

RESOLUTION NO. 76-2008

Adopted July 15, 2005

AUTHORIZING THE EXECUTIVE DIRECTOR TO CAST ASSESSMENT BALLOTS IN THE AFFIRMATIVE ON BEHALF OF THE AGENCY COMMISSION AS THE OWNERS OF TWENTY PARCELS IN THE YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA FOR A COMBINED ANNUAL ASSESSMENT OF \$131,909 WITH A POTENTIAL 5% ANNUAL INCREASE BASED ON THE CONSUMER PRICE INDEX, FOR AN AGGREGATE TOTAL AMOUNT NOT TO EXCEED \$1,074,004 OVER SEVEN YEARS, AS PART OF THE YERBA BUENA COMMUNITY BENEFIT DISTRICT; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

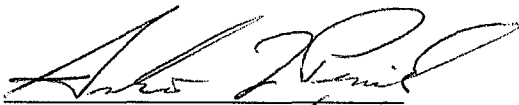
1. A Community Benefit District ("CBD") is an assessment district that creates a means of financing local services and improvements that supplement existing City- and Agency-funded services and has been a Redevelopment Agency of the City and County of San Francisco's ("Agency") goal for the Yerba Buena Neighborhood in the Yerba Buena Center Redevelopment Project Area ("Project Area") for a number of years. Additionally, property owners and community stakeholders believe the establishment of a CBD in the Yerba Buena Neighborhood is vital to the long-term economic self-sufficiency of the community, especially in light of the impending expiration of the Redevelopment Plan for the Project Area ("Redevelopment Plan") on January 1, 2010.
2. In San Francisco, CBDs are formed under California Streets and Highways Code Sections 36600 *et seq.*, Property and Business Improvement Law of 1994, Augmented by Article 15 of the San Francisco Business and Tax Regulations Code.
3. In 2005, the Yerba Buena Alliance hired New City America, Inc. for consulting services related to the potential formation of a CBD in the Project Area.
4. The Yerba Buena Alliance, together with the Yerba Buena Community Benefit District Steering Committee ("Steering Committee"), explored the feasibility of forming a CBD in the Yerba Buena Neighborhood. Property owners clearly expressed support and motivation to assess themselves to fund services and improvements that benefit the properties in the Yerba Buena Neighborhood over and above the existing City- and Agency-funded services.
5. As part of the formation of the Yerba Buena Community Benefit District ("Yerba Buena CBD"), the Yerba Buena Alliance and the Steering Committee drafted a management district plan that identifies the Yerba Buena CBD boundaries and provides a description of the anticipated services, the assessment methodology, and budget. If adopted by the Board of Supervisors, this management district plan will govern the operation of the Yerba Buena CBD during its seven-year term.

6. The Steering Committee authorized a petition mailing to all property owners within the proposed Yerba Buena CBD boundaries in an effort to gather sufficient support to trigger the Board of Supervisors' CBD formation proceeding. During the petition drive, 60% of the petitions received supported forming the Yerba Buena CBD.
7. On June 3, 2008, the Mayor's Office introduced a Resolution of Intention ("Resolution") at the Board of Supervisors meeting to form the Yerba Buena CBD. On June 10, 2008, the Resolution was unanimously adopted by the full Board which triggered the formal CBD election process. As a result, the Department of Elections mailed a ballot to the legal owners of the 1,554 parcels in the proposed Yerba Buena CBD. At its July 29, 2008 meeting, the Board of Supervisors is expected to hold the Yerba Buena CBD election hearing.
8. Ballots must be returned to the Department of Elections by mail or in person anytime prior to the anticipated July 29, 2008 public hearing. The ballots will be tabulated and the results announced at the public hearing. If affirmative ballots are received from property owners representing 50% of the total proposed Yerba Buena CBD assessments, the Yerba Buena CBD is expected to be formed at the Board of Supervisors public hearing on July 29, 2008.
9. The Agency owns 20 parcels in the proposed Yerba Buena CBD; these parcels are generally considered the boundaries of Yerba Buena Gardens. Under State law (Article XIID(4)), the Agency's parcels are not exempt from assessments for services provided by the Yerba Buena CBD. Therefore, the Agency, as a property owner in the proposed Yerba Buena CBD, will receive ballots from the Department of Elections for its 20 parcels.
10. The annual assessment for the 20 parcels is estimated to be approximately \$131,909 with a provision for a 5% annual increase based on the Consumer Price Index for an aggregate total amount not to exceed \$1,074,004 over the seven-year duration of the Yerba Buena CBD.
11. The Agency is legally obligated to pay CBD assessment on properties it owns within a CBD as long as it owns the properties. Therefore, it is possible that the Agency will need to pay these CBD assessments after the Redevelopment Plan expires on January 1, 2010, unless the Agency sells or transfers these properties before the Redevelopment Plan expires.
12. Authorizing the Agency Executive Director to cast assessment ballots in the affirmative on behalf of the Agency Commission for establishing the Yerba Buena CBD is not a Project, as defined by the California Environmental Quality Act Guidelines Section 15378. The proposed action would not result in a significant physical effect on the environment.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to cast assessment ballots in the affirmative on behalf of the Agency Commission as the owners of 20 parcels in a combined annual assessment of approximately \$131,909 with a potential 5% annual increase based on the Consumer Price Index for an aggregate total amount not to exceed \$1,074,004 over seven years, as part of the Yerba Buena Community Benefit District; Yerba Buena Center Redevelopment Project Area.

APPROVED AS TO FORM:


for James B. Morales 7/10/08
Agency General Counsel