RESOLUTION NO. 128-2007

Adopted December 4, 2007

CLARIFYING THE EXECUTIVE DIRECTOR'S AUTHORITY TO APPROVE UP TO $70,000 IN AGGREGATE LOANS FOR IMPROVEMENT OF A SINGLE RETAIL SPACE IN ACCORDANCE WITH THE SIX ON SIXTH ECONOMIC REVITALIZATION PROGRAM, WHICH PROVIDES FOR A MAXIMUM OF $20,000 FOR A FACADE IMPROVEMENT LOAN AND $50,000 FOR A TENANT IMPROVEMENT LOAN; SOUTH OF MARKET REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. On November 26, 2002, the Commission adopted Resolution No. 203-2002, which authorized the creation of the Six on Sixth Economic Revitalization Program (the "Six on Sixth Program" or "Program") and allocated funding to provide loans for façade improvements, tenant improvements, and business assistance and grants for design assistance to property and business owners on Sixth Street in the South of Market Redevelopment Project Area (the "Project Area").

2. On September 20, 2005, the Commission adopted Resolution No. 143-2005, which authorized several changes to the Six on Sixth Program and expanded it to include the entire Project Area.

3. On June 5, 2007, the Commission adopted Resolution No. 56-2007, which authorized changes in the terms of Six on Sixth Program forgivable loans for properties in need of substantial rehabilitation. Among other changes, the Commission authorized: 1) an increase in the maximum forgivable façade improvement loan amount to $20,000 for businesses, property owners, and nonprofit organizations and 2) an increase in the maximum forgivable tenant improvement loan amount to $50,000 for businesses and property owners.

4. Although each individual forgivable loan for either a façade or tenant improvement project is within the Executive Director's budgetary authority of $50,000 under the Redevelopment Agency's Interim Purchasing Policy and Procedures, the maximum aggregate of the forgivable loans available for a single retail space is $70,000 (i.e., a $50,000 tenant improvement loan + a $20,000 façade improvement loan), an amount which exceeds the $50,000 limit contained in the Interim Purchasing Policy and Procedures. In cases where there are multiple storefronts within the same building, the aggregate total of the forgivable loans could be even higher (e.g., $140,000 for two retail spaces).

5. In order to resolve any perceived inconsistency between the Six on Sixth Program guidelines that have been approved by the Commission and the Agency's Interim Purchasing Policy and Procedures, the Executive Director's authority to approve

loans from the Six on Sixth Program should be clarified to enable no more than $70,000 in such loans for each retail space. Thus, multiple storefronts within the same building could each be potentially eligible an aggregate total of no more than $70,000 in Six on Sixth Program loans.

6. Since the Program was created in 2002, the Agency has committed more than $1 million in forgivable loans and $235,000 in design assistance for nearly 100 projects on or near Sixth Street in the Project Area. A total of 58 façade and tenant improvement projects have been completed and another 42 are currently underway or in the design phase.

7. As an additional layer of oversight, the Executive Director plans to consult with an internal panel of Agency staff and Mayor's Office of Community Development staff before approving Six on Sixth Program loan requests in excess of $50,000 total for a single retail space or a single borrower. The panel would review loan requests from property and business owners to ensure that any request for multiple loans totaling more than $50,000 is consistent with the Agency's goals for Sixth Street and the Agency's approval criteria for the Six on Sixth Program.

8. The clarification of the Executive Director's ability to authorize loans from the Six on Sixth Program is exempt from the requirements of the California Environmental Quality Act ("CEQA") because this change will facilitate the rehabilitation of existing retail facilities, which are exempt from CEQA pursuant to Section 15301(a) of the State CEQA Guidelines. The creation of an internal panel of Agency staff to review forgivable loan requests is an administrative activity of the Agency that is not a CEQA project, as defined in Section 15378(b)(5) of the State CEQA Guidelines.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that, notwithstanding any provision of the Agency's Interim Purchasing Policy and Procedures, the Executive Director's authority to approve loans from the Six on Sixth Street Economic Revitalization Program is clarified to authorize maximum aggregate loans of no more than $70,000 per retail space, subject to such Program's loan limits of $50,000 for a tenant improvement loan and $20,000 for a façade improvement loan for each retail space.

APPROVED AS TO FORM:

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