

RESOLUTION NO. 8-2010

Adopted January 19, 2010

AUTHORIZING A LETTER AGREEMENT WITH THE MAYOR'S OFFICE OF ECONOMIC AND WORKFORCE DEVELOPMENT TO ADMINISTER THE SF SHINES FAÇADE AND TENANT IMPROVEMENT PROGRAM FOR A SIX-MONTH TERM WITH ONE SIX-MONTH EXTENSION OPTION IN AN AMOUNT NOT TO EXCEED \$492,977; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. The Bayview Hunters Point Redevelopment Project Area (the "Project Area") was adopted by the Board of Supervisors on May 23, 2006 through a plan amendment process and included two distinct geographic areas both located in the southeast portion of San Francisco: the former Hunters Point Redevelopment Project Area ("Project Area A") and the larger land area added as "Project Area B." Project Area A reverted to City jurisdiction on January 1, 2009. The 1,361-acre Project Area B generally consists of residential, commercial, industrial, and public uses in Bayview Hunters Point.
2. Within Project Area B, the Third Street corridor passes through and anchors four of the Redevelopment Plan's Economic Development Activity Nodes. Retail uses along Third Street are scattered and vacant storefronts are common. Many of the buildings along the Third Street Corridor are two or three stories with varying heights and façade treatments, typically of Victorian or early 20th century vintage. Several of the buildings and facades suffer from some form of deferred maintenance and in some cases, inappropriate remodels.
3. Some of the key goals of the Bayview Hunters Point Redevelopment Plan (the "Redevelopment Plan") are furthering economic development, creating jobs, and improving the physical environment. On December 4, 2007, the Agency Commission received a progress report on the implementation of various redevelopment initiatives and planning efforts. At that time, staff noted the need for future program development to emphasize the creation of economic development programs in accordance with the Redevelopment Plan.
4. The Mayor's Office of Economic and Workforce Development ("OEWD") currently administers the SF Shines Façade and Tenant Improvement Program, which primarily provides grants and design assistance to property owners and merchants to improve facades, storefronts and signs (and tenant improvements in some areas) throughout the City of San Francisco (the "City"). The program targets economically distressed business corridors, including the Third Street Corridor in Bayview Hunters Point.

5. In early 2008, OEWD, in partnership with the Mayor's Office of Community Investment ("MOCI") and Agency staff, began to discuss the possibility of the Agency fulfilling the Redevelopment Plan's programmatic goal of facilitating façade and tenant improvements on Third Street by directly funding the Third Street portion of the City's existing program. Based on this premise, staff from all three agencies began to substantially review and refine the existing program based on the specific needs of the Third Street Corridor and a review of the Agency's successful Sixth Street Commercial Revitalization Program in the South of Market Redevelopment Project Area.
6. Based on subsequent discussions and analysis, as well as feedback and support from the Bayview Hunters Point Project Area Committee and the Bayview Merchants Association, staff proposed and the Agency Commission approved a plan to cooperatively implement a façade and tenant improvement program for Third Street with MOCI as the primary administrator, as part of the City's existing SF Shines Façade and Tenant Improvement Program (the "SF Shines Program").
7. On September 2, 2008, the Agency Commission authorized a letter agreement with MOCI for the administration of a façade and tenant improvement program for the Third Street commercial corridor in Bayview Hunters Point. MOCI has subsequently merged with OEWD and this agreement has expired.
8. Staff believes it would be beneficial for OEWD to continue administering the SF Shines Program in Bayview Hunters Point, and is therefore proposing a new letter agreement with a similar scope of services (the "Letter Agreement"). Under the proposed Letter Agreement, the Agency would provide \$492,977 in funding for the Third Street portion of the program, while OEWD would continue to administer the entire program and fund the other commercial corridors in the City. As proposed, the Agency will provide \$235,183 for façade improvements/design services, and an additional \$257,794 for tenant improvements/design services. The maximum grant for façade improvements is \$13,500 and the maximum grant for tenant improvements is \$25,000.
9. The Agency's \$492,977 would be spent in Bayview Hunters Point over a 12-month period (an initial six-month term with one six-month extension per the Executive Director's discretion). The length of the proposed term is designed to allow City and Agency staff to continue discussions about the final form this program will take in Bayview Hunters Point.
10. Authorization of the proposed Letter Agreement with OEWD is not a Project as defined by the California Environmental Quality Act ("CEQA") Guidelines Section 15378(b)(5). The administration of the façade and tenant improvement program by OEWD would not independently result in a significant physical effect on the environment. Construction activities and design services under the Third Street façade and tenant improvement program are exempt from CEQA, pursuant to CEQA Guidelines Section 15301(a) and 15262, respectively. The interior and exterior

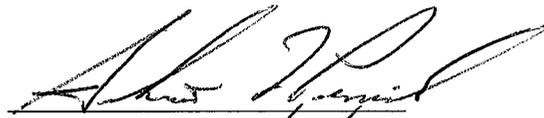
alterations of existing facilities will not expand existing uses and will not result in a significant effect on the environment.

11. Agency staff recommends authorization of the Letter Agreement with OEWD.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to enter into a Letter Agreement with the Mayor's Office of Economic and Workforce Development to administer the SF Shines Façade and Tenant Improvement Program for a six-month term with one six-month extension option in an amount not to exceed \$492,977 in the Bayview Hunters Point Redevelopment Project Area, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:



62 James B. Morales 1/24/10
Agency General Counsel