

RESOLUTION NO. 145-2008

Adopted December 9, 2008

AUTHORIZING AN AMENDMENT TO THE REDEVELOPMENT AGENCY'S BUDGET TO: (1) REPROGRAM \$3,301,225 FROM THE MUNI SUBSTATION LINE ITEMS TO THE FILLMORE JAZZ PRESERVATION DISTRICT REVOLVING LOAN PROGRAM LINE ITEM IN THE AMOUNT OF \$2,401,225, TO THE ECONOMIC DEVELOPMENT LINE ITEM IN THE AMOUNT OF \$500,000 AND TO A NEW PROPERTY MANAGEMENT LINE ITEM IN THE AMOUNT OF \$400,000; (2) ADD \$581,000 IN COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM INCOME TO THE FILLMORE JAZZ PRESERVATION DISTRICT REVOLVING LOAN PROGRAM LINE ITEM; AND (3) RECOMMEND APPROVAL OF THE AGENCY'S BUDGET AMENDMENT BY THE CITY AND COUNTY OF SAN FRANCISCO BOARD OF SUPERVISORS; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2

BASIS FOR RESOLUTION

1. The Redevelopment Agency of the City and County of San Francisco (the "Agency") is implementing various redevelopment plans and programs in the City and County of San Francisco (the "City") in accordance with the California Community Redevelopment Law (the "Law").
2. Section 33606 of the Law provides for approval of the annual budget (the "Budget") of the Agency, and any amendments to the Budget, by the Legislative Body of the City (the "Board of Supervisors").
3. The Board of Supervisors approved the Agency's Budget for fiscal year 2008-09 by Resolution No. 331-08.
4. The economic revitalization of the Fillmore Jazz Preservation District (the "District") is a significant component of the Agency's completion of the Western Addition A-2 Redevelopment Plan. The District is the area generally located along Fillmore Street between Post and McAllister Streets, in the Western Addition Redevelopment Project Area A-2 (the "Project Area").
5. On February 15, 2005, by Resolution No. 30-2005, the Agency Commission revised its Fillmore Jazz Preservation District Loan Program (the "Loan Program") by updating the underwriting criteria including the maximum loan amounts, adding additional funding to the Loan Program, and directing Agency staff to administer the revised Loan Program in house and to collaborate with Urban Solutions, a California nonprofit public benefit corporation, to provide loan packaging and economic development assistance to local businesses in the District.

6. The Agency launched several projects that (together with the Loan Program) would lead to the revitalization of the District by investing over \$15 million in a combination of small businesses, parking, and initial marketing activities. To date, these activities have resulted in the creation of four Jazz theme restaurants and entertainment venues, a fully operational parking garage (close to breakeven), and a new streetscape for the District. In addition to the Agency's direct investment, there have been 11 new businesses (3 new restaurants slated to open in 2009) that have been leveraged as a result of the Agency's investments. While these efforts have moved the District forward, the current economic crisis poses a real and credible threat that could stall or seriously hamper the District's growth. Currently, all four of the Agency's most recent investments in businesses located on Fillmore Street are experiencing a dramatic drop in revenue, chiefly due to the current recession.
7. Agency staff has received several requests for debt restructuring and additional loans from businesses in which the Agency has already made a significant investment. Agency staff desires to recommend relief for these businesses in order to safeguard the prior Agency investments and to fulfill the objective of the Loan Program to promote economic revitalization in the District.
8. Agency staff believes that to complete its effort to revitalize the Fillmore Jazz Preservation District, a strategy that incorporates the reprogramming of the Project Area's remaining funds is needed.
9. The Agency wishes to amend its Budget for fiscal year 2008-09 to reprogram \$3,301,225 from the Muni Substation line items to the Fillmore Jazz Preservation District revolving loan program line item in the amount of \$2,401,225, to the Western Addition A-2 economic development line item in the amount of \$1,000,000, and to a new Western Addition A-2 property management line item in the amount of \$400,000.
10. The Agency also wishes to incorporate \$581,000 in newly discovered Community Development Block Grant Program Income into the budget in the Fillmore Jazz Preservation District Revolving Loan Program line item.
11. The Agency further recognizes that the actions taken pursuant to this Resolution are subject to the approval of the Mayor's Office and the Board of Supervisors.
12. Authorization of an amendment to the Project Area budget to reprogram funds and recommending approval of the Agency's Budget amendment by the Board of Supervisors will result in tenant and façade improvements, and maintenance or repair of existing facilities that are categorically exempt from the California Environmental Quality Act pursuant to CEQA Guidelines Section 15301, and will not result in a significant effect on the physical environment. Administrative and non-construction implementation activities of the Agency, Mayor's Office of Community Investment and Department of Economic and Workforce Development are not CEQA projects pursuant to CEQA Guidelines Section 15378(b)(5) and will not cause any physical change in the environment.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that it does hereby authorize the following:

1. An amendment to the fiscal year 2008-09 Budget of the Agency to reprogram \$3,301,225 from the Muni Substation line items to the Fillmore Jazz Preservation District revolving loan program line item in the amount of \$2,401,225, to the Western Addition A-2 economic development line item in the amount of \$1,000,000, and to a new Western Addition A-2 property management line item in the amount of \$400,000.
2. To incorporate \$581,000 in newly discovered Community Development Block Grant Program Income into the budget in the Fillmore Jazz Preservation District Revolving Loan Program line item.
3. Authorize the Executive Director to recommend approval of the Agency's Budget amendment by the City and County of San Francisco Board of Supervisors.

APPROVED AS TO FORM:


for James B. Morales 12/4/08
Agency General Counsel