

## RESOLUTION NO. 24-2011

*Adopted March 15, 2011*

**AUTHORIZING A GRANT AGREEMENT WITH THE CITY AND COUNTY OF SAN FRANCISCO, ACTING BY AND THROUGH ITS MUNICIPAL TRANSPORTATION AGENCY, IN AN AMOUNT NOT TO EXCEED \$785,000 TO PROVIDE SUPPLEMENTAL FUNDING FOR THE RENOVATION OF THE BAYVIEW OPERA HOUSE PLAZA AND MAKING FINDINGS REQUIRED BY HEALTH AND SAFETY CODE SECTION 33445; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA**

### BASIS FOR RESOLUTION

1. The Redevelopment Agency of the City and County of San Francisco (“Agency”) is authorized, pursuant to California Community Redevelopment Law (“CRL”) (Health and Safety Code, Section 33000 *et seq.*) to provide assistance and advance funds for the making of improvements necessary for the redevelopment of blighted areas and the implementation of a project area redevelopment plan.
2. On June 1, 2006, the Agency adopted the Redevelopment Plan (the “Plan”) for the Bayview Hunters Point Redevelopment Project Area (the “Project Area” or “BVHP”). One of the key goals of the Plan is economic revitalization of certain activity nodes of the Project Area. One of the activity nodes is the Town Center where the Bayview Opera House is located. The Bayview Opera House and the adjacent plaza are owned by the City, acting by and through its Arts Commission.
3. The residents, businesses, stakeholders, the Bayview Hunters Point Project Area Advisory Committee, the Agency, the San Francisco Municipal Transportation Agency (“SFMTA”), and other City departments have been working closely together on a project called “Bayview Connections” to improve transit service in the Project Area and to connect the Project Area to citywide and regional destinations. The Bayview Connection project includes two major components: (1) the transit expansion consisting of the Third Street Light Rail Project and improvements to pedestrian gathering spaces near transit stations; and (2) economic revitalization of the Project Area.
4. SFMTA, on behalf of the City, has completed the Third Street Light Rail Project and the Oakdale Palou Transit Hub, and it is now working on completing improvements to pedestrian gathering spaces at the Bayview Opera House Plaza (the “Project” or the “Plaza”).
5. In 2000, SFMTA applied for, and received, a \$1.874 million grant (the “Federal Funds”) from the Federal Transit Administration of the U.S. Department of Transportation. The Federal Funds were earmarked for improvements to, or renovation of, the Plaza to tie it to the nearby Oakdale/Palou Transit Hub and the surrounding residential, commercial, cultural and institutional uses. The Federal Funds require local matching funds set at a minimum of 11% of the Federal Funds or \$206,140.

6. During community meetings in 2000 to discuss the Plaza renovation, community members expressed a collective desire to adequately address most of the Plaza's deficiencies – the lack of improvements, the lack of respite from the sun, noise, traffic, and the lack of a convenient and direct connection to Third Street. They wanted the Plaza transformed into an attractive pedestrian-oriented public space.
7. Towards that end, the renovations proposed in 2000 included, among other things, reshaping some of the Plaza's existing elements to create contiguous open space around the Bayview Opera House; replacing paving, perimeter fences and brick walls; and adding lighting and utilities for an outdoor stage. At that time, SFMTA estimated the total cost of the proposed renovation at \$2.269 million, leaving a funding gap of \$395,000 that the City was expected to fund.
8. Between 2000 and 2009, approximately \$769,000 of the Federal Funds was spent on design iterations, reviews, and community meetings to form a consensus on the scope of the renovation. As of January 2010, SFMTA estimated the total cost of the current renovation plan at \$1.89 million (the "Project Cost"). Only \$1.1 million of the Federal Funds are left for the renovation, leaving a gap of about \$785,000. The San Francisco Arts Commission and SFMTA have asked the Agency to cover the gap since there is no alternative funding available.
9. Agency staff has reviewed the request and desires to cover the gap using tax exempt bond proceeds, subject to certain terms and conditions that are incorporated into the proposed grant agreement (the "Grant Agreement").
10. Because the Agency will be using \$785,000 in tax exempt bond proceeds to pay for the renovation of the Plaza, a City-owned property, Health and Safety Code Section 33445 requires the Agency to seek approval of the San Francisco Board of Supervisors ("Board") before providing the funding. As such, the Agency will request the Board's approval of the proposed Agency funding based on the following findings: (1) the improvements are of benefit to the Project Area by helping to eliminate blighting influences within the Project Area; (2) no other reasonable means of financing the improvements are available; and (3) the Agency funding is consistent with the implementation plan adopted for the Project Area pursuant to CRL Section 33490.
11. To facilitate moving forward on the Project, the City and the Agency desire to execute the proposed Grant Agreement to provide the requested funds to supplement the Federal Funds for the Project.
12. The proposed renovation to the Plaza of the Bayview Opera House ("Plaza Renovation") seeks to improve the Plaza, which is located in the Bayview Hunters Point Redevelopment Project Area by reshaping the Plaza with contiguous open space around the Bayview Opera House; replacing its paving, perimeter fences and brick walls; and adding lighting and utilities for an outdoor stage to transform the Plaza into an attractive pedestrian-oriented public space.

13. The renovation is expected to alleviate blighting conditions of, and around, the Plaza, which is currently underutilized because it does not have the necessary improvements; it does not provide respite from the sun, noise, and traffic, and it does not have convenient and direct connection to the nearby transit station and Third Street. The Bayview Opera House, which includes the Plaza, is owned by the City and County of San Francisco (the "City"); as such, it is a publicly-owned building or improvements.
14. A redevelopment agency using redevelopment funds for publicly-owned improvements located in or contiguous to a project area must comply with Health and Safety Code Section 33445 of the CRL, which requires the Agency and the Board to make findings that: (1) the proposed seismic and disabled-access improvements to the Bayview Opera House will help alleviate blight within a Project Area, (2) no other reasonable means of financing the entire proposed improvements is available to the City or the community, and (3) payment of funds for the cost of the improvements is consistent with the current implementation plan for the Project Area. The factual basis in support of the findings are attached hereto as Exhibit A.
15. Agency approval of the Grant Agreement for the renovation of the Bayview Opera House Plaza would have no resultant significant environmental impacts and is categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15301(a), Interior and Exterior Alteration to an Existing Facility. Making findings required by Health and Safety Code Section 33445 for the Grant Agreement is an Agency administrative activity that will not cause any physical change in the environment and is not a "Project" as defined in CEQA Guidelines Section 15378(b)(5).

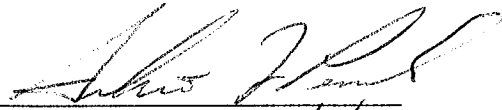
## RESOLUTION

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

- (a) the Agency hereby adopts the findings contained in Exhibit A;
- (b) the Executive Director is authorized to enter into and execute a Grant Agreement with City and County of San Francisco, acting by and through its Municipal Transportation Agency, in an amount not to exceed \$785,000 to provide supplemental funding for the renovation of the Bayview Opera House Plaza, substantially in the form lodged with Agency General Counsel; and

(c) 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 California Health and Safety Code Sections 33445 and 33679 to allow for Agency funding of the Bayview Opera House Plaza renovations and shall include findings identical or substantially similar to those attached in Exhibit A.

**APPROVED AS TO FORM:**



for James B. Morales 3/9/11  
Agency General Counsel

## EXHIBIT A

### FINDINGS PURSUANT TO HEALTH AND SAFETY CODE SECTION 33445 USE OF AGENCY'S GRANT FOR THE RENOVATION OF THE BAYVIEW OPERA HOUSE PLAZA; BAYVIEW HUNTERS REDEVELOPMENT PROJECT AREA

The Redevelopment Agency makes the following findings related to the Agency funding for a portion of the renovation of the Bayview Opera House Plaza (the "Plaza Renovation" or the "Project"), in the Bayview Hunters Point Redevelopment Project Area ("Project Area").

***I. The publicly-owned Bayview Opera House will continue to be of benefit to the Project Area by helping to eliminate blight in this Project Area.***

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

- A. The Bayview Opera House, a multi-use facility built in 1888, serves as a cultural and recreational center offering programs that promote community arts through entertainment and education for residents, visitors, and businesses in the Project Area. It is currently underutilized because it does not have the necessary improvements; it does not provide respite from the sun, noise, and traffic, and it does not have convenient and direct connection to the nearby transit station and Third Street. The proposed renovation will help reclaim the plaza from its current primary use as a parking lot to create a reshaped plaza with contiguous open space around the Bayview Opera House; replace its paving, perimeter fences and brick walls; and add lighting and utilities for an outdoor stage to transform the plaza into an attractive pedestrian-oriented public space.
- B. The proposed renovation of the plaza will help reduce blighting conditions and create a vibrant cultural center that can draw residents, visitors, and businesses in the Project Area through the programs the Bayview Opera House offers. The programs promote community arts through entertainment and education and it is an important part of the vitality of this Project Area. Without the proposed Agency grant, the Plaza would remain blighted and underutilized.

***II. There are no other reasonable means of funding the proposed renovation of the Plaza, a public open space.***

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

Because the San Francisco Arts Commission has limited capital improvement budget, it was not able to provide the matching funds required for the Federal Funds earmarked for the renovation of the Plaza. It searched for funds from the City and other sources was

impeded because of the recent economic recession. The City itself faces substantial fiscal challenges in light of substantially reduced tax revenues and challenging economic conditions created by the recession. According to the Three-Year Budget Projection for General Fund Supported Obligations FY 2010-11 through 2012-13, 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. These projected deficits illustrate why alternative sources of funding are not available for the needed renovation and improvements to the Bayview Opera House.

***III. The public 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 proposed renovation of the Plaza is consistent with the Project Area's Five-Year Implementation Plan ("the Implementation Plan") adopted pursuant to Health and Safety Code Section 33490. The Implementation Plan covers the period from July 1, 2006 to June 30, 2011 and was adopted under the March 7, 2006 Agency Commission Resolution No. 32-2006 and under the June 1, 2006 San Francisco County Board of Supervisors' Ordinance No. 113-06. The Implementation Plan lists the goals and objectives to be achieved within its five-year operating period, including the following specific objectives: (a) *facilitating the preservation, rehabilitation; and seismic retrofitting of historic buildings and other landmarks*, and (b) *eliminating blighting influences ... deteriorated public improvements, facilities, and utilities*. The proposed improvements to the plaza will help to preserve this historic landmark to continue to meet some of the community's cultural needs.