

RESOLUTION NO. 25-2011

Adopted March 15, 2011

AUTHORIZING A GRANT AGREEMENT WITH THE CITY AND COUNTY OF SAN FRANCISCO, ACTING BY AND THROUGH ITS ARTS COMMISSION, IN AN AMOUNT NOT TO EXCEED \$400,000 TO PROVIDE SUPPLEMENTAL FUNDING FOR THE INTERIOR RENOVATION OF THE BAYVIEW OPERA HOUSE 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 is owned by the City and County of San Francisco (the “City”), acting by and through its Arts Commission.
3. The Bayview Opera House, built in 1888, is located between Oakdale and Newcomb Avenues. It is a multi-use, cultural, and recreational center offering programs that promote community arts through entertainment and education for the benefit of residents, visitors, and businesses in the Project Area. It provides the BVHP community with a creative outlet through programs offering performance arts, stage technician workshops, an acting academy, a music academy, dance classes, photography, and art. It is a very visible cultural symbol and gateway to the BVHP community, and has been granted landmark status by the City.
4. Between 1973 and 2001, the San Francisco Arts Commission (“SFAC”) undertook physical assessments of the Bayview Opera House. The assessments revealed structural, seismic, and disabled-accessibility deficiencies. Since then, SFAC has been looking for funds to address these deficiencies. In 2008, SFAC allocated \$248,000 from its capital improvement budget to develop a scope of work and produce preliminary construction drawings for improvements to correct the most critical deficiencies. At that time, the City was hoping that this predevelopment work would attract federal stimulus funds to correct the deficiencies, but the funds never materialized.

5. Recently, SFAC proposed a scope of work that includes seismic upgrades and accessibility improvements to comply with the Americans with Disability Act (“ADA”). More specifically, it includes: (1) removal of non-original concrete stairs at the front entrance of the building and construction of a new concrete ramp and stairs; (2) replacement of a roll-up door on the porch with a new pair of doors; (3) addition of two ADA-accessible restrooms; (4) addition of a new interior wall under the existing balcony in the main auditorium space; and (5) installation of metal columns under the existing balcony for seismic strengthening (the “Project”).
6. The Bureau of Architecture of the City’s Department of Public Works is assisting SFAC with the preliminary construction drawings, has estimated the total cost of the Project at \$748,000 (the “Project Cost”) as of January 2010, and has agreed to oversee the construction of the Project if there is sufficient funding for the Project Cost. SFAC recently received an additional \$100,000 for the Project from the Mayor’s Office of Community Investment, bringing the total current funding for the Project to \$348,000 and leaving a funding gap of \$400,000. SFAC has requested that the Agency cover the gap because no alternative funding is available.
7. The Agency has reviewed the request and agreed to cover the gap using tax increment funds subject to certain terms and conditions that are incorporated into this Loan Agreement, including, among other things, seeking the consent and approval of the Board of Supervisors of the City and County of San Francisco (the “Board”).
8. Because the Agency will be using \$400,000 of its funds to pay a part of the cost of the proposed repairs and upgrades to the Bayview Opera House, a City-owned property, CRL Section 33445 requires the Agency to seek approval of the Board before providing the funding.
9. To facilitate moving forward on the Project, the City and the Agency desire to execute the proposed grant agreement (the “Grant Agreement”) to provide the requested funds to supplement the Federal Funds for the Project.
10. The proposed seismic and disabled-access improvements to the Bayview Opera House seeks to improve the facility, which is located in the Bayview Hunters Point Redevelopment Project Area by: (1) installing a new concrete ramp and stairs; (2) replacement of a roll-up door on the porch with a new pair of doors; (3) addition of two ADA-accessible restrooms; (4) addition of a new interior wall under the existing balcony in the main auditorium space; and (5) installation of metal columns under the existing balcony for seismic strengthening.
11. The proposed improvements are expected to alleviate blighting conditions of the facility, which is currently considered unsafe because of a number of deficiencies, including weakened structural support for its existing balcony and lack of accessibility improvements to comply with the ADA – the absence of ramp, stairs, and restrooms readily accessible to the disabled. The Bayview Opera House is owned by the City; as such, it is a publicly-owned building or improvements.

12. 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 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 the 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.
13. Agency approval of the Grant Agreement for the interior renovation of the Bayview Opera House 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 execute a grant agreement with the City and County of San Francisco, acting by and through its Arts Commission, in an amount not to exceed \$400,000 to provide supplemental funding for the interior renovation of the Bayview Opera House, substantially in the form lodged with the 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 renovations and shall include findings identical or substantially similar to those attached in Exhibit A.

APPROVED AS TO FORM:

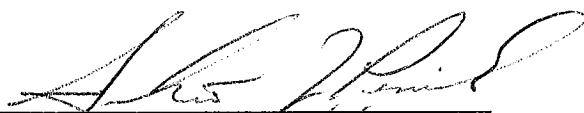

James B. Morales 3/9/11
Agency General Counsel

EXHIBIT A

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

The Redevelopment Agency makes the following findings related to the Agency funding for a portion of the proposed seismic and disabled-access of the Bayview Opera House Plaza (the "Interior 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 considered unsafe because of a number of deficiencies, including weakened structural support for its existing balcony and lack of accessibility improvements to comply with the Americans with Disability Act ("ADA") – the absence of ramp, stairs, and restrooms readily accessible to the disabled. The improvements proposed to remove the deficiencies include: (1) the construction of a new concrete ramp and stairs; (2) replacement of a roll-up door on the porch with a new pair of doors; (3) addition of two ADA-accessible restrooms; (4) addition of a new interior wall under the existing balcony in the main auditorium space; and (5) installation of metal columns under the existing balcony for seismic strengthening (the "Interior Project").
- B. The proposed improvements will prevent the Bayview Opera House from being declared seismically unsafe and noncompliant with ADA. This will help reduce its blighting conditions and restore the building to a vibrant cultural center that can draw residents, visitors, and businesses in the Project Area through the programs offer in the center. 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 seismic and disabled-access improvements to the Bayview Opera House.

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 funds needed to fully cover the cost of all the required improvements to keep the building seismically safe and ADA compliant. It searched for full funding 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 seismic and disabled-access 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 seismic and the disabled-accessibility improvements to the Bayview Opera House 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 Bayview Opera House will help to preserve this historic landmark to continue to meet some of the of the community's cultural needs.