

RESOLUTION NO. 58-2009

Adopted June 2, 2009

APPROVING PROPOSED CHANGES TO THE BUDGET FOR THE PERIOD JULY 1, 2009 THROUGH JUNE 30, 2010 AND AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT THE BUDGET TO THE MAYOR'S OFFICE

BASIS FOR RESOLUTION

1. In accordance with the California Community Redevelopment Law ("CRL" or "Law"), the Redevelopment Agency of the City and County of San Francisco ("Agency") is required to establish and adopt a budget ("Budget") for fiscal year ("FY") 2009-10. Cal. Health and Safety Code § 33606.
2. Section 33606 of the Law requires that the Agency adopt an annual budget containing the following: all of the activities to be financed by the Low and Moderate Income Housing Fund established pursuant to Section 33334.3 of the Law; the Agency's proposed expenditures; the proposed indebtedness that the Agency will incur; the Agency's anticipated revenues; the Agency's upcoming work program and goals; and an examination of the previous year's achievements and a comparison of the achievements with the goals of the previous year's work program.
3. Section 33606 of the Law provides for approval of the annual Budget of the Agency and of any amendments to the Budget by the Board of Supervisors ("Board").
4. On April 21, 2009, the Agency Commission approved, per Resolution No. 39-2009, the Budget and authorized its submission to the Mayor's Budget Office.
5. Since the Commission's approval of the Budget, Agency staff has been in discussions with the Mayor's Budget Office about possible amendments to the Budget in an effort to address the fiscal challenges facing the City and County of San Francisco ("City") and the Agency.
6. The Mayor's Budget Office and Agency staff have now agreed, subject to Agency Commission approval, upon several material changes to the Budget that would accomplish the following: eliminate a \$5.9 million payment to the State for the Educational Relief Act Fund ("ERAF") for FY 08-09; eliminate a \$6.0 million payment to the State for ERAF for FY 09-10; add \$1.6 million of tax increment funding for operating subsidies for permanently affordable housing previously funded through the Department of Health and Department of Human Services; add \$1.1 million of tax allocation bond proceeds for the Bayview Transportation

Improvement Project, which seeks to reduce traffic on Third Street and nearby residential streets; add \$0.4 million of tax increment towards the renovation and restoration of the Bayview Opera House; add \$3.0 million of tax allocation bond proceeds for HOPE SF; and add \$5.0 million of tax allocation bond proceeds to fund permanently affordable housing projects previously funded by the Hotel Tax allocation in the Mayor's Office of Housing.

7. The tax increment funding of the Bayview Transportation Improvement Project and the Bayview Opera House requires that the Board make findings pursuant to the CRL (Section 33445 of the Health and Safety Code) to justify the use of tax increment for publicly-owned improvements; these findings are included in the Board's Proposed Resolution, which is attached as Exhibit 1.
8. If the Board approves the Budget, the Agency Commission will subsequently authorize the expenditures for specific activities that the Budget includes. These authorizations will occur through approvals of contracts, letter agreements with City Departments, and other transactions.
9. Approval of the proposed changes to the Budget is not a "Project," as defined by the California Environmental Quality Act ("CEQA") Guidelines Sections 15378(b)(4) and 15378(b)(5). The proposed action will not change conditions in any redevelopment project or survey area or at any affordable housing site, will not independently result in a physical change in the environment, and is not subject to environmental review under CEQA.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that its proposed Budget for the period July 1, 2009 through June 30, 2010 is adopted and the Executive Director is authorized to submit the proposed Budget to the Mayor's Office.

APPROVED AS TO FORM:


Mr. James B. Morales 5/28/09
Agency General Counsel

Attachment: Exhibit 1