

1 [Approving an Amendment to the Rincon Point-South Beach Redevelopment Plan to Extend
2 the Redevelopment Agency's Time for Repaying Debt and to Suspend the Limit on Total
3 Indebtedness and Tax Increment Revenue for Affordable Housing Development.]

4 **Ordinance approving an amendment to the Rincon Point-South Beach Redevelopment**
5 **Plan to extend the time for the San Francisco Redevelopment Agency's receipt of tax**
6 **increment and to suspend both the limit on the total indebtedness outstanding at any**
7 **one time and the limit on the total number of dollars of tax increment revenue that may**
8 **be received by the San Francisco Redevelopment Agency under the Plan in order to**
9 **continue financing Low and Moderate Income Housing Fund activities under the Plan.**

10 Note: Additions are single-underline italics Times New Roman;
11 deletions are ~~strikethrough italics Times New Roman~~.
12 Board amendment additions are double underlined.
13 Board amendment deletions are ~~strikethrough normal~~.

13 Be it ordained by the People of the City and County of San Francisco:

14 Section 1. The Board of Supervisors of the City and County of San Francisco hereby
15 finds and declares as follows:

16 a. The Board of Supervisors originally approved the Rincon Point-South Beach
17 Redevelopment Plan by adopting Ordinance No. 14-91 on January 5, 1981. Since then, the
18 Board of Supervisors has amended the plan nine times. (The plan, as so amended, is
19 referred to herein as the "Plan".) The Plan contains several limitations on the use of property
20 taxes received pursuant to California Health and Safety Code Section 33670 previously
21 imposed by the Community Redevelopment Law, California Health and Safety Code
22 Sections 33000 et seq. (All future section references are to the California Health and Safety
23 Code unless otherwise noted.) The Plan presently (i) prohibits the Redevelopment Agency of
24 the City and County of San Francisco (the "Redevelopment Agency") from incurring new debt
25 after January 5, 2021, the date on which the Plan terminates, (ii) prohibits the Redevelopment

1 Agency from repaying any debt incurred for the Plan after January 5, 2031, (iii) imposes a
2 \$100,000,000 limit on the amount of debt that can be outstanding at any one time from the
3 issuance of bonds to be repaid in whole or in part from the allocation of tax increment
4 revenue, and (iv) imposes a \$230,000,000 limit on the total amount of tax increment revenue
5 that the Redevelopment Agency may receive cumulatively over the life of the Plan for
6 redevelopment activities.

7 b. The current amount of outstanding indebtedness under the Plan is
8 approximately \$88,000,000 and the total amount of tax increment revenue to be received by
9 the Redevelopment Agency over the life of the Plan is over \$229,000,000; thus the limits on
10 the Redevelopment Agency's bonded indebtedness and tax increment revenue for the Plan
11 have either been reached or substantially reached.

12 c. Since January 1, 1976, all redevelopment agencies have had a statutory
13 obligation under Section 33413 to provide an equal number of replacement housing units
14 when they destroy or remove housing affordable by low or moderate income persons
15 ("Affordable Housing") in a redevelopment project area.

16 d. In 2000, the California Legislature added Section 33333.7, which authorized the
17 Redevelopment Agency, with the Board of Supervisors' approval, to extend its tax increment
18 revenue financing powers "to redress the demolition of a substantial number of residential
19 dwelling units affordable to very low, low, and moderate income households during the
20 agency's earlier urban renewal efforts [prior to 1976]." (Statutes 2000, Chapter 661 § 1(a)).
21 The Legislature found that the "Redevelopment Agency of the City and County of
22 San Francisco, due to its unique housing situation and net loss of affordable housing units in
23 [older] project areas, wishes, to the greatest extent feasible, to replace these lost units
24 according to the formulas set forth in Section 33413 of the Health and Safety Code."
25 (Statutes 2000, Chapter 661 § 1 (b)).

1 e. The California Department of Housing and Community Development ("HCD")
2 has determined that, prior to 1976, the Redevelopment Agency demolished 14,207 units and
3 replaced 7,498 units, resulting in a net loss of 6,709 affordable units. To date, the
4 Redevelopment Agency has not replaced these lost units, but has committed funding for the
5 construction of 241 replacement units that are in the predevelopment phase.

6 f. In 2001, the California Legislature revised the Health and Safety Code to add
7 Section 33333.8 and Section 33333.6(f). Under Section 33333.8, any time limit in a
8 redevelopment plan for the receipt of tax increment revenue and the repayment of debt, and
9 any limit on the total amount of tax increment funds that a redevelopment agency may receive
10 for any project area, shall be suspended until the redevelopment agency fulfills its affordable
11 housing obligations. Section 33333.8 (a)(1) defines these obligations and includes the
12 "obligation to provide replacement housing pursuant to subdivision (a) of Section 33413
13 and other similar and related statutes" (the "Affordable Housing Obligations").
14 Section 33333.6(f) confirms that the suspension of plan limits provided by Section 33333.8
15 applies to redevelopment plans adopted on or before December 31, 1993. Under
16 Section 33333.6(e)(4)(B) the Board of Supervisors may amend the Plan as contemplated by
17 the Ordinance without following the amendment process otherwise required by the
18 Community Redevelopment Law. Accordingly, under Section 33333.8 the Board of
19 Supervisors has the authority to amend the Plan as contemplated by this Ordinance to permit
20 the Redevelopment Agency to receive additional tax increment revenue from the Rincon
21 Point-South Beach Project Area for use in fulfilling the Redevelopment Agency's Affordable
22 Housing Obligations, subject only to the payment of funds to repay indebtedness and required
23 payments to taxing entities under Section 33607.5.

24 g. On July 18, 2006, the Board of Supervisors adopted Resolution No. 423-06,
25 approving the Redevelopment Agency's budget for fiscal year 2006-07, and authorizing the

1 issuance by the Redevelopment Agency of bonds in a principal amount not to exceed
2 \$146,850,000, including at least approximately \$34,000,000 in bonds that are contingent on
3 the adoption of this Ordinance.

4 h. In Ordinance No. 15-05, the Board of Supervisors has previously approved the
5 extension of time limits for establishment of loans, advances and indebtedness applicable to
6 the Embarcadero-Lower Market (Golden Gateway) Redevelopment Plan, the Hunters Point
7 Redevelopment Plan, and the India Basin Redevelopment Plan for the exclusive purpose of
8 financing low and moderate income housing fund activities.

9 i. The Redevelopment Agency approved the proposed amendments to the Plan at
10 a public hearing on January 16, 2007, and transmitted to the Clerk of the Board of
11 Supervisors a certified copy of San Francisco Redevelopment Agency Resolution No. 4-2007,
12 recommending that the Board of Supervisors amend the Plan. Copies of the San Francisco
13 Redevelopment Agency Resolution and the proposed amendment to the Plan (the
14 "Redevelopment Plan Amendment") are on file with the Clerk of the Board of Supervisors in
15 File No. 070335.

16 j. This Ordinance is exempt from the California Environmental Quality Act
17 (California Public Resources Code Sections 21000 et seq. and hereafter referred to as
18 "CEQA") because it creates a government funding mechanism that does not involve any
19 commitment to any specific project which may result in a potentially significant physical impact
20 on the environment and therefore is not a "project" under Sections 15378(b)(4) and
21 15060(c)(3) of the State CEQA Guidelines.

22 Section 2. Pursuant to Sections 33333.8 and 33333.6(e)(4)(B), the Board of
23 Supervisors of the City and County of San Francisco hereby approves the Redevelopment
24 Plan Amendment filed with the Clerk of the Board of Supervisors in File No. 070335.

1 The Redevelopment Plan Amendment will (i) extend the time limit for the receipt of tax
2 increment revenue to repay indebtedness for the purpose of enabling the Redevelopment
3 Agency to fulfill its Affordable Housing Obligations under Sections 33333.8(a) and 33333.7(d),
4 and (ii) suspend, for the exclusive purpose of financing Low and Moderate Income Housing
5 Fund activities as described in Section 1 above, (a) the \$100,000,000 limit on the amount of
6 debt that can be outstanding at any one time from the issuance of bonds to be repaid in whole
7 or in part from the allocation of tax increment funds, and (b) the limit on the amount of tax
8 increment funds that the Redevelopment Agency may receive.

9 Section 3. Nothing in this Ordinance shall be construed to: 1) change the existing
10 January 5, 2021 time limit for incurring new debt under Plan for the purpose of financing Low
11 and Moderate Income Housing Fund activities; 2) extend the effectiveness of the Plan beyond
12 its expiration date of January 5, 2021; 3) limit the Redevelopment Agency's ability to refund, in
13 whole or in part, any indebtedness incurred by the Redevelopment Agency for any purpose so
14 long as the refunding achieves debt service savings; or 4) authorize the Redevelopment
15 Agency to incur any indebtedness, other than as provided in subsection 3 above, not
16 previously approved by the Board of Supervisors.

17 Section 4. The Redevelopment Agency will continue to (a) ensure that its expenditure
18 of funds will be consistent with San Francisco's housing element and its consolidated and
19 annual action plans submitted to the United States Department of Housing and Urban
20 Development, and will address the unmet housing needs of very low, low- and moderate
21 income households, (b) request that HCD certify annually, among other things, that
22 San Francisco has a housing element that substantially complies with state law, that the
23 housing element indicates an unmet need for Low and Moderate Income Housing Fund
24 activities, and that the Redevelopment Agency has met its other affordable housing
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1 obligations, and the Redevelopment Agency will obtain the appropriate certifications prior to
2 incurring any debt that this Ordinance would authorize, and (c) make the required payments to
3 taxing entities under Section 33607.5 until the Plan terminates on January 5, 2021.

4 Section 5. The Clerk of the Board of Supervisors shall without delay (1) transmit a
5 copy of this Ordinance to the Redevelopment Agency, (2) record or ensure that the
6 Redevelopment Agency records a certified copy of this Ordinance, and (3) transmit, by
7 certified mail, return receipt requested, a copy of this Ordinance, together with a copy of the
8 Redevelopment Plan Amendment and a legal description of the Rincon Point-South Beach
9 Project Area and a map indicating the boundaries of the Rincon Point-South Beach Project
10 Area, to the Controller, the Tax Assessor, the State Board of Equalization and the governing
11 body of all taxing agencies in the Rincon Point-South Beach Project Area.

12 APPROVED AS TO FORM:
13 DENNIS J. HERRERA, City Attorney

14 By: 
15 ANITA L. WOOD
16 Deputy City Attorney
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City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails Ordinance

File Number: 070335

Date Passed:

Ordinance approving an amendment to the Rincon Point-South Beach Redevelopment Plan to extend the time for the San Francisco Redevelopment Agency's receipt of tax increment and to suspend both the limit on the total indebtedness outstanding at any one time and the limit on the total number of dollars of tax increment revenue that may be received by the San Francisco Redevelopment Agency under the Plan in order to continue financing Low and Moderate Income Housing Fund activities under the Plan.

May 1, 2007 Board of Supervisors — PASSED ON FIRST READING

Ayes: 10 - Ammiano, Alioto-Pier, Daly, Dufty, Elsbernd, Maxwell, McGoldrick, Mirkarimi, Peskin, Sandoval

Noes: 1 - Jew

May 8, 2007 Board of Supervisors — FINALLY PASSED

Ayes: 9 - Alioto-Pier, Ammiano, Daly, Dufty, Elsbernd, Maxwell, Mirkarimi, Peskin, Sandoval

Noes: 1 - Jew

Excused: 1 - McGoldrick

File No. 070335

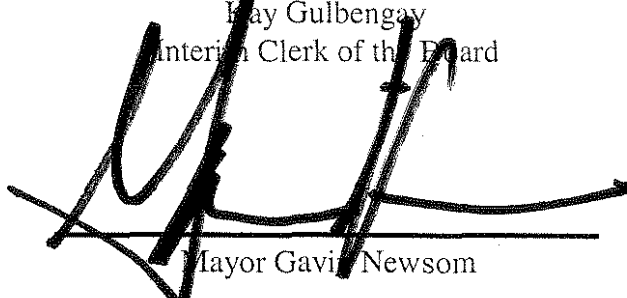
I hereby certify that the foregoing Ordinance was **FINALLY PASSED** on May 8, 2007 by the Board of Supervisors of the City and County of San Francisco.

Kay Gulbengay

Kay Gulbengay
Interim Clerk of the Board

MAY 18 2007

Date Approved



Mayor Gavin Newsom