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ECONOMIC DEVELOPMENT, PLANNING & PRESERVATION OF JAPANTOWN

**NOTES FROM THE LAND USE/TRANSPORTATION COMMITTEE MEETING
OF THE JAPANTOWN TASK FORCE
1765 SUTTER STREET / RING CENTRAL MEETING
THURSDAY, SEPTEMBER 9, 2021**

COMMITTEE MEMBER PRESENT:

GLYNIS NAKAHARA*, KENTA TAKAMORI*, PAUL WERMER, STEVEN SANTA MARIA*, JEREMY CHAN*, LORI YAMAUCHI*, KAREN KAI, ALICE KAWAHATSU*

STAFF PRESENT:

SUSIE KAGAMI, BRANDON QUAN

OTHERS PRESENT:

BENH NAKAJO*, JUDY HAMAGUCHI, SATOE HAILE, SATORU HOSODA, EMILY NICHOLS, YASUYO SATOH, ANNE TIERNEY, JOYCE NAKAMURA, JEFF BRIZ, EMILY NICHOLS, MARK MORIGUCHI*, TOMO HIRAI J. CONNOR

* Japantown Task Force Board Member

The meeting began at 6:00 p.m.

It was moved by Lori and seconded by Steven to approve the August minutes. The motion was unanimously approved.

It was moved by Paul and seconded by Steven to begin the meeting with the 1596 Post St issue (see New Business).

STAFF/COMMITTEE UPDATES:

CULTURAL DISTRICT / CHHESS

Within a couple weeks, they will post a Cultural District coordinator position. Soma Filipinas is the first to go for Board of Supervisors approval, so we will be next.

Cultural District had a webinar with NextSF and Vas Kiniris. Grace Horikiri, Linda Mihara, and Yuka Walton spoke on the panel. Steve Nakajo has had many Buchanan Hotel related meetings, including with Supervisor Dean Preston. Supervisor Mar, and Japantown for Justice

Glynis asked when the CHHESS town hall will be. Susie said she will check in with our City liaison Julia, since they would like to have the City's piece included before doing the town hall so that they can present a more complete document.

JAPAN CENTER MALLS

Lori reported that the committee has not met since the last LUT meeting. The next Malls meeting is on Monday September 13.

PEACE PLAZA

Brandon Quan said there was no Peace Plaza meeting last month. Max, the videographer is finishing a brief 1 minute social media vignette that will be released in the next week or two.

The Peace Plaza is undergoing much research and study by Rec and Park. These studies include studying the structure, to determine which materials are appropriate. The next video will be primarily on people in the community, and their connection to the plaza.

They expect to have updates on the study in September, when Mariam will present during the meeting. They are also looking to update the website with more community stories and make it less "clinical." They are aware that the community have questions, and so they will try to be more transparent about how the committee is in a holding pattern right now until Rec and Park finishes their studies.

NEW BUSINESS:

1596 POST ST (HOSODA BUILDING) PRE-APPLICATION

Anne Tierney, the architect, spoke about the Hosoda building at 1596 Post St. It is a mixed use building. It housed businesses/ commercial office space on the first level, and dwelling on the second level.

They want to add a third level for dwelling. The Hosodas are committed to raising their family in Japantown, and want to create space for that.

The ground level would remain as commercial office space, as well as a loading dock. They want to use the back office space to provide parking for the units. The corner building would be folded all the way out to Post and Laguna. This is consistent with the City's design guidelines, which emphasizes corner buildings.

Their goal is to emulate what is already there. They are going to use a breeze block type of treatment that is already consistent with other parts of the building.

Carolyn and Satoru spoke about how they want to create a space for their children to live in Japantown.

Alice Kawahatsu asked if Nihonmachi Terrace was informed of the height change. Anne said that they sent over 100 mailings to all the owners of the blocks and neighboring buildings, in accordance with the city guidelines. Alice is a neighbor to the building and asked her neighbors for feedback, and passed on a request for lighting to the overhang since that street can get dark. Anne said that the lighting would likely not be a problem. They are looking to add trees (which might block lighting), and will install additional lighting to offset. Alice asked what type of garage opening device will be installed. Anne said it would most likely be one that lifts up. They are trying to keep it consistent with the original building's garage entry.

Alice said it was customary for construction to include a rodent treatment or abatement program;

Alice said they would look into it. Alice offered to introduce the Hosodas to any property managers in the area.

Paul commented that there are a lot of seniors in this area. Part of the proposal is to add an entrance at street level. Paul asked if there was consideration to add a unit at street level to provide ADA housing for seniors. Anne said this was not discussed since the use is not consistent with the office space, and the Hosodas would like to continue that. Paul said he understood, but made the suggestion given the number of recent vacancies.

Paul suggested this would be a good time to install all electric. Technically, the project is not subject to the City's recent all electric ordinance, but he stressed the health (particularly for children) and economic benefits of electric compared to gas. Anne said they are planning to do it for the new construction, but have not yet discussed changing existing systems. However, she said it would make a lot of sense, especially since they are planning solar to the roof. Paul noted that at least getting panel updates will save money later on.

Karen commented that it is exciting for Japantown families to be moving "back" into the community, given the history of displacement. Karen suggested Japanese flowering cherries for the trees, since they are the budding signature tree of Japantown. As a corner, it will be windy, and the kwanzan variety is resistant to wind. As an upright tree, it should work in the front of the building.

Karen asked how the added height of the solar panels would impact the Nihonmachi Terrace gardens. Anne said they would likely be low profile and not have any impact on the additional height of the building.

Steven echoed that it was great for more families to be moving into Japantown. He asked what are the anticipated construction effects on the ground level (for example, street closures, cranes, etc.) Anne said she doesn't think there will be street closures. There may be sidewalks blocked off and street parking blocked off, but they aren't planning on having a lot of heavy steel construction (so no large cranes). However, they haven't done the structural drawings yet, and they don't have a contractor on board.

Lori asked about the schedule - when will this go to the Planning Commission, and what's the timeline afterwards for building permits and construction? Anne said it will be submitted to the Planning Department by the end of next week. They will do 311 notifications and reviews, which can take 4-6 months. They plan to submit to the building department right after approval, and hope to start construction within a year.

Glynis asked if anyone came to the pre-app meeting - Anne said no one logged on or called in. Glynis said this was a very sensitively done addition.

1825 POST STREET #230 AND 1581 WEBSTER STREET #235 (MARUFUKU RAMEN) - CHANGE OF USE

Marufuku Ramen, in the Kinokuniya building, is looking to expand next door. There was some confusion as to whether they will be taking over Chato - 1825 Post St #230 (which people were not aware was closing) or Pika Pika.

The public has a right to request a hearing. Glynis said she could pass on any questions. Glynis spoke to Marufuku and their goal is to expand their dining space. Glynis noted that the line is super long, so more dining space will be helpful.

Karen said her main concern is with Chato's relationship with Kinokuniya. Chato's owner is Satsuko, the daughter of Toshiko Fukami (the former General Manager at the Tea Garden). We should inquire with Kinokuniya about their communication with Chato. She noted that small retail helps to give Japantown its character, and it would be a shame if Japantown solely became a giant food court.

Benh suggested the Ad Hod Technical Malls Committee should speak with Kinokuniya's owner about commercial tenant relations.

Alice commented that Chato was a stop on her Japantown food tour (pre-Covid), and that it would be a shame if they were to close. She wondered if the Japan-tenna project could include them in some way. They are a multigenerational family business that provides a lot of knowledge about tea in a very welcoming way.

Tomo asked if there is a timeline associated with this proposal. Glynis said we have until November 6 to request a hearing.

Jeremy reported that he asked Melissa from JCBD, and they are also confused about Chato. Glynis suggested to call Chato's owner and will get the contact information from Benh.

Kenta asked if a hearing is necessary. Karen said it doesn't seem to be.

Karen asked Lori if the Malls committee could discuss the loss of retail in the Kinokuniya building - for example, Asakichi, Jewelry store, Neat Asian things, Pika Pika, Ikebana International, etc. since it is turning into all restaurants. Lori said she did not want to be duplicative with the LUT committee, but Karen said Malls might be better since the players are already there.

BUCHANAN HOTEL SALE PROPOSAL

Glynis reported that on Tuesday 9/7, the JTF board voted to oppose the Buchanan Hotel sale.

Alice commented that at yesterday (Wednesday's) meeting, several people spoke in support of the sale, including people from outside of Japantown. There were many people who still wanted to speak when the event ended.

Paul suggested that the JTF board reach out to Mayor Breed to express concerns when people are not able to have their voice heard. At the first meeting, they truncated attendance and time. Some planning commissions go until midnight. It is disrespectful for HSH to not make accommodations for everyone to speak. Paul noted that he is in support of supportive housing, and has seen well managed projects, but the loss of hotel units is an issue.

Karen expressed her concern that JTF's position doesn't encompass the breadth of arguments and concerns of the community. There was a lot of discussion, but the Executive Director refused to summarize the discussion. She did not hear any follow up as to how JTF would proceed to

collect and present the community's concerns and feelings. If the board doesn't do that, she would like other members of the committee to do that.

The specificity of arguments is important - for example Mark Moriguchi's economic impact arguments, or Lori's research into the Homekey Program process (55 years). Karen was also concerned that the needles/feces arguments may be excluded for fear of NIMBYism, when they are legitimate concerns.

Judy commented that a community letter written by Paul Osaki and Diane Matsuda is being circulated for organizations to sign on to. Judy noted that Nihonmachi Little Friends also voted no. She thought it was shocking that organizations are being slow to take a stance on this issue, and reported that SF JACL quickly voted to oppose the sale within two days. Judy noted that individual letters might be more pushy, but that the community wide letter might be a little less fiery. Judy acknowledged that a lot of the work has been invisible, creating confusion, but emphasized that many individuals are working every single day and night on this. She thinks that all of the groups need to merge their information, since we can't do this all over the place and isolated.

Jeremy commented that he has been confused about JTF's letter writing process - sometimes Executive Committee does it, sometimes staff does it (including when he was on staff - he wrote a letter). He also asked if people thought, after Wednesdays' listening session, how likely the sale might go through. He suggested the community needs to be 2-3 steps ahead and collect demands in case it comes to that. That being said, he also had a lot of distrust that the City would meet demands.

Karen highlighted J4J's Q&A session with HSH. She noted that HSH's answers were in shambles - they contradicted themselves, and went in circles. For example, their spokesperson said that they talked to the provider for the Buchanan, and would talk to NLF. Cathy Inamasu later reported that they didn't hear from HSH until the morning of Wednesday 9/8. Karen also highlighted Joyce Nakamura's statement in opposition of the sale, which showed Committee Against Nihonmachi Eviction (CANE) fighting against redevelopment at the same spot. She did note that we need to think of Plan B, C, and D, but that we should prioritize fighting this.

Lori commented on the economic impact study. She reported that JTF's board should ask Supervisor Preston's office about requesting an economic impact study, since individuals cannot request it. Without an economic impact analysis, the Board of Supervisors will probably not accept our arguments. Lori also echoed the need for a request to meet with Mayor Breed.

Judy noted that several community stakeholders, including 3D, Sandy, and Steve, met with Dean Preston to request an economic impact study.

Lori noted that other agencies (and their resources) are going to need to be involved in a community benefits package, since HSH does not have enough resources on their own. The Mayor is going to need to bring different departments together, since HSH' sphere of control is pretty limited.

Mark noted that he thought (and Jeremy confirmed that HSH admitted) that they did not do an economic impact study. HSH's job is primarily to locate and buy sites. Glynis commented that HSH is scrambling to get state funding, and that they coincidentally picked Japantown's mid rise hotel as opposed to having a vetted master plan approach. This hotel checks off most of the boxes for the Homekey Program. Glynis noted a vacant CPMC site at Pill Hill which was also

brought up in public comment, for example. Mark noted that the City is not doing a long term economic analysis on the City.

Kenta, as the maker of the motion, acknowledged Karen's point, and explained that he made the motion as a baseline and was hoping to add more. He really did not want that meeting to end with no stance taken. Kenta noted that the Board just agreed to oppose, and that more could be added to fill it in.

Re: Jeremy's question of where do we think we are, and next steps: Kenta commented that he thinks that this will get railroaded through. Preston has expressed sympathy for the Buchanan Hotel workers and a need to listen to residents, but no acknowledgement of the historical discrimination against the Japanese American community. Kenta thinks this is being deliberately not heard. Many opposition statements expressed an understanding of the purpose behind supportive housing and coming to a solution. We should elevate Karen Kai's data about Japantown having a high concentration of low income housing for seniors and adult with disabilities. He was concerned by the complete rejection of the validity of any of the concerns raised by the Japantown community.

Kenta thinks that we should not be ready to negotiate benefits, and take this fight all the way. Benefits fade over time. For example, \$13 million will evaporate quickly. Once you start talking about negotiating benefits, you're already going to lose.

Glynis commented that her sense of supporters at the hearing is "we heard what you said, but our cause is more important". No one is really listening.

Alice noted that the HSH organizers had blank looks on their faces whenever people talked. She elevated Scott Hamaguchi's comment, in which he said "do you want to add this to Redevelopment as part of the City's shameful legacy and what you're going to leave behind?"

Benh commented that Sandy Mori's statement at the listening session had more teeth to it than just the motion itself. Benh said that since there are lots of moving parts, we should be very careful about taking something and running with it. He also reported that it is his understanding that JTF is collecting a delegation to meet with the mayor.

Kenta said that everyone has a right to speak their mind, and the last thing that this community needs is to "enryo" (hold back).

Jeremy commented that HSH admitted that they did not do economic impact study, and that they did not consult with the senior services organizations about if they have the capacity to handle an additional 200 constituents, even though they said Hotel Buchanan's proximity to senior services was a reason for picking this site.

He also commented that there are lots of people working on this issue, and we should utilize that to our advantage so that people work on different things. This would be an internal thing, not to present to the City, but to be prepared. The problem is that we are not coordinated and not talking to each other.

Mark echoed that thinking of Plan B does not dilute Plan A. Not thinking about Plan B may lead to the community arguing over what they want, and then they won't get anything. He thought the caution point was more about making sure that our actions don't create conflict with someone that another group is negotiating with.

Glynis commented that once you even mention benefits, the City and HSH will latch onto that and they won't want to talk about anything else.

Lori met with Jon Osaki on this issue. KHP (private equity fund that owns the hotel) said they did not think there was any interest in the market to buy this Hotel, and that the City buying is their best option. Is there a way to get another offer to KHP so that KHP will withdraw?

Kenta thought that this is not a realistic scenario. The City has an advantage over any other buyer because they are already in the hotel. Any other buyer would have to go through a thorough due diligence process to make an offer. This is a City bailout for KHP, and KHP has a fiduciary duty to its investors.

Karen asked if the next step is to ask the Executive Committee what to do next. Things are moving fast, and JTF needs to catch up. The City has been trained to listen to JTF for guidance. Karen noted that JTF's statement at the listening session could have been stronger and articulated the specific details that were expressed during the board meeting.

Kenta said that JTF should come out with a full statement. In an ideal situation, we would have entered into the special board meeting with a draft.

Glynis summarized the discussion

- committee wants to do research work
- committee wants to ask the executive committee what to do next
- committee may want to draft a statement

Kenta suggested that LUT could draft a statement and ask the board to adopt. Or we could provide a list of positions to provide a framework for the board to adopt.

Lori moved for the LUT committee to request that the Executive committee report at the next board meeting the next steps, and that the LUT committee develop a draft statement of the opposition of the sale.

Kenta asked who would draft the letter. Lori said she would volunteer to draft it. Kenta asked procedurally if there needs to be another vote to adopt the letter. Karen noted that Lori said she would circulate the letter for input and approval.

Glynis asked procedurally if the recommendations should be separated. Steven agreed.

Revised motions

Motion 1: Lori moved for the LUT committee to request that the Executive Committee report at the next board meeting the next steps and progress with respect to Buchanan Hotel Project issue. Moved by Lori, seconded by Karen. This motion was unanimously approved.

Motion 2: Lori moved for the LUT committee to direct Lori Yamauchi to draft a statement in opposition to the sale, to be reviewed by the committee and others.

REVISED TO

Motion 2: Lori moved for the LUT committee to direct Lori Yamauchi to draft a statement in opposition to the sale of the Buchanan Hotel Project, to be reviewed by the LUT

committee and other attendees of the Thursday 9/9 LUT meeting, and then submitted to the board for approval at the 9/15 meeting.

Jeremy suggested if the motion should include weekly updates about this issue. This is a fast moving issue, and we all need to know what's going on. Karen said that on the 15th, the board could direct weekly updates, or whatever they want to do

We discussed the issue of timing. It was noted that LUT Committee can just make the request directly to Executive Committee, if this is passed. This is not the type of recommendation that is approved by the board.

Glynis and Alice, as members of the Executive Committee, noted they will urge the Executive Committee.

Judy commented that the board is the boss. She perceived that the board is hesitating, and noted that there is not a lot of time. She noted that the City's tapping the brakes has nothing to do with stopping the sale; it's just about lowering the heat. Judy apologized for not having the permission or authority to share more information, but urged JTF to push this issue. She noted that there is an "obvious stall" going on and that the board should not accept it. By the time the meeting happens on the 15th, it will be too late.

Discussion of Motion 2:

Motion 2: Lori moved for the LUT committee to direct Lori Yamauchi to draft a statement in opposition to the sale of the Buchanan Hotel Project, to be reviewed by the LUT committee and other attendees of the Thursday 9/9 LUT meeting, and then submitted to the board for approval at the 9/15 meeting.

Lori made this motion, and Karen seconded it. The motion was unanimously approved.

Karen noted that she was wary of Lori getting inundated with suggestions. Jeremy volunteered to help Lori with drafting the letter.

Jeremy asked when the draft has to be finished by. It was discussed that it may have to be submitted by Friday at 12pm.

Lori asked if Alice and Glynis could call Sandy to let her know we're drafting this letter.

UNFINISHED BUSINESS:

FORMULA RETAIL PROPOSAL*

Glynis recommended that we defer this to the next meeting.

OSAKA WAY IMPROVEMENTS

Glynis reported that the \$5 million investment is going to go through OEWD. Nothing formal has been decided yet. Also, the money has to be spent within 3 years.

Jeremy asked why there's a 3 year timeline? Kenta said it might be because they want the initiative to have an immediate impact on the economy.

Karen asked that she would like to be appointed to the community committee that will be working on implementing these funds. She testified that she has been working on improving the Buchanan Mall since 1996.

PUBLIC COMMENT:

None

ANNOUNCEMENTS:

None

The next meeting will be at 6:00 p.m., October 14, 2021 via Zoom.