

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE REDEVELOPMENT
AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 2 – 2016
Adopted January 25, 2016

**AUTHORIZING THE SUCCESSOR AGENCY, AS REQUIRED BY SECTION 34180 (E)
OF THE CALIFORNIA HEALTH & SAFETY CODE, TO CONTINUE THE
ACCEPTANCE OF FEDERAL GRANTS UNDER GRANT AGREEMENTS NO. 07-49-
05947 ("EDA 4") FOR APPROXIMATELY \$2,170,000 AND NO. 07-49-06113 ("EDA 5")
FOR APPROXIMATELY \$3,460,000 FROM THE U.S. DEPARTMENT OF
COMMERCE'S ECONOMIC DEVELOPMENT ADMINISTRATION, EACH GRANT
REQUIRING A LOCAL MATCH OF 10 PERCENT, TOTALING APPROXIMATELY
\$563,000 FOR BOTH GRANTS; HUNTERS POINT SHIPYARD REDEVELOPMENT
PROJECT AREA**

WHEREAS, The San Francisco Redevelopment Agency (the "Agency") received grant funding from the U.S. Department of Commerce's, Economic Development Administration ("EDA") for development at the Hunters Point Shipyard ("Shipyard") through Grant Agreement No. 07-49-05947 ("EDA 4") in 2006 and Grant Agreement No. 07-49-06113 ("EDA 5") in 2007 (collectively, the "Grants"). each grant requires a 10 percent local match of funds ("Local Match"). The grant amount for EDA 4 is \$4,222,223 and the grant amount for EDA 5 is \$5,066,667, for an aggregate amount of \$9,288,890, including the required a total Local Match of \$928,889. The source of funds for the Local Match is project area tax increment; and,

WHEREAS, The Successor Agency, also known as the Office of Community Investment and Infrastructure ("OCII"), has spent approximately \$3,659,000 of EDA 4 and EDA 5 grant amounts. The remaining grant amount for EDA 4 is approximately \$2,170,000 and for EDA 5 is approximately \$3,460,000. Each grant requires a local match of 10 percent, for both grants totaling approximately \$563,000; and,

WHEREAS, The Grants are for planning, development of architecture/engineering documents, and installation of improvements to the open space and buildings in the "Arts and Technology District" on the Shipyard. The Grants' goals are to generate jobs, help retain existing jobs, and stimulate industrial and commercial growth in economically distressed areas; and,

WHEREAS, Since the mid-1980s artists have occupied studios in various buildings on the Shipyard, creating the largest artist enclave on the western seaboard. Through decades of planning efforts related to the Shipyard, the need to maintain the role of the artists in the future of the Shipyard has become a clear mandate from a variety of local, state and federal stakeholders; and,

- WHEREAS, The Arts and Technology District is an important element of the redevelopment of the Shipyard. The conceptual goal of the Arts and Technology District is to attract important job producing and innovation driven growth in the arts, creative, and science/technology industries to locate on the Shipyard. The current Shipyard artist colony of approximately 300 artists will continue to be an anchor element of the Arts And Technology District; and,
- WHEREAS, The ultimate vision of the Arts and Technology District includes: a performing arts center, arts education, display and gallery space, other arts-related retail and services, 225,000 square feet of artist studios, a 3 million square foot center for clean-tech research and development industries, as well as potential space for a business incubator for early-stage, innovation driven industries at Building 813; and,
- WHEREAS, The efforts undertaken thus far to facilitate the Shipyard Arts District include: 1) planning for a “Shipyard Arts Complex” through retaining/improving existing artists’ studios and developing new artists’ studios; 2) improving the surrounding plazas and installing public art in the adjacent open space, and 3) planning and constructing a Community Facility Demonstration Project; and,
- WHEREAS, The EDA Grants expired on September 30, 2015 and needed to be extended to allow for continued use of funds; and,
- WHEREAS, Remaining grant funds were slated to be used for rehabilitating Building 813 which is located on Parcel D-2. In 2012, the Oversight Board and the State Department of Finance approved the Successor Agency’s continued acceptance of the EDA 4 and EDA 5 grant funds with this intended use. However, delays in the D-2 parcel transfer have prompted OCII to propose a reallocation of funds to Building 101; and,
- WHEREAS, Building 101 houses approximately 150 artist studios and will be retained as part of the Shipyard Arts Complex. The building is in need of capital investments to address life/safety concerns and code deficiencies. Thus OCII staff proposes to use the remaining grant funds for Building 101 upgrades, including installing a fire sprinkler and fire alarm system, adding fire separation doors and exit signage, improving building accessibility, and upgrading common use areas; and,
- WHEREAS, In July 2015, OCII staff applied for a grant amendment with EDA requesting a reallocation of remaining EDA 4 and EDA 5 funds from Building 813 to Building 101 and extension of the term of each grant to March 30, 2018 (the “Grant Amendments”); and,
- WHEREAS, In September 2015, EDA’s Regional Investment Review Committee approved the Grant Amendments and OCII is currently waiting to receive the final authorization from EDA’s National offices; and,
- WHEREAS, The Commission on Community Investment and Infrastructure must authorize the Executive Director to execute the Grant Amendments; and,

WHEREAS, The Grants, the Local Match, and the EDA related contracts/expenditures are enforceable obligations under Chapter 5, Statute of 2011, ABx1 26, Assembly Bill No. 1484 (Chapter 26, Statute of 2011-12), and Senate Bill No. 107 (Chapter 325, Statutes of 2015), and are shown on lines 50 and 62 of the Recognized Obligation Payment Schedule. The continued acceptance of the Grants is subject to the approval of the Oversight Board under Section 34180 (e) of the California Health and Safety Code because each grant requires the Successor Agency to provide matching funds greater than five percent of the total grant; and,

WHEREAS, The Local Match remaining to be expended is approximately \$563,000 which will be paid through OCII's allocation of tax increment; and, now therefore be it

RESOLVED, That the Oversight Board approves the continuing acceptance of grants from the Department of Commerce's Economic Development Administration under Grant Agreements in the amount of approximately \$2,170,000 under EDA 4 and approximately \$3,460,000 under EDA 5, including for uses allowed by the Grant Amendments, which grants require the Successor Agency to provide a 10 percent local match, totaling approximately \$563,000; and be it further

RESOLVED, That this approval is contingent upon Commission on Community Investment and Infrastructure approval of the Grant Amendments.

I hereby certify that the foregoing resolution was adopted by the Oversight Board at its meeting of January 25, 2016.



Board Secretary