordability)
7. Mix of models, from rental to coop or condo ownership

Residents were clear that the previous model with a nonprofit housing developer (Mercy) did not fit “the Midtown model” of community control. While permanent affordability and stability was of primary concern, some residents were also interested in a mixed ownership/investment model that would ensure generational ownership. Residents pointed out that there should be different approaches for those who chose to own and those who chose to remain renters.

RENOVATIONS DISCUSSION

- **Rehab issues**
 - HVAC issues: AC not reliable, no AC in summer, 3rd Floor no heat, controlled by property management
 - No/little insulation
 - Plumbing: building 5 pipes banging, metal sound
 - Asbestos and lead paint, mold (affects all units at ends of buildings). Able to see condensation on walls.
 - Structural safety and age of building. Was seismic repair work completed after ’89 earthquake?

- Security. Graffiti. Need for additional security, additional cameras, dedicated booth with camera footage
- **Physical improvements**
 - Laundry: new, updated machines, additional machines, move machines into building
 - Garage gates: need update, remote vs key
 - Landscape: Need arborist, safety (ie, tree almost fell on resident); landscape should be more child-friendly
 - Community space (is too small, was a vacant 1-bedroom)
 - Accessibility. No wheelchair access, need ramps or lift to get around complex. No elevators to units.
- **Responsibility for rehab / renovation**
 - First need reserve study, determining ongoing costs for maintenance and replacement
 - Need to understand timeline for renovations. Elevator discussion took a long time.
 - City (MOHCD) currently providing 'Emergency' repairs for roof leaks, no funds for substantial repairs. 'Substantial Repair' = \$ 100k/unit repairs; less than this = 'Emergency repair'
 - Past repairs=short term 'cheap' work (tore out old marble finishes, replaced with plastic laminate)
 - Hire Professionals with professional / skilled crews. Previous unskilled trainees had unprofessional behavior and attitude
 - Architects - SOM, multinational corporation should provide pro-bono services

PROPERTY MANAGEMENT DISCUSSION

- **Vacant Units**
 - 34 of 140 units vacant: MOHCD using for relocation of residents from other sites undergoing renovation/relocation. Temporary not permanent occupancy. Empty units part of Master Lease with Kalco, City pays \$ for use of units, \$ goes into operations costs
 - Vacant units need to be rented for rental cash flow to help cover operating and renovation costs. Need MOH to open units back up for occupancy ASAP and for potential future investments (development pro forma).
- **Relocation concerns**
 - Relocation process has been hard on residents, time, money, quality of life. Don't want to relocate more than once. Want certainty, moving back into same apartment
- **Operating costs**
 - City responsibility - \$\$ should include guaranteed operational costs for next 30-50 years, not just one time construction cost.
 - 'Continuous Giving' funding by local philanthropies: Salesforce, tech, etc.
- **Property Management issues**
 - Management isn't transparent, isn't always resident-friendly or addresses community concerns quickly
- **Midtown – City relationship**
 - Trust needs to be rebuilt first. Residents are tired/exhausted of years/decades of effort.
 - Residents want know what the City wants/envisions. MOHCD Director should be invited to present City's plan, so residents know how to respond.
 - How will decisions be made? Majority vote?