

COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

RESOLUTION NO. 1-2015

Adopted January 20, 2015

**CONDITIONALLY AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO
A GRANT AGREEMENT WITH THE CITY AND COUNTY OF SAN FRANCISCO,
ACTING BY AND THROUGH ITS DEPARTMENT OF REAL ESTATE, FOR USE OF
UP TO \$88,000 OF TAX-EXEMPT BOND PROCEEDS FOR CAPITAL
IMPROVEMENTS TO ELLA HILL HUTCH COMMUNITY CENTER IN THE
FORMER WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2 PER
RECOGNIZED OBLIGATIONS PAYMENT SCHEDULE ITEM 385, SUBJECT TO
APPROVAL BY THE OVERSIGHT BOARD AND CALIFORNIA DEPARTMENT OF
FINANCE**

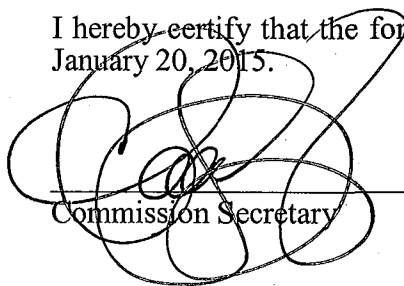
- WHEREAS, Pursuant to California Health & Safety Code § 34191.4(c)(2)(A), successor agencies to redevelopment agencies that have been issued a finding of completion by the Department of Finance may expend former redevelopment agency bond proceeds derived from bonds issued on or before December 31, 2010 in excess of the amounts needed to satisfy approved enforceable obligations in a manner consistent with the original bond covenants. Successor Agency to the City and County of San Francisco Redevelopment Agency, operating as the Office of Community Investment and Infrastructure (“OCII”) received a Finding of Completion on May 29, 2013; and,
- WHEREAS, OCII has approximately \$83,000 in excess bond proceeds plus up to \$5,000 of associated interest, for a total of up to \$88,000 (“Excess Bond Proceeds”), issued for capital improvements in the former Western Addition Redevelopment Project Area A-2 remaining from Series 1991A, 1992A, 1994A, 1995A, 1998A, and 2003 B Tax Exempt Bond Issuances; and,
- WHEREAS, On September 22, 2014, the Oversight Board adopted Resolution 10-2014 approving OCII’s Recognized Obligations Payment Schedule (“ROPS”) 2014-15B. Item 385 of ROPS 2014-15B provided preliminary approval to OCII to transfer the Excess Bond Proceeds to the City and County of San Francisco for uses consistent with the bond indentures; and,
- WHEREAS, As shown in the attached proposed Grant Agreement (“Exhibit A”), the City and County of San Francisco, acting by and through its Department of Real Estate (“DRE”), has proposed to use the Excess Bond Proceeds for capital improvements to the Ella Hill Hutch Community Center; and,
- WHEREAS, The uses for the Excess Bond Proceeds proposed in Exhibit A are consistent with the bond covenants; and,

WHEREAS, Approval of a Grant Agreement to transfer the Excess Bond Proceeds to DRE is not a "Project," as defined by the California Environmental Quality Act ("CEQA") Guidelines Sections 15378(b)(4) and 15378(b)(5). Actions related to the proposed Grant Agreement will not independently result in a physical change in the environment are not subject to environmental review under CEQA; now, therefore, be it

RESOLVED, That the Executive Director is hereby authorized to enter into a Grant Agreement with the City and County of San Francisco, acting by and through its Department of Real Estate, substantially in the form of the attached Exhibit A, subject to Oversight Board and California Department of Finance approval.

Exhibit A: Grant Agreement by and between the Successor Agency to the Redevelopment Agency, commonly known as the Office of Community Investment and Infrastructure and The City and County of San Francisco, acting by and through its Department of Real Estate

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of January 20, 2015.



Commission Secretary

EXHIBIT A

GRANT AGREEMENT

by and between

the Successor Agency to the Redevelopment Agency, commonly known as
the Office of Community Investment and Infrastructure

and

The City and County of San Francisco,
Acting by and through its Department of Real Estate

for

Ella Hill Hutch Community Center Improvement Project

Executed by the parties as of _____, 2015

Concurred to by the OCII Commission through Resolution __-2015 on _____, 2015

Concurred to by the Successor Agency Oversight Board through Resolution __-2015
on _____, 2015

Concurred to by the California Department of Finance on _____, 2015

Grant Agreement

This Grant Agreement ("Agreement") is entered into between the Successor Agency to the San Francisco Redevelopment Agency ("Successor Agency"), also known as the Office of Community Investment and Infrastructure ("OCII"), and the City and County of San Francisco, acting by and through its Department of Real Estate ("DRE"), for capital improvements to the Ella Hill Hutch Community Center in the former Western Addition Redevelopment Project Area A-2. The Successor Agency and DRE are the parties to this Agreement (collectively, the "Parties").

RECITALS

A. 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. The Successor Agency received a Finding of Completion on May 29, 2013.

B. The Successor Agency has approximately \$83,000 in excess bond proceeds and up to \$5,000 associated interest, for a total of up to \$88,000 ("Excess Bond Proceeds"), issued for capital improvements in the former Western Addition Redevelopment Project Area A-2 remaining from Series 1991A, 1992A, 1994A, 1995A, 1998A, and 2003 B Tax Exempt Bond Issuances. On September 22, 2014, the Oversight Board through its Resolution 10-2014, provided preliminary approval to the Successor Agency to transfer up to \$88,000 to DRE for uses consistent with the bond indentures.

C. DRE has proposed programming the Excess Bond Proceeds for disbursement under this Agreement for improvements to the Ella Hill Hutch Community Center (the "Improvement Project"), located in the former Western Addition Redevelopment Project Area A-2.

D. Disbursement of funds under this Agreement is subject to OCII Commission, Oversight Board and Department of Finance concurrence.

NOW, THEREFORE, in consideration of the above recitals and the mutual promises and covenants set forth in this Agreement, the Parties agree as follows:

- 1. Scope of Work.** The Ella Hill Hutch Community Center provides community services for the Western Addition neighborhood, including a Head Start preschool, after school programs, job training, counseling, and sports leagues. The facility, which includes offices, classrooms, a daycare center, meeting rooms, a kitchen, and a large gymnasium, is in need of a number of lighting and energy efficiency upgrades. Accordingly, the Scope of Work for the Improvement Project includes:
 - Task #1: Implementing improvements to the exterior lighting system by installing new LED lighting, repairing failed electrical circuits and adding control mechanisms for security and efficiency.
 - Task #2: Restoring the building control system for heating, cooling and ventilation throughout the building which currently does not have

a functional user interface. This will allow for better temperature control throughout the building for occupant comfort and energy efficiency.

- Task #3: Installing controls to set lighting and ventilation at specific times of day for occupancy and after hours.
- Task #4: Installing electrical controls to allow for adjustments to the lighting levels of the gymnasium during daylight hours when the space is naturally lit.

2. **Amount of Excess Bond Proceeds.** DRE estimates that the total cost to complete the Scope of Work is approximately \$183,000. The Successor Agency agrees to provide \$83,000 in Excess Bond Proceeds, plus associated interest up to \$5,000, towards completion of Task #1 of the Scope of Work, subject to the terms and conditions set forth in this Agreement. DRE anticipates that the balance of the funds needed to complete Tasks #2 - #4 of the Scope of Work will come from the Trans Bay Cable, subject to the approval of the Public Utilities Commission.
3. **Use of Excess Bond Proceeds.** DRE shall use disbursed Excess Bond Proceeds to pay for a portion of the necessary and relevant predevelopment and construction costs related to Task #1 of the Scope of Work described in Paragraph 1 of this Agreement. DRE may also use any interest earned on advanced Excess Bond Proceeds toward Task #1 of the Scope of Work.
4. **Effective Date and Term.** This Agreement shall become effective on the date that the Department of Finance concurs with an Oversight Board resolution approving this Agreement, and shall expire on the earlier of: (a) 24 months from the Commencement Date, except if extended in writing by the Successor Agency, or (b) the date DRE receives a written notice from the Successor Agency acknowledging the completion of the Improvement Project. The estimated completion date is November, 2015.
5. **Compliance with Internal Revenue Service Requirements Related to the Management and Expenditure of Tax-Exempt Bond Proceeds.** DRE shall be responsible for compliance with Internal Revenue Service requirements related to the management and expenditure of tax-exempt bond proceeds, including ensuring that adequate documentation is maintained to show that expenditures meet the eligible requirements for use of tax-exempt bond proceeds, and to comply with any arbitrage requirements related to interest that may be earned on unexpended tax-exempt bond proceeds. Such documentation shall be retained for at least seven years following completion of the work funded under this Agreement.
6. **Disbursement.** The Successor Agency agrees to transfer the Excess Bond Proceeds using the transfer mechanism and accounting codes approved by the City and County of San Francisco Controller's Office no later than 5 business days from the effective date of this Agreement.
7. **Report of Expenditures.** DRE will provide to the Successor Agency records demonstrating the expenditure of Excess Bond Proceeds for Task #1 of the Scope of Work on an annual basis, by August 15 of each year until the funds are fully expended or returned to the Successor Agency.
8. **Excess Bond Proceeds.** Any Excess Bond Proceeds that have not been expended pursuant to this Agreement by the completion of Task #1 of the Scope of Work or

by the termination of this agreement shall be returned to the Successor Agency within 30 days after the completion of Task #1 of the Scope of Work or expiration of this Agreement, whichever is sooner.

9. **General Indemnity.** DRE shall defend, hold harmless and indemnify the Successor Agency, and its commissioners, members, officers, agents and employees of and from any and all claims, demands, losses, costs, expenses including attorney's fees, obligations, damages, injuries, actions, causes of action and liabilities of every kind, nature and description directly or indirectly, arising out of or connected with this Agreement, and any of DRE's activities related thereto, including any liabilities associated with DRE's management of tax-exempt bond funds and associated interest arising from Internal Revenue Service audits, but excluding the willful misconduct or gross negligence of the person or entity seeking to be defended, indemnified or held harmless.
10. **Amendments.** The Agency and DRE reserve the right to amend this Agreement by mutual consent. It is mutually understood and agreed that no amendment, modification, alteration or variation of the terms of this Agreement shall be valid unless in writing and signed and acknowledged and approved by both parties.

This Agreement is agreed to on the date(s) below, subject to OCII Commission, Oversight Board and California Department of Finance Concurrence:

I. City and County of San Francisco, Department of Real Estate

John Updike, Director

Date: _____

II. OCII/Successor Agency to the San Francisco Redevelopment Agency

Tiffany Bohee, Executive, Director

Date: _____