

## **RESOLUTION NO. 145-2010**

*Adopted December 7, 2010*

### **MAKING FINDINGS REQUIRED BY SECTION 33445 OF THE CALIFORNIA COMMUNITY REDEVELOPMENT LAW TO ALLOW THE AGENCY TO FUND THE CONSTRUCTION OF ALLEYWAY IMPROVEMENTS IN THE SOUTH OF MARKET REDEVELOPMENT PROJECT AREA AND AUTHORIZING THE SUBMISSION OF A RESOLUTION MAKING THE SAME FINDINGS FOR CONSIDERATION BY THE CITY AND COUNTY OF SAN FRANCISCO BOARD OF SUPERVISORS; SOUTH OF MARKET REDEVELOPMENT PROJECT AREA**

#### **BASIS FOR RESOLUTION**

1. The South of Market Alleyways Improvements Project (“Alleyways Improvements”) seeks to improve alleyways in the South of Market Redevelopment Project Area (“Project Area”) by adding new sidewalks, street trees, street lights, special roadway paving, raised crosswalks, chicanes and art enrichment in order to alleviate blighting conditions on the alleyways, improve the quality of life for residents and visitors, and make the alleyways safer for pedestrians and bicycles.
2. Phase 2 of the Alleyways Improvements is currently in the planning and design phase, with construction estimated to begin in early 2012. The approximately \$2 million project will be funded with tax increment and a \$1.4 million grant from the Regional Transportation for Livable Communities program.
3. Concurrently with this Resolution, pursuant to Resolution No. 144-2010, the Agency Commission is considering the approval of a First Amendment to a Letter Agreement with the City of San Francisco’s Department of Public Works to increase the budget of the Letter Agreement for design services related to the Alleyways Improvements project.
4. Implementing the Alleyways Improvements requires the Agency’s “legislative body”, which, for these purposes, is the City and County of San Francisco Board of Supervisors (“Board of Supervisors”) to comply with Section 33445 of California’s Community Redevelopment Law (“Section 33445”). In order to comply with the mandates of Section 33445, the Board of Supervisors must make findings that: 1) the installation or construction of buildings, facilities, structures or other public improvements that are part of the Alleyways Improvements will help to eliminate blight within the Project Area; 2) no other reasonable means of financing the Alleyways Improvements is available to the community; and 3) payment of funds for the cost of the Alleyways Improvements is consistent with the current implementation plan for the Project Area. Findings relevant for the Alleyways Improvements are further set forth in the attached Exhibit A.

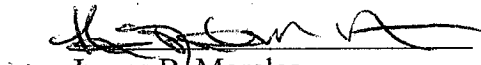
5. This is an Agency administrative activity that would not have any direct physical effects on the environment and is not a "Project" as defined in Section 15378(b)(5) of the California Environmental Quality Act Guidelines.

## RESOLUTION

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

1. The Agency hereby adopts the findings contained in Exhibit A; and,
2. The Executive Director is authorized to prepare, on behalf of the Agency, a resolution for consideration by the Board of Supervisors (together with other relevant documents), which resolution shall comply with the requirements of Section 33445 of the California Community Redevelopment Law to allow for Agency funding of the Alleyways Improvements and shall include findings identical or substantially similar to those attached in Exhibit A.

**APPROVED AS TO FORM:**

  
James B. Morales  
Agency General Counsel

## EXHIBIT A

### FINDINGS PURSUANT TO HEALTH AND SAFETY CODE SECTION 33445 SOUTH OF MARKET REDEVELOPMENT PROJECT AREA

The Redevelopment Agency makes the following findings related to South of Market Alleyways Improvements (the “Alleyways Improvements” or the “Project”), a project to create pedestrian and roadway improvements on the mixed-use alleyways in the South of Market Redevelopment Project Area (“Project Area”).

***I. The publicly-owned improvements will be of benefit to the South of Market Redevelopment Project Area by helping to eliminate blight in the Project Area.***

The above-stated finding is based on facts in the record and otherwise known to the Commission including the following:

- A. The alleyways serve as residential and commercial corridors and are an important part of the vitality of the South of Market neighborhood. The alleyways are currently blighted, as evidenced by cracked and deteriorated roadways and sidewalks and a general lack of street trees and street lights. The improvements will make the alleyways safer and more attractive, helping to improve the quality of life for residents and visitors.
- B. Additionally, improving the appearance of the alleyways will help to attract new businesses to the Project Area and support the Redevelopment Agency’s economic revitalization efforts. More attractive streetscape and pedestrian networks will increase the number of visitors to the Project Area and thus create a larger customer pool from which local businesses can draw.

***II. There are no other reasonable means of financing the installation or construction of the publicly-owned improvements.***

The above-stated finding is based on facts in the record and otherwise known to the Commission including the following:

The City and County of San Francisco (“City”) faces substantial fiscal challenges in light of substantially reduced tax revenues and challenging economic conditions created by the ongoing recession. Several budget-related documents confirm the breadth and depth of the City’s fiscal challenges. Based on the conclusions of those documents, including those specifically summarized below, as well as independent analysis by Agency staff, no other reasonable means of financing the Alleyways Improvements are available to the community aside from funding the Project through a grant from the Regional Transportation for Livable Communities program with matching funds from the Agency.

i. City's Three-Year Budget Projection for General Fund Supported Obligations FY 2010-11 through 2012-13

According to the Three-Year Budget Projection for General Fund Supported Obligations FY 2010-11 through 2012-13 (published April 2, 2010 by the Controller's Office, Mayor's Office, and Board of Supervisors Budget Analyst):

- a) Projected shortfalls in General Fund revenues compared to expenditures over the next three years are \$483 million in FY 2010-11, \$712 million in FY 2011-12, and \$787 million in FY 2012-13.
- b) Due to the State's severe budget shortfall, the City expects significant cuts in State funding. While the City's budgeting assumed a reduction of \$58 million, the Three-Year Budget Projection notes that it is possible the final State budget could contain significantly more reductions in funding to the City than were assumed.

ii. Budget Year 2010-2011 City & County of San Francisco Mayor's Office Instructions & Controller's Technical Instructions

In order to implement each year's budget, the Controller releases technical instructions designed to conform departmental spending and budgeting to the Citywide budget. The instructions released in connection with the 2010-2011 Citywide budget reveal the significant fiscal challenges faced by the City and illustrate why alternative sources of funding are not available for the Alleyways Improvements. Among the findings included in the Controller's Technical Instructions are the following:

- a) The Mayor's Budget Office projects a \$522.2 million shortfall for FY 2010-11, assuming current spending levels and estimated revenue shortfalls. The Budget Office has required all departments to submit plans to reduce their General Fund spending in the current year by 3.9 percent in order to address the FY 2009-10 revenue shortfall. If all of these mid-year adjustments are annualized, the deficit would be reduced by approximately \$56.3 million, leaving a budget shortfall of \$465.9 million.
- b) The Budget Office has instructed departments to submit budget requests for FY 2010-11 that reflect at least a 20 percent reduction in General Fund support. Of the 20 percent reductions proposed, at least 15 percent should be ongoing, and no more than 5 percent should be one-time in nature.
- c) The Budget Office has instructed departments to submit a prioritized contingency plan with their budget submission equal to 10 percent of their reduced General Fund base. The Budget Office anticipates that it will need some or all of the departmental contingency reductions in order to balance the Citywide deficit.

***III. The publicly-owned improvements are consistent with the Implementation Plan for the Project Area.***

The above-stated finding is based on facts in the record and otherwise known to the Commission, including the following:

The Project is consistent with the Project Area's Five-Year Implementation Plan adopted pursuant to Health and Safety Code Section 33490, Commission Resolution No. 143-2004, January 18, 2005, including specifically two goals of the plan: (1) assist the creation of a visually prominent, safe and clean pedestrian circulation network in the Project Area; and (2) encourage the mitigation of conflicts between pedestrians, bicycles and other transportation modes to ensure neighborhood safety. The Alleyways Improvements will be a critical part of an improved pedestrian network in the South of Market neighborhood and will help make the alleyways safer for pedestrians and bicycles by slowing down automobile traffic through raised crosswalks, chicanes and other improvements.