

RESOLUTION NO. 9-2010

As amended by Agency Commission at meeting on January 19, 2010

AUTHORIZING A LETTER AGREEMENT WITH THE OFFICE OF ECONOMIC AND WORKFORCE DEVELOPMENT TO ADMINISTER MARKETING AND ECONOMIC DEVELOPMENT PROGRAMS IN THE WESTERN ADDITION NEIGHBORHOOD FOR A THREE-YEAR TERM IN AN AMOUNT NOT TO EXCEED \$800,000

BASIS FOR 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 Section 33000 et. seq.
2. In 2008, as the Western Addition Redevelopment Project Area A-2 (the "Project Area") was expiring, Agency and City staff discussed how to leverage the remaining funds in the Project Area budget to meet the ongoing economic development needs of the Western Addition neighborhood. Agency and City staff agreed a portion of the remaining funds should be allocated to continue marketing and economic development efforts in the neighborhood.
3. On December 9, 2008, by Resolution No. 145-2008, the Agency Commission reallocated unused funds set aside for the redevelopment of the Muni Substation for other economic development efforts to be pursued by the City in the Western Addition after the Project Area expired. Part of this reallocation included \$675,000 for façade and tenant improvement loans/grants and \$500,000 for marketing and other economic development programs.
4. On December 16, 2008, by Resolution No. 155-2008, the Agency Commission authorized \$675,000 for façade and tenant improvement loans/grants in an amended and restated letter agreement with the Mayor's Office of Community Investment. That agreement expired at the end of 2009 before it could be implemented, and staff is now asking the Commission's approval for a new letter agreement with the City (the "Letter Agreement") that includes a reduced amount (\$400,000) for façade and tenant improvement loans. The amount requested has been reduced from \$675,000 to \$400,000 due to budget constraints.
5. Although allocated in the revised budget, the \$500,000 for marketing and other economic development programs was never approved by the Agency Commission in a formal agreement. Therefore, staff is including in the proposed Letter Agreement with the City for an additional \$400,000 for this purpose. The Board of Supervisors reduced the prior Commission allocation from \$500,000 to \$400,000 on March 17, 2009.
6. Staff is asking for approval of a new Letter Agreement with Office of Economic and Workforce Development ("OEWD") that includes \$800,000 in programs previously approved and/or earmarked by the Agency Commission and the Board of Supervisors. These programs were fully discussed in the community in a series of public meetings in

2008 and 2009. These programs include: (1) façade and tenant improvement loans/grants previously approved by the Agency Commission on December 16, 2008, by Resolution No. 155-2008 and (2) marketing and economic development efforts previously earmarked for this purpose by the Agency Commission on December 9, 2008, by Resolution No. 145-2008 and the Board of Supervisors on March 17, 2009.

7. The Agency is transitioning to the City the funding and responsibility to complete the work the Agency was unable to finish. The scope of work under the proposed Letter Agreement is intended to improve the Fillmore commercial corridor, located in the Western Addition neighborhood, in several key ways: (1) provide marketing efforts to capitalize on physical development and business attraction already underway in the commercial corridor to enhance the public's awareness and perception of the area, (2) provide business attraction and retention programs, and (3) provide façade and tenant improvement program, and streetscape enhancements.
8. Authorization of this proposed Letter Agreement with OEWD is an Agency administrative activity that will not cause any physical change in the environment and is not a project pursuant to the California Environmental Quality Act ("CEQA") definition of a project contained in CEQA Guidelines Section 15378(b)(5). Implementation activities of the Letter Agreement, including activities under the façade and tenant improvements and streetscape improvements programs that involve rehabilitation of existing facilities and construction of limited numbers of new, small facilities would not have a significant effect on the environment and are exempt from CEQA pursuant to CEQA Guidelines Sections 15301(a) and 15303(d). The economic development programs by OEWD, including business retention and attraction, and advertising and promotion activities would not directly have a significant effect on the environment and are exempt from CEQA pursuant to CEQA Guidelines Sections 15061(b)(3) and 15262.
9. Staff recommends authorization of the Letter Agreement with OEWD, for a term of three years. At the Agency Commission meeting on January 19, 2010, the Commission amended the staff recommended proposal by eliminating the amounts proposed for façade and tenant improvement loans/grants (\$400,000) and for marketing and economic development efforts (\$400,000) and by authorizing the Executive Director to determine the appropriate amounts for these activities.

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 Office of Economic and Workforce Development for a three-year term in an amount not to exceed \$800,000 in the Western Addition Neighborhood for marketing and economic development programs and for a façade and tenant improvement program, with the specific amount for each program to be determined by the Executive Director.

APPROVED AS TO FORM:


for James B. Morales 1/20/10
Agency General Counsel