RESOLUTION NO. 145-2005

Adopted September 20, 2005

AUTHORIZING CHANGES IN THE PARTICIPATION AND LOAN CRITERIA FOR LOANS TO BUSINESSES AND PROPERTY OWNERS AVAILABLE THROUGH THE SIX ON SIXTH ECONOMIC REVITALIZATION PROGRAM; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. On November 26, 2002, the Redevelopment Agency of the City and County of San Francisco (the “Agency”) authorized the creation of the Six on Sixth Economic Revitalization Program (the “Six on Sixth Program” or “Program”) and allocated funding in the amount of $750,000 to provide façade improvement, tenant improvement, and business assistance loans and grants for design assistance to property and business owners on Sixth Street in the South of Market Earthquake Recovery Redevelopment Project Area (the “Project Area”).

2. On the same day, the Agency authorized a Third Amendment to the Letter Agreement with the Mayor’s Office of Community Development (“MOCD”) to assist in the implementation of the Sixth on Sixth Program through December 31, 2003, by increasing the maximum amount payable under the Letter Agreement with MOCD by $592,000 for the following purposes: (1) $442,000 for façade improvement, tenant improvement, and business assistance loans; (2) $68,000 for provision of outreach, technical assistance, and loan packaging services by Urban Solutions; and (3) $52,000 for provision of design services by Asian Neighborhood Design (“AND”) from the Sixth on Sixth Program budget.

3. On July 8, 2003, the Commission authorized a Business Development Letter Agreement with MOCD to provide operations support for Urban Solutions and San Francisco Renaissance to provide outreach and technical assistance for small businesses in redevelopment project and survey areas. The Business Development Letter Agreement with MOCD was for a period of three years, in an amount not to exceed $628,233 for Fiscal Year 2003-04, plus 3 percent cost of living increases for Fiscal Years 2004-05 and 2005-06, subject to the appropriation of funds, for an aggregate amount not to exceed $1,941,806.

4. On February 3, 2004, the Commission authorized a First Amendment to the Business Development Letter Agreement with MOCD to increase the maximum amount payable by $489,426, including a carry-over of $442,926 for the Sixth on Sixth Program, plus an additional $30,000 for Urban Solutions and $16,500 for MOCD to assist in the administration of the Six on Sixth Program and with the contract with Urban Solutions.
5. On October 5, 2004, the Commission authorized a Second Amendment to the Business Development Letter Agreement with MOCD to increase the maximum amount payable by $77,588 for design assistance as part of the Sixth on Sixth Program, including $3,694 in administrative fees for MOCD, through the reallocation of Program funds.

6. After more than two years of experience with the Six on Sixth Program, Agency staff recommends changes to the participation and loan criteria for loans to businesses and property owners and loan amounts to allow greater participation in and simplify the Program. The following additional changes are proposed: (1) Expanding the geographic boundaries of the Six on Sixth Program to include the entire Project Area, while still retaining the focus on Sixth Street; (2) Permitting nonprofit organizations to receive façade improvement forgivable loans without the one-to-one matching requirement; (3) Simplifying the Six on Sixth Program by changing the maximum loan amounts into multiples of five thousand, consistent with other Agency programs; and (4) Permitting business tenants, in addition to property owners, to receive tenant improvement loans that may be forgiven in accordance with Program guidelines.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized as follows: (1) to change the participation and loan criteria and loan amounts for loans to businesses and property owners from the Six on Sixth Economic Revitalization Program, as described in the Basis for this Resolution, and (2) to take such further actions which the Executive Director determines to be necessary to implement this Resolution, including but not limited to revisions to the form of Program loan agreements and other Program documents in consultation with the Agency General Counsel.

APPROVED AS TO FORM:

James B. Morales
Agency General Counsel