

1 Seeing none, all in favor say aye.

2 (Ayes)

3 CHAIRPERSON FECKNER: Opposed, no.

4 Motion carries.

5 Item 22, Draft Agenda for the May 13th, 2009,

6 meeting.

7 Any additions or corrections?

8 Seeing none, new business agenda setting.

9 Seeing no comments, Item 24, is public comment.

10 I have eight requests to speak from the public. Appears

11 to be all on the same topic, so hopefully you all bring

12 something new to the conversation.

13 Before we get to that though, I'd like to ask Mr.

14 Diehr to please get up and make some comments regarding

15 the same issue.

16 CHIEF INVESTMENT OFFICER DEAR: Thank you, Mr.

17 President.

18 Joe Dear, Chief Investment Officer.

19 You're going to be presented with views of

20 tenants of Page Mill Properties in East Palo Alto,

21 California.

22 This is an item that I am following personally

23 closely. We briefed you the other day on the status of

24 this investment. I'm very eager to hear what the tenants

25 have to say and would be happy to respond to any questions

1 after their presentation, if you have any.

2 CHAIRPERSON FECKNER: All right. Thank you.

3 We have Caeden Koenig, Clayton Saukitoga, Rolando
4 Sanlor, please come forward.

5 MR. SANLOR: Good afternoon. My name is Rolando
6 Sanlor. I lived in east Palo Alto for 18 years. I
7 came -- arrived in East Palo Alto the year that it was
8 crowned the murder capital of the nation per capita.

9 My mother six months arriving to East Palo Alto
10 was hit by a van and killed almost instantaneously. The
11 van was traveling at 60 miles per hour and in a school
12 zone.

13 Those times are sort of a time of absolute social
14 upheaval. The most fundamental basic social services,
15 which was roads, were not functioning, were not servicing
16 the community.

17 And so I grew up with a lot of fear from bullets,
18 from drug dealers, from speeding cars, and a great fear in
19 breaking away from my community, leaving my community.

20 I went on to Cal. I backpacked Europe. I
21 enjoyed a great deal of things. And I could not have done
22 that without a great deal of nonprofit work, great
23 nonprofits that created amazing after-school programs,
24 amazing resources for my family and my siblings. We've
25 all gone on, raised by a single father and had college.

1 We have college.

2 I'm now the Associate Director of Project
3 Happiness, a nonprofit organization. And I volunteered as
4 a community liaison to help Page Mill reach out to a
5 community that is still living under the same
6 circumstances that I experienced growing up 20 years ago.

7 The Woodland apartments have been -- or as I was
8 growing up were an area that was feared. Apartments that
9 were collapsed. And so many of my friends lived in those
10 apartments. Picking them up for basketball practice, it
11 was just assumed -- there was, you know, a lot of jokes.

12 What we have been encountering and creating
13 reaching out to the community has been a great deal of
14 fear. This fear has been paralyzing my community and
15 getting involved in the redevelopment of their own
16 infrastructure.

17 And what I've experienced and encountered is that
18 even in reaching out to other nonprofit organizations now,
19 there is a great fear of the backlash in working with Page
20 Mill. What we've tried to do is to change that, to
21 alleviate that by creating a forum of cooperation. We
22 can't function in a system of confrontation. We need
23 absolute collaboration, because the social issues are
24 urgent and pressing.

25 Over the holidays, we organized a few traditional

1 Mexican events. And there was hesitation to come out from
2 the kids. And they asked who's the party for? It's for
3 you guys. And seeing the kids play -- we brought a horse
4 in. And seeing the toughest dudes come over the horse and
5 pet, it was a truly transformational experience. And if
6 it takes having a horse in those cities to slow them down
7 so that kids can enjoy the streets, so that people can
8 feel safe, it's well worth it.

9 In the spirit of change, we are reaching out to
10 build a -- literally build a community from the ground up.
11 And this is -- we've experienced a great deal of
12 frustrations, embarrassments sometimes in organizing
13 people, getting so excited and no one shows up because of
14 fear, mistrust. And we would like to -- we're here to
15 present a change. So thank you so much for your time.

16 CHAIRPERSON FECKNER: Thank you.

17 MR. SAUKITOGA: My name is Clayton Saukitoga.
18 I'll be real short with this.

19 I've lived in East Palo Alto. I worked for the
20 city of East Palo Alto when it first became a city in '83,
21 '84. And I was there for about two years and moved on,
22 moved to Southern California. I even lived in Sacramento.

23 But I've moved back to East Palo Alto, and I've
24 been there for I would say eight years. And I've worked
25 for Page Mill Properties. And I'm here to tell you guys

1 that they've done a tremendous job in clearing up the
2 city. I mean, the city, the crime that we have and the
3 properties they own.

4 We've worked closely. We have security that's
5 been doing a tremendous job in trying to slow down the
6 crimes and whatever we have on the different properties.
7 So that's about it.

8 CHAIRPERSON FECKNER: Thank you.

9 MR. KOENIG: Hello. My name is Caeden Koenig.
10 And thank you for your time. I'll also try to be brief.

11 I moved to East Palo Alto in 2003. My first
12 apartment out of college and before Page Mill came in and
13 then actually now I work for the company also. And the
14 first few years were pretty tough. The buildings were in
15 disrepair. And the neighborhood never went out at night.
16 It was very, very fearful. A lot of our neighbors were
17 fearful. We tried to look out for each other, but the
18 police are already really overstretched as it is. And
19 there was no security at that time.

20 So I've gotten a lot of feedback from tenants. I
21 work in the management office. So I deal with tenants
22 daily on the phone, and they come in with their questions
23 or concerns, anything from a maintenance issue to
24 struggling to pay their rent because of the economy. And
25 working closely with them, I've heard a lot of feedback.

1 We feel better going out. You know, you've put up fences
2 that had fallen down, cleaned up dirt lots, and there's
3 grass and kids can play. We've planted trees and just
4 made the community look a lot nicer.

5 I hadn't been there for very long, but people
6 have returned to East Palo Alto that lived there a long
7 time ago, and they've had positive feedback. And people
8 have moved back into the neighborhood and brought their
9 families with them. And that's good for us to hear.

10 I can say I've really developed relationship with
11 the tenants, know them by name, know where they live,
12 what's going on with them. And you know, are happy to
13 meet with them to talk about whatever can be done and hear
14 them out.

15 So that's what I got to say. Thank you.

16 CHAIRPERSON FECKNER: Thank you.

17 Now Sonya Clark-Herrera, Dana Cappiello, and
18 Norma Jaimez.

19 MS. CLARK-HERRERA: I'm scripted, so I'll be
20 quick.

21 Hello. Hi. My name is Sonya Clark-Herrera. I'm
22 the founder and executive director of the Mural Music and
23 Arts Project, which is an arts-based development
24 organization I founded in 2001 to serve the communities of
25 East Palo Alto.

1 MMAP has forged a broad symbiotic relationship
2 with Page Mill, and we are proud anchor tenants in their
3 newly renovated beautiful community team center. I will
4 speak briefly to this beneficial collaboration and speak
5 fast, because I work with teenagers. And as you know,
6 they have no attention span. So we'll go quick here.

7 The prosperity that benefited the Silicon Valley
8 during the dot-com boom of the late 90s largely bypassed
9 East Palo Alto, a city burdened by high crime rate and
10 low-performing schools.

11 To address this, we founded the Mural Music and
12 Arts Project to provide art programs and enrichment
13 opportunities in both the visual and performing arts. We
14 keep youth safe, healthy, focused on education, and part
15 of the community.

16 Through our five programs, which include history
17 through hip hop, health education through art, teen mural
18 programs, and our new flagship partnership with local law
19 enforcement, the graffiti art project which combats
20 vandalism in the community, and also teaches the history
21 and art of graffiti as an art form. It's funded by the
22 Department of Justice and the Police Department, wonderful
23 collaboration.

24 These five programs bring 120 youth, distinct
25 youth, into our facility, the teen center, every week.

1 And this number will double during the summer programs.

2 Downstairs are our music production laboratory
3 and art studio. Page Mill is providing space, again rent
4 free, to our city's newly revived Police Activities
5 League, of which I serve on the Board. The Police
6 Activities League has a broad reach and many, many
7 community partners. Bringing PAL to the teen center will
8 attract hundreds of youth and bring them in and revitalize
9 the Woodland Park sections of East Palo Alto.

10 In closing, Page Mill Properties exemplifies
11 corporate community responsibility through the
12 relationship with the Mural Music and Arts Project and
13 through the revitalized teen center.

14 Further discussions continue regarding deeper
15 collaboration to address the serious needs of the city.
16 As a former resident from 1998, I can echo what has been
17 said before that there was tremendous tumult. And our
18 crime rates -- I just spoke with the chief of police
19 before I came -- was 42 down reduction in homicide, 20
20 down crime overall. This is only in the past two years.
21 We're assuming there's some sort of effect that's having
22 with the revitalization and gentrification, I'm not
23 certain about that, but that's what the assumptions is.

24 Thank you, sir and ma'am, for your time.

25 CHAIRPERSON FECKNER: Thank you.

1 MS. CAPIELLO: Hi. My name is Dana Capiello, and
2 I am the co-founder of the Until There's a Cure
3 Foundation. I started the AIDS bracelet and raised
4 millions of dollars and awareness throughout the world.
5 Bill Gates gives the majority of his AIDS funding to the
6 two organizations that I started.

7 I wanted to do something at home, and I saw what
8 was happening in East Palo Alto. So I approached Page
9 Mill. And I wanted to do community outreach. And I knew
10 that what the struggles were of the people in the city.
11 So I've gone to the people in the city like Sonya and said
12 what do we need. We need to provide that for you. And
13 Page Mill has never said no once to me or to any nonprofit
14 that has approached us.

15 So far, we've put in the teen center. We are in
16 the process of building a center for urban agriculture,
17 which will provide a kitchen for women so they can make
18 goods to be sold at the local farmers market. We are
19 doing a bakery, a community garden, and an art forum for
20 the kids.

21 We have 18 pools in Woodland Park, and I've never
22 seen one child in the pool. Talked to a lot of the
23 parents, and the parents are afraid for their kids to go
24 in the pools. And the kids don't know how to swim. So
25 we've made a partnership with the local YMCA. There will

1 be lifeguards at the pools, and we'll have free swimming
2 lessons for all the kids the entire summer.

3 We're opening up a day care center. It's a huge
4 need in the community.

5 All of these things, too, we're not going outside
6 of East Palo Alto. We working with people inside of East
7 Palo Alto. This is their community, and they're giving us
8 the direction.

9 We're offering ESL classes. We are offering --
10 we just got a call right before we came in. The youth
11 court would like to use one of our facilities to hold
12 youth court in.

13 We are having -- working with one EPA to have
14 them make our furniture. We don't have any furniture in
15 the community. Outdoor furniture like benches and the
16 kids in the community will be making picnic tables,
17 Adirondack chairs and painting them. We're going to be
18 employing a lot of the youth this summer and giving them
19 jobs.

20 We are working with Shelter Network, who right
21 now because of all the foreclosures has hundreds of
22 families on their list. We are housing them. I think 20
23 families this week will be housed in Woodland Park.

24 Just want to remind you when AIDS first came out,
25 there was a lot of fear. And there was a lot of people

1 that said stuff. And I think we could be a lot closer to
2 an AIDS vaccine and an AIDS cure had people not really
3 listened and just gone with their heart and gone with the
4 big vision. And I asked CalPERS to stay with your heart
5 and the vision.

6 I honestly would never be associated with a
7 company that was doing the things that Page Mill has been
8 accused of. And I really believe in Page Mill and David
9 Taran, and I think they're brave. And it's not an easy
10 job. It's not an easy city. But they're doing really
11 good things.

12 And please, please stay and be a part of that
13 vision. Thank you.

14 CHAIRPERSON FECKNER: Thank you.

15 MS. JAIMEZ: Good afternoon. My name is Norma
16 Jaimez. I'm a property manager for Woodland Park. But
17 I'm also a resident of East Palo Alto. I have lived there
18 since 2000. I have two young children, who one of them is
19 in college, the other one is senior in high school.

20 Throughout the time that I lived there, I can
21 tell you that there's been a great change since Woodland
22 Park came in. I think a lot of it has been said already
23 with the security, the renovation of the units, the
24 painting of the apartments, landscaping.

25 But one of the things that I would really like to

1 talk about is the resident. I have communication with all
2 the residents. And when they come in and we talk to them
3 and we've seen the change that's going on, I have so many
4 people that are so happy and would be grateful to be here
5 and tell you guys everything that we have done, but they
6 can't. They have jobs. They have their kids to take care
7 of and things like that.

8 But I can really tell you that when we had our
9 first inspections of the units, most of the apartments
10 were let go. They were never done any maintenance.
11 Nothing had been taken care of. Carpet was really bad,
12 the painting. I mean, if you would have looked at these
13 apartments -- when we went in there and we talked to the
14 residents, we asked, "We can do a change to your
15 apartment. We can have your apartment painted. We can
16 have the carpet replaced." We can -- they were like,
17 "Really? Well, the old management company never did
18 anything."

19 That's what I wanted to tell everybody there.
20 That we were there to communicate. That our purpose was
21 to help them live in a better place, and not the fact that
22 everybody was talking about all of the rent increases and
23 all about the negative things about Page Mill. We were
24 there to have a better community.

25 And I can tell you there's been a great change,

1 because I live there. And a lot of my friends I mentioned
2 once and I said, "Oh, I went to 7-Eleven. I walked over."

3 They're like, "You walked to 7-Eleven?"

4 I mean, "Yes. What's so wrong about walking to
5 7-Eleven?"

6 Well, before you couldn't walk to 7-Eleven. You
7 would be afraid to walk, you know, even during the
8 daytime.

9 And now it's a safer area. My kids feel safe.
10 And if I know that my kids are safe, I can live there.
11 And that's basically all I have to say. Thank you.

12 CHAIRPERSON FECKNER: Thank you.

13 Now we'd like to hear from Teresita Alaniz and
14 Jim Shore.

15 MS. ALANIZ: Hi. I'm Teresita, and I work in
16 East Palo Alto for 1995 through now. And this is going to
17 be my third year with Page Mill. And I never see the
18 changes that fast like we have now. Other people already
19 mention, I don't want to repeat the same thing.

20 I only want to tell you I want to continue work
21 for Page Mill, because I believe in -- I have a lot of
22 friends live in East Palo Alto, family, and they feel
23 safe. They feel that we really would do something. But
24 you know what? We have communication with that residents,
25 and that's my goal. Continue to have communication with

1 the residents and tell them we are here. Come and talk to
2 us and give us ideas what else we can do for you guys.
3 And because I know we have all the support for Page Mill
4 to do better community for East Palo Alto. Thank you.

5 CHAIRPERSON FECKNER: Thank you.

6 MR. SHORE: Good afternoon, Mr. President,
7 members of the Board. My name is Jim Shore.

8 In a prior iteration, I spent 20 years in the
9 district attorney's office. I see some familiar faces up
10 there.

11 Good afternoon, Mr. Coony.

12 And I'm a member of CalPERS personally. And I
13 appreciate all the fine work you're doing in these
14 difficult economic times.

15 Last June, I took a new position as general
16 counsel for Page Mill properties.

17 And I know that you have heard in closed
18 session -- I understand you've heard some things about the
19 investment. But I have a little bit of an update, and I
20 wanted to give you that because it is fresh. And I don't
21 know how long it will be until you hear about this
22 investment again.

23 And that is that just yesterday I'm happy to
24 report that we had a very productive meeting with both
25 elected and non-elected officials of the city of East Palo

1 Alto. The purpose of that meeting and the outcome of that
2 meeting were to create an environment where the issues
3 that have arisen between and among the city and the
4 investment can be dealt with in a productive fashion.

5 And I'm happy to report that we are moving
6 forward with the city and with other groups to find common
7 ground. And we will keep your staff of course and you
8 advised of those efforts.

9 Thank you very much.

10 CHAIRPERSON FECKNER: Thank you.

11 Mr. Diehr.

12 BOARD MEMBER DIEHR: Can you address the vacancy
13 factor? What accounts for that? And what is being done
14 to reduce that?

15 MR. SHORE: I have the director of operations
16 here. Perhaps he'd be a better person to address that, if
17 I can call him up.

18 CHAIRPERSON FECKNER: I don't think it's proper
19 to get into that discussion now. Thank you.

20 BOARD MEMBER DIEHR: Okay.

21 MR. SHORE: I would be happy to talk to Member
22 Diehr off line, if that's appropriate.

23 CHAIRPERSON FECKNER: Okay. Thank you. Anyone
24 else wish to address the Board at this time?

25 Seeing none, before we go to our closed session,