

RESOLUTION NO. 124-2009

Adopted November 3, 2009

APPROVING AN AMENDMENT OF THE AGENCY'S FISCAL YEAR 09/10 BUDGET TO ALLOCATE \$35 MILLION FOR PAYMENT TO THE EDUCATIONAL REVENUE AUGMENTATION FUND

BASIS OF RESOLUTION

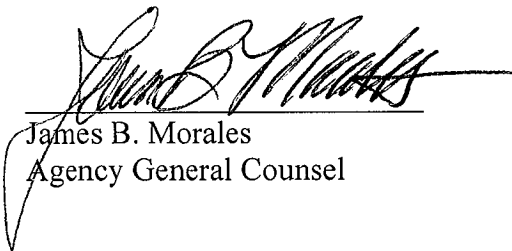
1. The Redevelopment Agency of the City and County of San Francisco (the "Agency") is implementing various Redevelopment Plans and programs in the City and County of San Francisco (the "City") in accordance with the California Community Redevelopment Law, California Health and Safety Code, Sections 33000 et seq. (the "Law").
2. Section 33606 of the Law provides for approval of the annual budget of the Agency, and any amendments to the budget, by the Legislative Body of the City (the "Board of Supervisors").
3. The Board of Supervisors approved the Agency's budget for the fiscal year 2009-10 by Resolution No.267-09 ("Budget").
4. In July 2009, the Legislature approved Assembly Bill No. 26, which requires redevelopment agencies statewide to pay over two billion dollars into the local Educational Revenue Augmentation Fund (ERAF) for fiscal years 2009-10 and 2010-11. AB 26 determined a particular redevelopment agency's payment through a formula relying on an agency's reported tax increment funding in fiscal year 2006-07. Under AB 26, the Agency is obligated to pay \$28.6 million into the local ERAF.
5. On October 6, 2009, the Agency Commission approved, by Resolution No. 108-2009, an amendment to the Budget to allocate \$28.6 million for payment to the Educational Revenue Augmentation Fund.
6. On October 14, 2009, the California Senate approved AB 182, which amends those sections of the Law requiring redevelopment agencies to make payments to the ERAF. Among other things, AB 182 changes the formula for determining a particular redevelopment agency's ERAF payment by using tax increment data from fiscal year 2007-08 instead of from fiscal year 2006-07. Although the statewide amount of ERAF payments does not change, the effect of the new formula will be to increase the Agency's payment by over six million dollars. Under AB 182, the estimated ERAF payment of the Agency is \$ 34.8 million.
7. The California Assembly will consider AB 182 in a special session convening on October 26, 2009.

8. Although the Agency's ERAF payment is not due until May 2010, Section 33331.5 of the Law requires the allocation of the ERAF payment as a prerequisite to the approval of the one year extension of the Yerba Buena Center Redevelopment Plan, which the Agency Commission approved by Resolution No. 109-2009 and which is pending before the Land Use and Economic Development Committee of the Board of Supervisors.
9. The Agency further recognizes that the actions taken pursuant to this resolution are subject to the approval of the Mayor's Office and the Board of Supervisors.
10. 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 it does hereby authorize an amendment to the fiscal year 2009-10 Budget to allocate \$35 million for payment to the Educational Revenue Augmentation Fund with the final amount of the payment subject to determination by the California Director of Finance pursuant to state legislation.

APPROVED AS TO FORM:



James B. Morales
Agency General Counsel