

COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

RESOLUTION NO. 53-2015

Adopted, August 18, 2015

CONDITIONALLY AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A GRANT AGREEMENT WITH THE CITY AND COUNTY OF SAN FRANCISCO, ACTING THROUGH THE DEPARTMENT OF PUBLIC WORKS, FOR UP TO \$450,000 IN TAX-EXEMPT BOND PROCEEDS FOR PALOU AVENUE STREETScape AND JENNINGS STREET PLAZA CAPITAL IMPROVEMENTS CONSISTENT WITH RECOGNIZED OBLIGATIONS PAYMENT SCHEDULE ITEM 387, SUBJECT TO APPROVAL BY THE OVERSIGHT BOARD AND DEPARTMENT OF FINANCE; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA

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. The Successor Agency to the City and County of San Francisco Redevelopment Agency, commonly known as the Office of Community Investment and Infrastructure (“OCII”), received a Finding of Completion on May 29, 2013; and,

WHEREAS, OCII has approximately \$884,000 in excess bond proceeds and up to an additional \$12,000 in associated interest remaining from tax-exempt bonds issued prior to 2011 for capital improvements in the BVHP Redevelopment Project Area B; and,

WHEREAS, On February 3, 2015, the Oversight Board approved, by Resolution No. 3-2015, a grant agreement with the City and County of San Francisco in the amount of \$446,000 from the excess bond proceeds for the Third Street Corridor pedestrian improvements, and the California Department of Finance (“DOF”) approved the Oversight Board action on April 15, 2015; and,

WHEREAS, OCII’s Recognized Obligations Payment Schedule (“ROPS”) 2015-16A, Item 387, included payment authority of up to \$450,000 for the remaining excess Bayview Hunters Point bond proceeds to the City and County of San Francisco for the Palou Avenue Streetscape Improvements and Jennings Street Plaza capital improvements. The Oversight Board and DOF have approved ROPS 2015-16A; and,

WHEREAS, As shown in the attached proposed Grant Agreement (“Exhibit A”), the City and County of San Francisco, acting through its Department of Public Works (“DPW”), has proposed to use up to \$450,000 of the Bayview Hunters Point excess tax-exempt bond proceeds for Palou Avenue Streetscape and Jennings Street Plaza capital improvements in the Bayview Hunters Point Project Area; and

WHEREAS, DPW shall provide invoices to OCII documenting eligible expenditures at least once annually or more often at the discretion of the DPW. OCII shall reimburse DPW within 30 days of receipt of a satisfactory invoice; and

WHEREAS, DPW has agreed to comply 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; and,

WHEREAS, The uses for excess bond proceeds in Exhibit A are consistent with the bond covenants and shall over cover capital improvements; and,

WHEREAS, Prior to commencement of construction of the Palou Streetscape and Jennings Street Plaza (“Project”) and prior to the release and use of these Grant Agreement funds, the City and County of San Francisco will conduct environmental review as required by the California Environmental Quality Act (“CEQA”), acting as Lead Agency, pursuant to CEQA. Release and use of these Grant Agreement funds will be contingent upon the City and County of San Francisco’s approval of the Project and of Project-related CEQA findings; 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 through its Department of Public Works, 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 through its Department of Public Works

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of August 18, 2015.



Commission Secretary

GRANT AGREEMENT

by and between

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

and

The Department of Public Works

for

Palou Avenue Streetscape and Jennings Street Plaza Capital Improvements Executed by the
parties as of _____, 2015

Concurred to by the Commission on Community Investment and Infrastructure 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, also known as the Office of Community Investment and Infrastructure, ("OCII"), and the Department of Public Works ("DPW"), to provide up to \$450,000 in tax-exempt bond proceeds for Palou Avenue Streetscape and Jennings Street Plaza capital improvements within the boundaries of the Bayview Hunters Point Project Area B. The OCII and DPW 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. OCII received a Finding of Completion on May 29, 2013.

B. OCII had approximately \$884,000 in excess bond proceeds and up to an additional \$12,000 in associated interest earnings for capital improvements in the Bayview Hunters Point Project Area B remaining from Series 2009B, and 2009F issuances. On February 3, 2015 the Oversight Board through its Resolution 5-2015, included payment authority to transfer a total amount not to exceed \$450,000 in excess bond proceeds to the DPW for uses consistent with the bond indentures, as shown on OCII's Recognized Obligations Payment Schedule ("ROPS") 2015-16A Item 387.

C. The California Development of Finance ("DOF") approved the 2015-16A ROPS on April 15, 2015.

D. On February 3, 2015, the Oversight Board of OCII of the City County of San Francisco through its Resolution 3-2015, authorized a grant agreement with Office Economic and Workforce Development for \$446,000 in Tax-Exempt Bond Proceeds for Third Street Corridor pedestrian improvements through the SF Shines Façade and Tenant Improvement Program and the Community Challenge Grant Program in the Bayview Hunters Point Redevelopment Project Area.

E. DPW has identified capital improvement on Palou Avenue and Jennings Street ("Palou/Jennings") as eligible uses consistent with the bond indentures.

F. Disbursement of the Bond Proceeds under this Grant Agreement is subject to Commission on Investment and Infrastructure, 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** DPW shall award grants for eligible tax-exempt activities related to the Palou/Jennings capital improvement project, which has the following elements:
 - a. Palou Avenue Streetscape and Jennings Plaza Capital Improvements:** Invest in the pedestrian improvements at Palou or at a public plaza located at Jennings Street, that may include the following capital improvements:

- i. Assistance with permanent site improvements at Jennings and Palou such as lighting, hardscape, fencing and gate(s), paving, walls, seat walls, painting, site furniture, trees, and landscaping.
 - ii. Pedestrian safety improvements along Palou Avenue that may include installation of public art, median islands, landscaping, lighting, decorative crosswalks, signage, and paving or other improvements to enhance the pedestrian experience and improve pedestrian safety within the project boundary.
 - b. The preliminary cost estimate is \$450,000, and the construction would begin in 2016 with an estimated completion in 2017.
 - c. DPW shall not use the proceeds under this Agreement to fund improvements that CP Development Co., LP are obligated to complete for Palou streetscape improvements under the Infrastructure Plan of Candlestick Point/Hunters Point Shipyard Phase 2, which is an exhibit to the Interagency Cooperation Agreement between CP Development Co., LP, a partnership including the Lennar Corporation (“Developer”) and City and County of San Francisco.
 - d. Prior to commencement of construction of the Palou Streetscape and Jennings Street Plaza capital improvements (“Project”), and prior to the release and use of these Grant Agreement funds, the City and County of San Francisco will conduct environmental review as required by the California Environmental Quality Act (“CEQA”), acting as Lead Agency, pursuant to CEQA. Release and use of these Grant Agreement funds will be contingent upon the City and County of San Francisco’s approval of the Project and of Project-related CEQA findings.
2. **Adjustments to Scope of Work to Accommodate Funding Limitations.** If the final budget exceeds the amount of funding available under this Agreement, DPW will have discretion to reduce the scope to accommodate the funding available or seek other sources of funds to complete the scope. OCII will not provide any more funds towards the scope of work beyond those agreed to in this Agreement.
 3. **Disbursement.** DPW shall provide invoices to OCII documenting eligible expenditures at least once annually or more often at the discretion of the DPW. OCII shall reimburse DPW within 30 days of receipt of a satisfactory invoice.
 4. **Compliance with Internal Revenue Service requirements related to the management and expenditure of tax-exempt bond proceeds.** DPW shall cooperate and coordinate with OCII to ensure compliance with Internal Revenue Service requirements related to the management and expenditure of tax-exempt bond proceeds. DPW 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.

5. **Effective Date and Term.** This Agreement shall become effective on either (a) on the date which this Agreement is approved by the Oversight Board, and if DOF does not request a review of this Agreement within the five day period provided under the Redevelopment Dissolution Law or (b) on the date which this Agreement is approved by DOF. This Agreement shall expire on the earlier of: (a) 24 months from the effective date as described above, except if extended in writing by OCII, or (b) the date OCII receives a written notice from DPW acknowledging the completion of the Project.
6. **General Indemnity.** a) DPW shall defend, hold harmless and indemnify OCII, and its commissioners, members, officers, agents and employees of and from any and all claims, demands, losses, costs, expenses including reasonable attorney's fees, obligations, damages, injuries, actions, causes of action and liabilities of every kind (collectively, "Claims"), nature and description directly or indirectly, arising out of or connected with DPW's use of the Bond Proceeds under this Agreement, but excluding the willful misconduct or gross negligence of OCII, indemnified or held harmless. Notwithstanding the foregoing, DPW shall have no liability whatsoever nor shall the preceding indemnification apply to any Claims arising out of or connected with the repayment obligations for the Bond Issuances.
 - b) OCII shall defend, hold harmless and indemnify DPW and its commissioners, members, officers, agents and employees of and from any and all Claims arising out of or connected with OCII's repayment obligations under the Bond Issuances.
 - c) The indemnifications provided in this Section 6 shall survive termination of the Agreement.
7. **Amendments:** OCII and DPW reserve the right to amend this Agreement by mutual consent. It is mutually understood no amendment of the terms of this Agreement shall be valid unless in writing and signed and acknowledged by both Parties.

This Agreement is agreed to on the date(s) below, subject to Commission on Community Investment and Infrastructure, Oversight Board and California Department of Finance review and approval:

1. Department of Public Works

_____ Date: _____
 Julia Dawson
 Deputy Director for Financial Management and Administration

**2. Office of Community Investment and Infrastructure
 Successor Agency to the San Francisco Redevelopment Agency**

_____ Date: _____
 Tiffany Bohee, Executive, Director