

RESOLUTION NO. 26-2008

Adopted April 15, 2008

AUTHORIZING SUBMITTAL OF AN APPLICATION TO THE STATE OF CALIFORNIA'S DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR FUNDING UNDER THE INFILL INFRASTRUCTURE GRANT PROGRAM FOR INFRASTRUCTURE IMPROVMENTS (THE "PROGRAM"); THE EXECUTION OF A STANDARD AGREEMENT IF SELECTED FOR SUCH FUNDING AND ANY AMENDMENTS THERETO; AND ANY RELATED DOCUMENTS NECESSARY TO PARTICIPATE IN THE PROGRAM; FOR (1) \$1,000,000 FOR TRANSBAY BLOCK 11A AND (2) \$29,000,000 FOR THE DEVELOPMENT OF THE TRANSBAY TRANSIT CENTER ON BEHALF OF THE TRANSBAY JOINT POWERS AUTHORITY; TRANSBAY REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. The Board of Supervisors of the City and County of San Francisco (the "Board") adopted a Redevelopment Plan for the Transbay Redevelopment Project (the "Redevelopment Plan") on June 21, 2005.
2. The Redevelopment Plan established a redevelopment project area for an approximately 40-acre area generally bounded by Mission Street in the north, Main Street in the east, Folsom Street in the south, and Second Street in the west (the "Project Area"). The Redevelopment Plan allows the Redevelopment Agency of the City and County of San Francisco (the "Agency") to: 1) redevelop over 12 acres of vacant land as high-density, transit-oriented residential projects; 2) construct approximately 3,400 housing units of which approximately 1,200 would be affordable to very low- to moderate-income households; 3) enforce Development Controls and Design Guidelines to ensure new development provides a high-quality, livable community; 4) create streetscape and public open space improvements throughout the new project area; and 5) provide funding toward the construction of a new Transbay Terminal and Caltrain Downtown Extension.
3. The Transbay Joint Powers Authority, a joint powers authority duly created and organized under California Government Code Sections 6500 et seq. (the "TJPA"), intends to demolish the Transbay Terminal building and its associated ramps and construct a modern, publicly-owned, multimodal terminal on the same site with an underground train connection to existing rail lines terminating at Fourth and Townsend Streets in San Francisco (the "Transbay Transit Center"). The Transbay Transit Center project will help to revitalize the Project Area and stimulate private investment. The Transbay Transit Center project is a public benefit and a central part of the Redevelopment Plan.

4. The Redevelopment Plan and the Transbay Transit Center project share the same purpose: to create a vibrant new downtown residential and commercial district centered on a major new regional transit hub. The Redevelopment Plan is vital to the financial feasibility and long-term success of the Transbay Transit Center project.
5. In 2006, the voters of California passed State Proposition IC, the Housing and Emergency Shelter Trust Fund Act of 2006 (the "Act"). The Infill Infrastructure Grant Program (the "Grant Program"), funded by Proposition 1C, promotes infill housing development by providing financial assistance for infrastructure improvements necessary to facilitate new infill housing development. Approximately \$240 million is available for allocation in Fiscal Year 2007-08.
6. The State of California's Department of Housing and Community Development ("HCD") has issued a Notice of Funding Availability ("NOFA") for the Grant Program established under the Act pursuant to Part 12 of Division 31 of the California Health and Safety Code, commencing with Section 53545.12. Pursuant to the Act, HCD is authorized to approve funding allocations utilizing monies made available by the State Legislature, subject to the terms of the Act and Grant Program Guidelines implemented February 28, 2008.
7. The Project Area is eligible for up to \$30,000,000 in Grant Program funds for infrastructure improvements. Due to the limitations of the Grant Program Guidelines, TJPA is not an eligible applicant. Therefore, the Agency is submitting the application on behalf of TJPA for infrastructure work related to the Transbay Transit Center project. The Agency has also included funds for infrastructure improvements on and near Transbay Block 11a, a supportive housing project which will be one of the first projects developed in the Project Area to be developed by the Agency.
8. Applications were submitted on April 4, 2008, and per the Grant Program application instructions, the Board or Commission resolution authorizing the submittal must be approved before May 4, 2008. Funds will be awarded in June 2008 through a competitive process, based on the merits of the individual infill projects and areas. If funds are awarded to the Project Area, the Agency will enter into an agreement with TJPA to implement the infrastructure improvements related to the Transbay Transit Center project. The agreement will also identify the amount of funds to be used for infrastructure improvements related to Transbay Block 11a to be implemented by the Agency.
9. Agency staff recommends submittal of an application to HCD for funding under the Grant Program for the following items: 1) \$1,000,000 for infrastructure improvements related to the Transbay Block 11a housing development and 2) \$29,000,000 for infrastructure related to the development of the Transbay Transit Center project on behalf of TJPA.

10. Submittal of a Proposition 1C application is not a project pursuant to the California Environmental Quality Act ("CEQA") definition of a project contained in Section 15378(b)(5) of the State CEQA Guidelines. The proposed action will not independently result in a physical change in the environment.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that:

1. The Executive Director is authorized to submit an application to the State of California's Department of Housing and Community Development ("HCD") for funding under the Infill Infrastructure Grant Program, in response to the NOFA issued on February 28, 2008, for Infrastructure Improvements for (1) \$1,000,000 for Transbay Block 11a and (2) \$29,000,000 for the Transbay Transit Center on behalf of the Transbay Joint Powers Authority for construction of components of the Transbay Transit Center project and Block 11a infrastructure, including: (1) a Transbay Transit Center Park; (2) the Natoma Street/Beale Street/Park-Pedestrian Connector Streetscape Improvement Project; (3) the BART/Muni Pedestrian Connector Project; and (4) Block 11a Utility, Streetscape and Open Space Improvements.
2. If the application for funding is approved, the Agency hereby agrees to use the Infill Infrastructure Grant Program Funds for eligible activities in the manner presented in the application as approved by HCD and in accordance with program guidelines cited above. It also may execute any and all other instruments necessary or required by HCD for participation in the Infill Infrastructure Grant Program; and,
3. The Executive Director is authorized to execute in the name of the Agency the application, Standard Agreement, and all other documents required by HCD for participation in the Infill Infrastructure Grant Program, and any amendments thereto.

APPROVED AS TO FORM:


James B. Morales
Agency General Counsel