RESOLUTION NO. 106-2004

Adopted September 7, 2004

APPROVING AMENDMENTS TO THE REDEVELOPMENT PLANS FOR EMBARCADERO-LOWER MARKET (GOLDEN GATEWAY), INDIA BASIN INDUSTRIAL PARK AND HUNTERS POINT TO IMPLEMENT SENATE BILL NO. 2113 AND AUTHORIZING TRANSMITTAL TO THE BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO

BASIS FOR RESOLUTION

1. Prior to 1976, the Board of Supervisors of the City and County of San Francisco ("Board of Supervisors"), as the legislative body of the Redevelopment Agency of the City and County of San Francisco ("Agency"), adopted a number of redevelopment plans pursuant to the Community Redevelopment Law ("CRL"), including the following plans that the Agency continues to implement: the Embarcadero-Lower Market (Golden Gateway) Redevelopment Plan (1959), the India Basin Industrial Park Redevelopment Plan (1969), and the Hunters Point Redevelopment Plan (1969) ("Plans").

2. These Plans established certain limits on the amount of tax increment that the Agency could receive to pay for redevelopment activities and these limits have been, or soon will be, met.

3. Under Section 33333.6 (e)(3)(A) of the CRL, a legislative body may amend a redevelopment plan to extend the time limit on the establishment of indebtedness and to establish additional debt in order to fulfill a redevelopment agency’s housing obligations.

4. The housing obligations for which a redevelopment agency may establish more debt and extend time to establish such debt include the statutory obligation to provide an equal number of replacement housing when an agency destroys or removes low or moderate income housing ("Affordable Housing") in a project area. Section 33333.8 (a)(1)(E) of the CRL.

5. A legislative body may enact plan amendments to extend time and increase debt to fulfill housing obligations through an expedited ordinance process rather than the plan amendment process otherwise required under the CRL. Section 33333.6 (e)(3)(B) of the CRL.

6. The replacement housing obligation in the CRL went into effect in 1976 and thus the Agency’s removal and destruction of Affordable Housing, prior to 1976, in the Western Addition A-1, Western Addition A-2, Yerba Buena Center, Golden Gateway, India Basin, and Hunters Point Redevelopment Project Areas was not subject to this statutory replacement housing obligation.
The California Department of Housing and Community Development ("HCD") has determined that, prior to 1976, the Agency demolished 14,207 units and replaced 7,498 units, resulting in a net loss of 6,709 affordable units.

In 2000, the California Legislature adopted Senate Bill No. 2113 (Statutes 2000, Chapter 661) ("SB 2113"), codified in Health and Safety Code Section 33333.7, to authorize the Agency, with the Board of Supervisors' approval, to extend its tax increment financing powers "to redress the demolition of a substantial number of residential dwelling units affordable to very low, low-, and moderate income households during the agency's earlier urban renewal efforts." Stats. 2000, ch. 661 § 1.

SB 2113 authorizes the Agency, with Board of Supervisors approval, to amend redevelopment plans (that would otherwise soon expire) for the purpose of incurring indebtedness exclusively for Low and Moderate Income Housing Fund activities until the earlier of either January 1, 2014 or the Agency's replacement of all Affordable Housing lost as a result of the implementation of redevelopment plans adopted prior to 1976.

SB 2113 also authorizes the Agency to receive tax increment funds through 2044 to repay indebtedness incurred to fund these Low and Moderate Income Housing Fund activities.

In enacting SB 2113, the California Legislature found, among other things, that the extension of the time limits to incur indebtedness is appropriate for the limited purpose of enabling the replacement of Affordable Housing units destroyed or removed before the 1975 enactment of replacement housing obligations and that this extension does not signify an expansion of redevelopment plan activities.

SB 2113 requires that the Agency's expenditure of funds received under the SB 2113 plan amendments must be consistent with San Francisco's housing element and its consolidated and annual action plans submitted to the United States Department of Housing and Urban Development and must address the unmet housing needs of very low, low- and moderate income households.

SB 2113 requires that all of the revenues shall be devoted to assisting in the development of Affordable Housing, that no less than 50 percent of the revenues received shall be devoted to housing for very low income households, and that no more than 10 percent of the revenues received shall be devoted to planning and administrative costs.

The Agency estimates that SB 2113 amendments to the Golden Gateway, India Basin Industrial Park, and Hunters Point Redevelopment Plans would generate a total of approximately $58 million in affordable housing funds and that, over a ten-year period, the Agency may receive a total of approximately $168 million if other plans, e.g., Yerba Buena Center, are also amended to implement SB 2113.
15. In 2003, the Board of Supervisors recognized that the Agency intended to seek redevelopment plan amendments under SB 2113 when the Board of Supervisors adopted an ordinance addressing the time limitations for the incurrence of debt in certain redevelopment plans, including the Golden Gateway, India Basin Industrial Park, and the Hunters Point Redevelopment Plans. Section 1.k. of Ordinance No. 211-03.

16. On July 16, 2004, the Board of Supervisors approved the Agency's budget for fiscal year 2004-05, which includes $15 million in bond proceeds that are contingent on the adoption of SB 2113 amendments to the Golden Gateway, India Basin Industrial Park, and the Hunters Point Redevelopment Plans.

17. Prior to incurring any debt under SB 2113 plan amendments, HCD must annually certify, among other things, that San Francisco has a housing element that substantially complies with state law, that the housing element indicates an unmet need for Low and Moderate Income Housing Fund activities, and that the Agency has met its other affordable housing obligations, but these HCD certifications are not necessary for adoption of the SB 2113 plan amendments.

18. Staff recommends the submission of a request to the Board of Supervisors to adopt, pursuant to SB 2113, an ordinance amending the Embarcadero-Lower Market (Golden Gateway), the India Basin Industrial Park, and the Hunters Point Redevelopment Plans so that the Agency can continue to incur tax increment until January 1, 2014, and repay such indebtedness until January 1, 2044 for the exclusive purpose of funding Low and Moderate Income Fund activities.

19. The adoption of an ordinance pursuant to SB 2113 is exempt from the California Environmental Quality Act ("CEQA") pursuant to 14 Cal. Code Regs. Section 15378(b)(4), part of the State CEQA Guidelines because such an ordinance is adopted solely to enable the continued funding of Low and Moderate Income Housing Fund activities, and no specific Affordable Housing project is being approved at this time.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that it approves of amendments to the Embarcadero-Lower Market (Golden Gateway) Redevelopment, the India Basin Industrial Park, and the Hunters Point Redevelopment Plans to implement SB 2113;

IT IS FURTHER RESOLVED that the Executive Director is authorized to transmit plan amendments implementing SB 2113 to Board of Supervisors for its consideration and adoption.

APPROVED AS TO FORM:

[Signature]
James B. Morales
Agency General Counsel