

## RESOLUTION NO. 102-2006

*Adopted August 1, 2006*

**AUTHORIZING THE EXECUTIVE DIRECTOR TO CAST ASSESSMENT  
BALLOTS IN THE AFFIRMATIVE ON BEHALF OF THE AGENCY  
COMMISSION AS THE OWNERS OF THE MUNI SUBSTATION PARCEL AND  
THE ELLIS STREET DRIVEWAY PARCEL FOR A COMBINED ANNUAL  
ASSESSMENT OF APPROXIMATELY \$10,752, FOR A TOTAL MAXIMUM  
AMOUNT OF \$53,760 FOR FIVE YEARS, AS PART OF THE FILLMORE JAZZ  
DISTRICT COMMUNITY BENEFIT DISTRICT; WESTERN ADDITION  
REDEVELOPMENT PROJECT AREA A-2**

### BASIS FOR RESOLUTION

1. A Community Benefit District ("CBD") is an assessment district that creates a means of financing local services and improvements that supplement existing city- and Agency-funded services and has been a Redevelopment Agency of the City and County of San Francisco's ("Agency") goal for the Fillmore Jazz Preservation District ("Jazz District") in the Western Addition Redevelopment Project Area A-2 ("Project Area") for a number of years. Additionally, property owners, community stakeholders, and the Western Addition Citizens Advisory Committee believe the establishment of a CBD in the Jazz District is vital to the long-term economic self-sufficiency of the community, especially in light of the impending expiration of the Redevelopment Plan for the Project Area ("Redevelopment Plan") on January 1, 2009.
2. In San Francisco, CBDs are formed under California Streets and Highways Code Sections 36600 *et seq.*, Property and Business Improvement Law of 1994, Augmented by Article 15 of the San Francisco Business and Tax Regulations Code.
3. In December 2004, the Commission approved a two-year Personal Services Contract with New City America, Inc. ("New City") for consulting services related to the potential formation of one or more CBDs in the Project Area.
4. New City, together with the Fillmore Jazz District Community Benefit District Steering Committee ("Steering Committee"), explored the feasibility of forming a CBD in the Jazz District. Property owners clearly expressed support and motivation to assess themselves to fund services and improvements that benefit the properties in the Jazz District over and above the existing city- and Agency-funded services.
5. As part of the formation of the Fillmore Jazz District Community Benefit District ("Fillmore CBD"), New City and the Steering Committee drafted a management plan that identifies the Fillmore CBD boundaries and provides a description of the anticipated services, the assessment methodology, and budget. If adopted by the

Board of Supervisors, this management plan will govern the operation of the Fillmore CBD during its five-year term.

6. The Steering Committee authorized a petition mailing to all property owners within the proposed Fillmore CBD boundaries in an effort to gather sufficient support to trigger the Board of Supervisors' CBD formation proceeding. At the end of the petition phase, owners representing about 61%, or \$185,544 of the total proposed CBD assessments, voted to support the concept of the Fillmore CBD. As a result of this high level of support, the Board of Supervisors initiated the CBD election process.
7. On June 26, 2006, District 5 Supervisor Ross Mirkarimi introduced a Resolution of Intention to form the Fillmore CBD (Resolution No. 389-06). On June 27, 2006, the Board of Supervisors passed Resolution No. 389-06 and voted to initiate formal CBD election procedures. As a result, the Department of Elections mailed each of the 43 property owners in the proposed Fillmore CBD a ballot, the management plan, the assessment engineer's report, the Resolution No. 389-06, a procedural handout, and a Notice of Public Hearing. At its August 15, 2006 meeting, the Board of Supervisors will hold the Fillmore CBD election hearing.
8. Ballots must be returned to the Department of Elections by mail or in person anytime prior to the August 15, 2006 public hearing. The ballots will be tabulated and the results announced at the public hearing. If affirmative ballots are received from property owners representing 50% of the total proposed Fillmore CBD assessment, the Fillmore CBD will be formed at the Board of Supervisors public hearing on August 15, 2006.
9. The Agency owns two parcels in the proposed Fillmore CBD: (1) the Muni Substation site on the corner of Turk and Fillmore Streets, Assessor's Parcel Number 0756-001 ("Muni Substation Parcel"), and (2) the small parcel that serves as a driveway between Safeway's parking lot and Fillmore Street, which is a vacated portion of Ellis Street, Assessor's Parcel Number 0725-026 ("Ellis Street Driveway Parcel"). Under state law (Article XIID(4)), the Agency's parcels are not exempt from assessments for services provided by the Fillmore CBD. Therefore, the Agency, as a property owner in the proposed Fillmore CBD, received two ballots from the Department of Elections for its two parcels.
10. The annual assessment for the Muni Substation Parcel is \$8,961 and the annual assessment for the Ellis Street Driveway Parcel is \$1,791. Together, the annual assessment for both parcels is \$10,752. Over the five-year duration of the Fillmore CBD the Agency will be assessed a total of \$53,760, for as long as it owns these properties.
11. The Agency is legally obligated to pay CBD assessment on properties it owns within a CBD as long as it owns the properties. Therefore, it is possible that the Agency will need to pay these CBD assessments after the Redevelopment Plan expires on January

1, 2009, unless the Agency sells or transfers these properties before the  
Redevelopment Plan expires.

### **RESOLUTION**

**ACCORDINGLY, IT IS RESOLVED** by the Redevelopment Agency of the City and  
County of San Francisco that the Executive Director is authorized to cast assessment  
ballots in the affirmative on behalf of the Agency Commission as the owners of the Muni  
Substation Parcel and the Ellis Street Driveway Parcel in a combined annual assessment  
of approximately \$10,752, for a total maximum amount of \$53,760 for five years, for the  
Fillmore Jazz District Community Benefit District; Western Addition Redevelopment  
Project Area A-2.

### **APPROVED AS TO FORM:**



for James B. Morales 7/26/06  
Agency General Counsel