TO: Community Investment and Infrastructure Commissioners  
FROM: Tiffany Bohee, Executive Director  
SUBJECT: Authorizing the Executive Director to Enter into a Memorandum of Understanding with the City and County of San Francisco Department of Public Works for use of $75,000 Tax-Exempt Bond Proceeds for SOMA Alleyway Improvements per Recognized Obligations Payment Schedule Item 384, subject to Oversight Board and Department of Finance Approval  

EXECUTIVE SUMMARY

The Office of Community Investment and Infrastructure (“OCII”) seeks authorization to enter into a Memorandum of Understanding (“MOU”) with the City and County of San Francisco Department of Public Works (“DPW”) to provide $75,000 in excess South of Market Area (“SOMA”) tax-exempt bond proceeds toward the cost of projects in the former SOMA redevelopment project area. The funds would be applied toward the $4.4 million SOMA Alleyways II Improvements Project.

The payment authority for transferring these funds was approved in ROPS 2014-15A and B, Item 384.

*Staff recommends approval of the attached Resolution.*

DISCUSSION

Pursuant to California Health & Safety Code § 34191.4(c)(2)(A), successor agencies to redevelopment agencies that have been issued a finding of completion by the Department of Finance may expend former redevelopment agency bond proceeds derived from bonds issued on or before December 31, 2010 in excess of the amounts needed to satisfy approved enforceable obligations in a manner consistent with the original bond covenants. OCII received a Finding of Completion on May 29, 2013.

OCII has approximately $591,202 in excess bond proceeds and up to $10,000 associated interest issued for capital improvements in the South of Market Area remaining from Series 1992A, 1994A, 1995A, 1996A, 1996B, 2000A, 2003B, 2007A, 2009B, and 2009F tax-exempt property tax allocation bond issuances. OCII’s Recognized Obligations Payment Schedule (“ROPS”) 2014-15A for the period July to December 2014, Item 384 included payment authority to transfer up to $591,000 in excess SOMA bond proceeds to the City and County of San Francisco for uses consistent with the bond indentures. On September 22, 2014, the Oversight Board through its Resolution 10-2014, provided preliminary approval to raise the payment authority under Item
384 for ROPS 2014-15B (for the period January to June 2015) to $601,000 to include associated interest, subject to Department of Finance approval.

Staff pursued discussion with City departments, including the Mayor’s Office, the Capital Planning Committee, various other departments, and the District 6 Supervisor, regarding the use of these excess bond proceeds. The consensus from the City was that $75,000 of the proceeds be used by the Department of Public Works (“DPW”) to help fund its SOMA Alleyways II Improvement Project, with the balance being used by the Municipal Transportation Agency (“MTA”) to fund 6th Street Pedestrian Improvements. The attached resolution would approve the funding for DPW, subject to Oversight Board and California Department of Finance (“DOF”) concurrence. OCII Staff expect to bring the MTA funding agreement to the Commission at a future meeting.

MOU with DPW for SOMA Alleyways II
As shown in the proposed Memorandum of Understanding (“MOU”) with DPW attached as Exhibit A to the resolution, DPW has proposed to use $75,000 of the SOMA excess bond proceeds toward capital costs of creating safer pedestrian spaces in underutilized alleys that connect major commercial corridors within the SOMA area. Enhancements will be made on Minna, Natoma, Clementina, Tehama, Shipley and Clara Alleyways between Fifth and 6th Street. Improvements will include new street trees, new street lights, special roadway paving, raised crosswalks, and chicanes (alternating-side-of-street parking). The total budget for the project is $4.4 million, including $959,000 awarded by the former San Francisco Redevelopment Agency through Resolution 103-2010, which was used to obtain $1.38 million in federal funds distributed by the Metropolitan Transportation Commission, along with $2 million from the San Francisco Public Utilities Commission. The additional $75,000 approved in this MOU will help fund completion of the project, which is anticipated by June 2015.

This project has had extensive community outreach and public input, documented on DPW’s website at http://sfdpw.org/index.aspx?page=1686, including public workshops on July 30, 2007; February 7, 2008; July 11, 2011; and a community update on November 6, 2013.

Next Steps
Entering into the proposed MOUs requires approval of the Oversight Board and DOF. The funds would be transferred to DPW as soon as DOF concurrence is received. If the proposed MOU is authorized by the Commission, staff expects the MOU to be considered by the Oversight Board at its meeting on December 12, 2014.

Staff recommends approval of the Resolution.

(Originated by Leo Levenson, Deputy Director, Finance and Administration)

Tiffany Bohle
Executive Director