

1 [Transfer of Assets, Obligations and Functions to the City as Successor Agency for the
2 Redevelopment Agency Upon its Dissolution as Required by State Law]

3 **Resolution 1) approving the retention by the City and County of San Francisco**
4 **(the "City") as successor agency to the Redevelopment Agency of the City and County**
5 **of San Francisco (the "Agency") of the Agency's affordable housing assets and**
6 **functions upon the Agency's dissolution, including all funds in the Agency's Low and**
7 **Moderate Income Housing Fund, and authorizing the Mayor's Office of Housing to**
8 **manage these affordable housing assets and to exercise the housing functions that the**
9 **Agency previously performed; 2) acknowledging that upon the Agency's dissolution**
10 **the City as successor agency shall accept the transfer of all of the Agency's non-**
11 **affordable housing assets, which shall be placed under the jurisdiction of the Director**
12 **of the Department of Administrative Services unless otherwise provided for in the**
13 **Charter, and that the Director shall have the authority to manage such assets and to**
14 **exercise the functions that the Agency previously performed for such assets;**
15 **3) providing for the required payment and performance of enforceable obligations, the**
16 **transfer and establishment of funds and accounts, and for the administration of funds**
17 **and other assets, all associated with the City's exercise of its responsibilities as**
18 **successor agency to the Agency under state law; 4) authorizing the new Oversight**
19 **Board, which state law requires the City as successor agency to create, to oversee**
20 **certain fiscal management of former Agency assets other than affordable housing**
21 **assets, to exercise land use, development and design approval authority under the**
22 **enforceable obligations for the Mission Bay Redevelopment Project Area, Hunters**
23 **Point Shipyard Project Area and Zone 1 of the Bayview Hunters Point Redevelopment**
24 **Project Area, and part of the Transbay Redevelopment Project Area, in place of the**
25 **former Agency Commission, authorizing the Oversight Board to approve certain**

1 **changes to such obligations, related documents and certain new agreements to**
2 **implement those enforceable agreements, including review and approval for issuing**
3 **bonds under such agreements, and authorizing the director of the Department of**
4 **Administrative Services to provide coordinated staff support to the Oversight Board, in**
5 **the place of staff of the former Agency, in the exercise of these functions ;**
6 **5) rescinding the designation of the Treasure Island Development Authority as a**
7 **redevelopment agency; and 6) making findings under the California Environmental**
8 **Quality Act.**

9
10 WHEREAS, In accordance with the California Community Redevelopment Law,
11 California Health and Safety Code section 33000 et. seq. (the "CRL"), the Board of
12 Supervisors (the "Board") created the Redevelopment Agency of the City and County of San
13 Francisco (the "Agency") and approved redevelopment plans to alleviate blight in various
14 parts of the City. For more than 60 years, the Agency has been engaged in state-authorized
15 activities to implement those plans; and,

16 WHEREAS, Since the Board's adoption of those redevelopment plans, the Agency has
17 played a critical role in alleviating physical and economic blight in disadvantaged
18 neighborhoods in San Francisco, by attracting private investment and leveraging public
19 resources to increase the City's supply of affordable housing, improve public facilities and
20 infrastructure, create jobs and expand the local economy; and,

21 WHEREAS, The Agency has seven active redevelopment project areas approved by
22 the Board, consisting of (1) the Mission Bay North and the Mission Bay South Project Areas
23 (collectively "Mission Bay"), (2) Phases One and Two of the Hunters Point Shipyard Project
24 Area and Zone 1 of the Bayview Hunters Point Project Area (collectively, "Hunters Point
25 Shipyard/Candlestick Point"), (3) the Transbay Transit Center Project Area ("Transbay"),

1 (4) the South of Market Project Area, (5) the Visitacion Valley Project Area, (6) the Bayview-
2 Hunters Point Project Area, and (7) the Rincon Point-South Beach Project Area; and,

3 WHEREAS, In some of those redevelopment project areas, including Mission Bay,
4 Hunters Point Shipyard/Candlestick Point and Rincon Point-South Beach, the Agency has
5 established Community Facilities Districts (the "CFDs") to help finance the construction of
6 infrastructure and pay for services; and,

7 WHEREAS, In connection with its approval of the redevelopment plan for each of the
8 active project areas, the Board adopted land use designations, design controls and
9 procedures under the redevelopment plans and in some instances under related interagency
10 cooperation agreements and other documents and the Agency has adopted further
11 designations, controls and procedures consistent with the Board-adopted controls
12 (collectively, "Land Use Controls"), which designations, controls and procedures will continue
13 to apply and govern land use and development decisions in these areas unless and until the
14 Board adopts zoning legislation to alter such Land Use Controls, all subject to enforceable
15 obligations with private parties that apply to some of those of project areas; and,

16 WHEREAS, In furtherance of redevelopment plans that the Board approved and pre-
17 existing binding contracts and other enforceable obligations that the Agency has entered into
18 with third parties, the Agency has been engaged in implementing three major integrated,
19 multi-phase revitalization projects that are vital to the City's future, including Mission Bay,
20 Hunters Point Shipyard/Candlestick Point and parts of Transbay (including Zone 1)
21 (collectively, the "Major Approved Development Projects"), which rely on Land Use Controls
22 that the Agency directly administered; and,

23 WHEREAS, Enforceable obligations for the Major Approved Development Projects,
24 including, among others, agreements with or for the express benefit of private investors as
25 well as regional, state and federal agencies, require the pledge for the duration of those

1 projects of incremental property tax revenues generated in the project areas (including, for
2 Transbay, parcels T and F in Zone 2) for the purpose of building public infrastructure and
3 public facilities to support development of projects and of developing affordable housing, and
4 specifically oblige the issuance of bonds or other evidences of indebtedness (collectively,
5 "Bonds") for those purposes that the City will pay back based on such pledges of increment
6 according to the terms and conditions of those binding agreements; and,

7 WHEREAS, Integrated with such financing obligations for Mission Bay and Hunters
8 Point Shipyard/Candlestick Point are other provisions of the enforceable obligations with
9 private parties that require that the Agency and the City abide by specific Land Use Controls;
10 and,

11 WHEREAS, Completion of the Major Approved Development Projects is in the City's
12 best interests, is consistent with earlier Board approvals and is required under the terms and
13 conditions of all enforceable obligations that the City, as successor agency to the Agency, is
14 obligated to perform under AB 26, including Section 34177(c) of the CRL; and,

15 WHEREAS, Certain possible changes to the Land Use Controls or amendments to
16 agreements comprising enforceable obligations for the Major Approved Development
17 Projects, as well possible new ancillary agreements, may be required to implement those
18 projects over their remaining terms to achieve the objectives of the redevelopment plans that
19 the Board approved and to realize the public benefits that those approved plans contemplate;
20 and,

21 WHEREAS, The Agency has assisted in the development of over 10,000 affordable
22 housing units restricted to low and moderate income households, has enforceable obligations
23 including housing projects, such as the Mary Helen Rogers Senior Community, Rene
24 Cazenave Apartments, has over 1,400 affordable housing units in the planning or pre-
25 development stages to provide housing for about 4,200 residents, has obligations to assist in

1 the development of about 3,000 affordable housing units in the Hunters Point
2 Shipyard/Candlestick Point; about 1,100 units remaining in Mission Bay, and about 1,100
3 units in Transbay, and has obligations to replace about 6,700 affordable units destroyed in the
4 1960's and early 1970's (See California Health & Safety Code Sections 33333.7 and
5 33333.8, and Board Ordinance Nos. 256-09 (December 30, 2009), 316-08 (December 19,
6 2008), and 15-05 (January 21, 2005); and,

7 WHEREAS, The City has embarked on an aggressive program to redevelop its most
8 distressed public housing developments ("HOPE SF") and redevelopment funding has been a
9 necessary component of the financing for the first two projects, Hunters View and Alice
10 Griffith, consisting of 493 and 504 units, respectively; and,

11 WHEREAS, The Agency has been required, under Section 33334.3 of the CRL, to
12 deposit all funds to be used for the purposes of increasing, improving, and preserving the
13 supply of affordable housing in a separate Low and Moderate Income Housing Fund and the
14 current amount in the fund is about \$200 million, which is more specifically described in the
15 document prepared by the Agency entitled Funds in the Low and Moderate Income Housing
16 Fund, a copy of which is on file with the Clerk of the Board in File No. 120021;
17 and,

18 WHEREAS, The Agency performs important functions relating to the production and
19 protection of affordable housing under the CRL including, but not limited to:

- 20 1. exercising any and all powers, as described in Section 33334.2 and other CRL
21 sections, for the construction, rehabilitation, or preservation of affordable
22 housing for extremely low, very low, low- and moderate-income person or
23 families ("Affordable Housing");
- 24 2. fulfilling Affordable Housing obligations specified in Section 33333.8 and Section
25 33333.7;

- 1 3. receiving tax increment pledged to Affordable Housing and deposit these funds
- 2 in the Low and Moderate Income Housing Fund;
- 3 4. fulfilling enforceable obligations, as defined in Section 34171 (d) related to
- 4 Affordable Housing including the issuance of Bonds secured by affordable
- 5 housing tax increment;
- 6 5. receiving payments related to Agency Affordable Housing including earlier
- 7 Agency loans or land leases;
- 8 6. lending or granting funds from the Low and Moderate Income Housing Fund for
- 9 Affordable Housing;
- 10 7. guaranteeing commercial loans related to the development of Affordable
- 11 Housing;
- 12 8. adopting and amending Affordable Housing policies and agreements consistent
- 13 with the CRL;
- 14 9. acquiring and disposing of real property, including long term ground leases, for
- 15 the purposes of Affordable Housing;
- 16 10. enforcing affordability restrictions of existing Agency agreements, such as
- 17 ground leases, owner participation agreements and development and
- 18 disposition agreements;
- 19 11. managing Affordable Housing developments under development by the Agency;
- 20 12. managing Affordable Housing implementation in the remaining redevelopment
- 21 project areas;
- 22 13. implementing the Agency's Property Owner and Occupant Preference Program,
- 23 as reprinted September 11, 2008 and effective October 1, 2008; and,
- 24
- 25

1 WHEREAS, The City has also designated the Agency to administer the federal
2 Housing Opportunities for Persons with AIDS Program ("HOPWA") and the HOPWA Special
3 Project of National Significance grant ("HOPWA Programs"); and,

4 WHEREAS, The Board has designated the Treasure Island Development Authority
5 ("TIDA"), a California non-profit public benefit corporation, as having the powers of a
6 redevelopment agency under the CRL, as allowed by the Treasure Island Conversion Act of
7 1997, which amended Section 33492.5 of the California Health and Safety Code and added
8 Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Conversion Act"); and,

9 WHEREAS, On June 15, 2011, as part of a special session that the Governor called to
10 address the State's fiscal emergency and as trailers to the State's budget bill for the 2011-
11 2012 fiscal year, the California Legislature, by majority vote, adopted two companion bills
12 relating to community redevelopment; and,

13 WHEREAS, The first of those bills, Assembly Bill No. 1X 26 (Chapter 5, Statutes of
14 2011-12, First Extraordinary Session) ("AB 26"), (1) suspends most new activities of
15 redevelopment agencies (other than making payments due, enforcing covenants and
16 performing its obligations under Bonds and other "enforceable obligations" as defined in the
17 act) as of the effective date of the act and before their dissolution; (2) dissolves all
18 redevelopment agencies in the State as of October 1, 2011 (which date has been extended as
19 described below), and (3) designates successor agencies—generally the cities and counties
20 where the agencies operated—to receive assets of the former redevelopment agencies, satisfy
21 enforceable obligations, preserve assets for the benefit of taxing entities and wind up the
22 affairs of former redevelopment agencies; and,

23 WHEREAS, AB 26 places successor agencies' performance of their duties under the
24 supervision of newly established oversight boards, which are separate from the local
25 legislative bodies and which will oversee the fiscal management of future successor agency

1 activities regarding the enforceable obligations. AB 26 provides that the oversight boards, in
2 performing their functions required under the act, have fiduciary responsibilities to the holders
3 of enforceable obligations and the taxing entities that benefit from the distribution of property
4 tax revenues under the act. Some actions by the oversight boards and successor agencies
5 are also subject to discretionary review by the State Department of Finance under AB 26; and,

6 WHEREAS, AB 26 provides a special rule for the composition of the oversight board
7 that San Francisco, as a combined city and county, is obligated to create as the successor
8 agency to the Agency (the "Oversight Board"). Under AB 26, the City controls a majority of
9 the Oversight Board. The Mayor appoints four of the seven members to the Oversight Board,
10 subject to confirmation by this Board. One of those four members must represent the largest
11 group of former Agency employees. BART appoints one member of the Oversight Board.
12 The Superintendent of Schools and the State Chancellor of the Community College Districts
13 each appoints one of the remaining two members. A majority (i.e., four members) constitutes
14 a quorum of the Oversight Board, and the Oversight Board acts by majority vote; and,

15 WHEREAS, AB 26 requires the Controller to establish a Redevelopment Property Tax
16 Trust Fund for property tax revenues related to the former Agency and also requires the City
17 to create within its treasury a Redevelopment Obligation Retirement Fund to pay
18 indebtedness and satisfy enforceable obligations of the former Agency, and the Controller has
19 created or will create each of these funds on or before February 1, 2012. AB 26 also requires
20 that the Controller conduct or cause to be conducted an agreed-upon procedures audit of the
21 Agency, and possibly TIDA; and,

22 WHEREAS, AB 26 also empowers the successor agency to accept the transfer of
23 affordable housing assets and functions of a former redevelopment agency and, if the
24 successor agency accepts this transfer, it is required to maintain the Low and Moderate
25 Income Housing Fund. Specifically, AB 26 added Section 34176 (a) to the CRL, which

1 provides that a city and county that authorized the creation of a redevelopment agency may
2 elect to retain the housing assets and housing functions previously performed by the
3 redevelopment agency, including all of its rights, duties, and obligations under the CRL; and,

4 WHEREAS, The Board finds that all funds in the Low and Moderate Income Housing
5 Fund are necessary to fulfill enforceable obligations and complete previously-authorized
6 projects, preserve existing affordable housing assets and comply with legal restrictions
7 governing the use of affordable housing bond proceeds, and further finds that the intent and
8 purpose of AB 26 is to include at a minimum the proceeds of all taxable and tax exempt
9 Bonds as well as all other restricted and encumbered funds, in the transfer of housing assets
10 and functions to the successor housing agency; and,

11 WHEREAS, AB 26 expressly requires that the successor agency complete approved
12 development projects with enforceable obligations, by expressly requiring the successor
13 agency to make payments and perform obligations under enforceable obligations of the
14 former redevelopment agency (adding Sections 34177(a), (b) and (c) to the CRL), and to
15 continue to oversee development of properties until the contracted work has been completed
16 or the contractual obligations can be transferred to other parties (adding Section 34177(i) to
17 the CRL). AB 26 further expressly mandates that pledges of increment associated with
18 enforceable obligations of former redevelopment agencies be honored (Section 34175(a) of
19 the CRL and see also Sections 34172(c) and (d) and 34174(a)) and provides for successor
20 agencies to make new pledges of former tax increment, subject to approval of their oversight
21 boards and possible review by the State Department of Finance, for certain enforceable
22 obligations (Section 34180(i) of the CRL). Accordingly, for the Major Approved Development
23 Projects, which include enforceable obligations pledging the stream of incremental property
24 tax revenues from those project areas over their life and requiring the issuance of Bonds to be
25 repaid from those pledges, secured by the pledge or otherwise payable from a contribution of

1 the proceeds of such incremental property tax revenues, the City as successor agency must
2 have the authority to issue new Bonds secured by the pledges or otherwise payable from a
3 contribution of such tax revenues to complete those projects and comply with the enforceable
4 obligations, subject to approval by the Oversight Board and review by the State Department of
5 Finance under the process contemplated by AB 26; and,

6 WHEREAS, AB 26 insulates successor agencies such as the City from General Fund
7 liability associated with the dissolution of redevelopment agencies and transfer of assets and
8 obligations by providing that the liability of any successor agency acting under the powers
9 granted under AB 26 shall be limited to the extent of the total sum of property tax revenues
10 the successor agency receives under AB 26 and the value of the assets transferred to it as a
11 successor agency for a dissolved redevelopment agency (see Section 34174(e), added to the
12 CRL); and,

13 WHEREAS, AB 26 preserves powers under the CRL to the extent that AB 26 does not
14 supersede or limit that authority, but provides that the City, acting as successor agency to the
15 Agency, shall exercise those residual powers. Since under Section 101 of the City Charter
16 the Board has reserved powers not vested in other officers or entities, the Board has the
17 authority to delegate to the Oversight Board the power to exercise the residual powers that
18 the Agency previously exercised under the CRL for the enforceable obligations relating to the
19 Major Approved Development Projects, consistent with the limitations of AB 26. These
20 residual powers include, among other things, the authority to approve projects under the Land
21 Use Controls that do not rely on the Planning Code; and,

22 WHEREAS, The second bill, Assembly Bill No. 1X 27 (Chapter 6, Statutes of 2011-12,
23 First Extraordinary Session) ("AB 27"), would have allowed a city or county (the "Community")
24 to provide for redevelopment agencies within that Community to continue to exist and operate,
25 despite AB 26, if the local legislative body timely enacted an ordinance to comply with AB 27,

1 including most importantly a requirement that the Community make specified payments each
2 year mainly to benefit the local school district and community college; and,

3 WHEREAS, On June 28, 2011, the Governor approved AB 26 and AB 27, on
4 June 29, 2011, the Secretary of State chaptered those bills, and on June 30, 2011, the
5 Governor signed the State budget bill. By their terms, AB 26 and AB 27 were effective
6 immediately because they related to the budget bill. As a result, most of the Agency's new
7 redevelopment activities have been suspended since June 30th, except for those activities
8 related to the performance of enforceable obligations and those related to future actions that a
9 successor agency may be required to take; and,

10 WHEREAS, On July 18, 2011, the California Redevelopment Association, League of
11 California Cities, and certain other parties filed a petition for writ of mandate and an
12 application for temporary stay in the Supreme Court of the State of California (the "Court"),
13 challenging the constitutionality of AB 26 and AB 27, California Redevelopment Association v.
14 Matosantos, No. S194861 (the "Action"). In the Action the petitioners sought, among other
15 things, to invalidate AB 26 and AB 27 and to stay the enforcement of those provisions
16 dissolving redevelopment agencies and requiring payment of the community remittance. The
17 Court accepted original jurisdiction in the Action, granted a partial stay pending its resolution
18 of the case but kept in place the moratorium on most new redevelopment activities and the
19 requirement that redevelopment agencies adopt enforceable obligation payment schedules;
20 and,

21 WHEREAS, Because TIDA is not exercising any of its redevelopment powers in
22 connection with Treasure Island/Yerba Buena Island ("TI"), and has not exercised any such
23 powers since AB 26 went into effect and because a redevelopment plan was never adopted
24 creating a redevelopment project area at TI and as a result TIDA does not and never has
25 collected any property tax increment for purposes of the CRL, TIDA has not been subject to

1 any of the restrictions AB 26 places on new activities of redevelopment agencies. The Board
2 intends in adopting this resolution to rescind its earlier designation of TIDA as the
3 redevelopment agency for TI. Nothing in this resolution is intended to affect TIDA's ability to
4 act regarding reuse, development or day-to-day management of TI using its non-
5 redevelopment powers, including, without limitation, the interim subleasing of property to
6 generate revenue to offset the costs of managing TI and performing its rights and obligations
7 under the Disposition and Development Agreement for TI with the Treasure Island Community
8 Development, LLC (the "TI DDA") and the Amended and Restated Base Closure Homeless
9 Assistance Agreement between TIDA and the Treasure Island Homeless Development
10 Initiative (the "TIHDI Agreement"); nor is anything in this resolution intended to affect TIDA's
11 status as the Local Reuse Authority for TI or the tidelands trust trustee for the portions of TI
12 subject to the tidelands trust, nor any of the other non-redevelopment powers or non-
13 redevelopment authority that the City has granted to TIDA and that TIDA has under its
14 articles, bylaws, the Conversion Act and other applicable instruments and laws; and,

15 WHEREAS, On August 11, 2011, the Agency Commission approved, under Resolution
16 No. 95-2011, an enforceable obligation payment schedule for the Agency, and later amended
17 it several times, under Agency Resolution Nos. 100-2011, 104-2011, 107-2011, and 109-
18 2011, all in accordance with AB 26, and on August 29, 2011, the TIDA Board approved an
19 enforceable obligation payment schedule for TIDA in accordance with AB 26, copies of all of
20 which schedules are on file with the Clerk of the Board in File No. 120021.

21 The City forwarded those schedules to the State as required by AB 26 and the State has not
22 objected to any obligations listed on the schedules. Also, the Agency prepared a preliminary
23 draft of the initial Recognized Obligation Payment Schedule, which lists the minimum payment
24 amounts and due dates of payments required under enforceable obligations from
25 January 1, 2012 through June 30, 2012, and other information describing the Agency's

1 enforceable obligations, a copy of which is on file with the Clerk of the Board in File No.
2 120021 (the "ROPS"). The Agency prepared the initial Recognized
3 Obligation Payment Schedule based on the Statement of Indebtedness ("SOI") that the
4 Agency submitted to the Controller on September 30, 2011 under Section 33675 of the
5 California Health and Safety Code. The SOI, a copy of which is on file with Clerk of the Board
6 in File No. 120021, lists all of the Agency's loans, advances, and indebtedness, including
7 deposits in the Low and Moderate Income Housing Fund, that it has incurred. Under AB 26,
8 the ROPS will supersede the SOI. Under AB 26 the Oversight Board is required to approve
9 the establishment of the final Recognized Obligation Payment Schedule; and,

10 WHEREAS, Under the City and County of San Francisco Consolidated Budget and
11 Annual Appropriation Ordinance for Fiscal Year ending June 30, 2012 Section 11.1, the Board
12 has authorized that whenever the City receives from any public agency funds for special
13 purposes, the expenditures necessary from those funds are appropriated to carry out the
14 purpose for which the funds have been received. Consistent with this authority and the
15 authority that AB 26 vests in the City as successor agency, upon the Agency's dissolution the
16 Controller will make scheduled payments from the Redevelopment Obligation Retirement
17 Fund for enforceable obligations under the ROPS, pending the Oversight Board's
18 establishment of the Recognized Obligation Payment Schedule as required under AB 26; and,

19 WHEREAS, On December 29, 2011, the Court issued its final decision in the Action,
20 (1) upholding most of AB 26 regarding the dissolution of redevelopment agencies and the
21 transfer to successor agencies, (2) invalidating all of AB 27 because the payment obligation
22 on its face violates the State Constitution and in particular Proposition 22, a 2010 voter
23 initiative measure, and the payment obligation was not severable from the rest of that act, and
24 (3) extending various deadlines under AB 26 by four months corresponding to the period the
25

1 Court's stay was in effect, and in so doing extended the deadline for the automatic dissolution
2 of redevelopment agencies, including the Agency, to February 1, 2012; and,

3 WHEREAS, The Board wishes to provide for the smooth transition of assets and
4 functions, including affordable housing assets and functions, to the City as successor agency
5 to the Agency, to perform all enforceable obligations of the former Agency consistent with
6 AB 26, and to achieve the following policy objectives:

- 7 1. Protect the affordable housing assets and functions that the Agency previously
8 owned and performed to ensure the completion of significant affordable housing
9 projects for which the City and the Agency have already committed funds and
10 granted various approvals, such as Hunters View, Alice Griffith, Hugo Hotel,
11 Mary Helen Rogers Senior Community projects, and to preserve the Agency's
12 existing stock of affordable housing units and homeownership opportunities;
- 13 2. Ensure that the Major Approved Development Projects, which are governed by a
14 set of enforceable obligations that is integrally tied to the Land Use Controls,
15 continue forward without delay and can be completed in a coordinated,
16 centralized and timely manner under the direction of the Mayor's Office, which
17 shall pursue the creation of a successor entity for this purpose, consistent with
18 the objectives of the redevelopment plans that the Board has approved and
19 enforceable obligations. Such transition shall include, without limitation, the
20 transfer to the City and continued administration of CFDs and the City's
21 issuance as successor agency, subject to prior approval of the Oversight Board,
22 of new Bonds for infrastructure, public facilities and affordable housing from
23 former property tax increment generated in the project areas, and the
24 expeditious grant of land use approvals under streamlined design review and
25 document approval procedures.

1 3. Ensure the continuity of the process for Land Use Approvals for projects in
2 redevelopment areas other than those covered by the Major Approved
3 Development Projects.

4 4. Ensure that the City will continue forward with the following community
5 development goals that the Agency has pursued:

- 6 a. The Agency has been the single largest source of affordable and
7 workforce housing for San Francisco. The City will adopt and move
8 forward the existing affordable housing goals and commitments of the
9 Agency, which reflect Citywide goals and needs, by working externally
10 with the state on legislative responses to the shortage of affordable
11 housing and locally to complete and preserve existing affordable housing
12 commitments and develop new tools to finance affordable housing. The
13 City will seek to protect the assets in the Agency's Low and Moderate
14 Income Housing Fund, so that they can continue to be used for the
15 production of much needed affordable housing and to preserve the
16 existing stock of affordable housing and homeownership opportunities.
- 17 b. The City will adopt and continue the neighborhood revitalization and
18 community development goals of HOPE SF.
- 19 c. The Agency has in place workforce and local hire programs that directly
20 benefit low-income and at-risk populations. The City will pursue
21 comparable programs. To do this, except for the continued use of former
22 property tax increment required under enforceable obligations, the City
23 must consider alternative sources of funding, including, but not limited to,
24 the General Fund.
25

1 d. The City will adopt and continue the neighborhood revitalization and
2 strengthening goals of the Agency, including small business support,
3 corridor façade improvement, public realm improvements, and similar
4 activities, especially in areas critically in need of investment like the
5 Bayview Third Street Corridor.

6 e. The City will ensure that Agency projects and programs receiving state
7 and federal matching dollars are prioritized for continuation to maximize
8 the leveraging of our local investment and preserve existing federal grant
9 commitments.

10 5. Recognize the policy in CRL Section 34190 of stabilizing labor and employment
11 relations in furtherance of and consistent with all responsibilities under AB 26;
12 and,

13 WHEREAS, The Agency has prepared and delivered to the City an inventory of its real
14 property assets, a copy of which is on file with the Clerk of the Board under File No.

15 120021; and,

16 WHEREAS, Under Section 4.129 of the Charter, the director of the Department of
17 Administrative Services manages all public buildings, facilities and real estate of the City
18 unless otherwise provided for in the Charter. Accordingly, upon dissolution of the Agency, the
19 Agency's non-housing assets received by the City and the administration of the CFDs shall be
20 placed under the jurisdiction of the director of the Department of Administrative Services
21 except as otherwise required under the Charter for particular assets, such as certain assets
22 that are within the jurisdiction of the Port of San Francisco (the "Port"); and,

23 WHEREAS, The entire Rincon Point–South Beach redevelopment project area and
24 portions of Mission Bay are on land under the Port's jurisdiction and that the Port has leased
25 to the Agency (the "Port Property"); and,

1 WHEREAS, The Board intends, subject to approval of the Oversight Board, that the
2 City transfer to the Transbay Joint Powers Authority (the "TJPA"), all of the Agency's rights
3 and obligations under the January 2008 Option Agreement among the TJPA, the City and the
4 Agency, including the Agency's obligation to market to developers properties that Caltrans
5 transferred to either the TJPA or the City under the 2003 Cooperative Agreement among
6 Caltrans, the TJPA, and the City (the "Transfer Parcels") and the Agency's obligation to
7 exercise an option to take title to Transfer Parcels from the City or the TJPA, transfer title to
8 the purchaser, and deliver the proceeds of the sale of the Transfer Parcel to the TJPA to help
9 fund construction of the Transbay Transit Center Project; and,

10 WHEREAS, Approval of this resolution is not a "project" within the meaning of Public
11 Resources Code Section 21065 of the California Environmental Quality Act ("CEQA") and
12 Sections 15378(b)(4) and 15378(b)(5) of the CEQA Guidelines because this resolution
13 addresses organizational and administrative matters that will not result in direct or indirect
14 physical changes in the environment. This resolution provides for the continuance of existing
15 agreements and operations, does not authorize the encumbrance or use of any new funds on
16 any specific projects that could result in physical changes to the environment, and will not
17 result in changes in conditions in any redevelopment project or survey area or at any
18 affordable housing site, as provided in the letters from the Planning Department on file with
19 the Clerk of the Board of Supervisors in File No. 120021; now, therefore,
20 be it

21 RESOLVED, That immediately upon the dissolution of the Agency, the City accepts the
22 transfer of all affordable housing assets of the Agency (including, without limitation, all funds
23 that the CRL has required under Section 33334.3 to be deposited in a separate Low and
24 Moderate Income Housing Fund, all rights, interests, privileges, property—real, personal and
25 intangible, including all loans and grants, all property, such as land, buildings, and dwelling

1 units held by the Agency, the rights to all property to be transferred to the Agency for
2 affordable housing production as part of all disposition and development agreements, owner
3 participation agreements or other agreements that comprise enforceable obligations, and the
4 Public Initiatives Development Corporation) and further elects to retain the housing functions
5 that the Agency previously performed, including all of its rights, duties, and obligations under
6 the CRL; that the Mayor's Office of Housing ("MOH") shall have the authority to administer the
7 Low and Moderate Income Housing Fund and shall be vested with administrative jurisdiction
8 over such assets and shall act in place of the Agency, in performing such functions, with such
9 authority and responsibilities as the Agency would have had under the CRL, including under
10 all redevelopment plans and the enforceable obligations that the City is assuming, subject to
11 the requirements of AB 26 and other applicable laws; that each Recognized Obligation
12 Payment Schedule required under AB 26 shall include the costs of the affordable housing
13 projects for which the Agency is required to construct or contribute under its enforceable
14 obligations; that the Board designates MOH to administer the HOPWA Programs; and that the
15 Board authorizes MOH to accept the transfer of all funds in the former Agency's Low and
16 Moderate Income Housing Fund, for which the Controller shall establish the appropriate
17 accounting, which funds shall be used by MOH for the purpose of fulfilling enforceable
18 obligations and completing previously-authorized affordable housing projects and preserving
19 existing affordable housing assets, and the future revenue generated from these affordable
20 housing assets shall be used to fulfill CRL affordable housing requirements and to achieve the
21 City's affordable housing goals; and, be it

22 FURTHER RESOLVED, That the Controller in consultation with the Treasurer shall
23 establish, maintain and administer the Redevelopment Obligation Retirement Fund and
24 Redevelopment Property Tax Trust Fund that AB 26 mandates, as Category 4 funds as
25 defined by Administrative Code Section 10.100-1, and any other new funds or accounts that

1 the Controller determines necessary or appropriate to effectuate the intent and purpose of this
2 resolution and to comply with the requirements of AB 26 and any other applicable laws, to
3 maintain the integrity of the pledges made under the enforceable obligations, and to satisfy
4 Bond covenants; and,

5 FURTHER RESOLVED, That following the dissolution of the Agency, the Controller is
6 authorized to make payments on behalf of the City to fulfill enforceable obligations in
7 accordance with the Recognized Obligation Payment Schedule then in place. Until the
8 Oversight Board adopts the Recognized Obligation Payment Schedule as provided under
9 AB 26, the Controller shall make such payments under the preliminary draft of the ROPS.
10 The source of funding for such payments shall be the Redevelopment Obligation Retirement
11 Fund; and,

12 FURTHER RESOLVED, That immediately upon the Agency's dissolution, available
13 appropriations authority that the Board approved in the Agency budget is transferred to the
14 City under the City and County of San Francisco Consolidated Budget and Annual
15 Appropriation Ordinance for Fiscal Year ending June 30, 2012 Section 11.1, and Charter
16 Section 4.132; and,

17 FURTHER RESOLVED, That the Board acknowledges that immediately upon the
18 Agency's dissolution, the City, as successor agency, shall accept the transfer of all of the
19 Agency's non-affordable housing assets (including, without limitation, all rights, interests,
20 privileges, property—real, personal and intangible, including all loans and grants, all property,
21 such as land, buildings, and dwelling units held by the Agency, the rights to all disposition and
22 development agreements, owner participation agreements or other agreements that comprise
23 enforceable obligations), which shall be placed under the jurisdiction of the director of the
24 Department of Administrative Services unless otherwise provided for in the Charter and
25 except for the Port Property which shall be placed under the jurisdiction of the Port, provided

1 that for the Port Property in Mission Bay the director of the Department of Administrative
2 services shall administer the open space CFD consistent with existing leases between the
3 Agency and the Port ; that the Board acknowledges that the director of the Department of
4 Administrative Services is authorized (with delegation to staff consistent with applicable
5 enforceable obligations) to manage enforceable obligations associated with such assets and
6 amend or make other changes to enforceable obligations or enter into new agreements,
7 provided that no such changes or new agreements increase the amount of indebtedness of
8 the former Agency that will be paid from proceeds in the Redevelopment Property Tax Trust
9 Fund, and do not materially increase the obligations of the City or materially decrease the
10 intended public benefits to the City, and subject to any Board approval of amendments or new
11 agreements required under Section 9.118 of the Charter; and, be it

12 FURTHER RESOLVED, That the Treasurer in consultation with the Controller is
13 authorized to receive and deposit in appropriate accounts lease and other revenues from
14 former Agency-owned properties, loan repayments previously remitted to the Agency, to
15 oversee bank accounts and investments that the Agency previously managed, to maintain
16 reserves, and to transfer funds from external accounts to accounts managed within the City's
17 pooled funds, as necessary or appropriate to effectuate the intent and purpose of this
18 resolution and to comply with the requirements of AB 26 and any other applicable laws and
19 enforceable obligations; and, be it

20 FURTHER RESOLVED, That the Controller shall seek reimbursement from the
21 Redevelopment Property Tax Trust Fund for the Controller's cost of auditing Agency assets
22 and liabilities and administering the Redevelopment Property Tax Trust Fund, as authorized
23 by AB 26 and any applicable State regulations and guidelines; and, be it

24 FURTHER RESOLVED, That after the Agency is dissolved, the Oversight Board,
25 immediately upon its creation under AB 26, shall have the authority to grant approvals under

1 the Land Use Controls for the Major Approved Development Projects consistent with the
2 approved redevelopment plans and enforceable obligations, in place of the Agency
3 Commission, with delegation to staff consistent with such existing procedures and applicable
4 enforceable obligations and with this resolution, which obligations include, but are not limited
5 to, the acquisition and disposition of real property required by enforceable obligations; and, be
6 it

7 FURTHER RESOLVED, That after the Agency is dissolved, the Oversight Board,
8 immediately upon its creation and in addition to its duties that AB 26 imposes, is authorized to,
9 approve changes to enforceable obligations for the Major Approved Development Projects
10 (including, without limitation, changes to the Land Use Controls and financing plans), grant
11 variances for individual projects for the Major Approved Development Projects, and enter into
12 new agreements as necessary or appropriate for fulfillment of the Major Approved
13 Development Projects, provided that the Oversight Board finds that any such changes,
14 variances or new agreements are consistent with redevelopment plans, including plan
15 amendments, that the Board has approved, and with the authority previously exercisable by
16 the Agency Commission under the redevelopment plans or the enforceable obligations, do not
17 increase the amount of property tax revenues pledged to complete those projects under
18 existing agreements that constitute enforceable obligations under AB 26, and do not
19 materially increase the obligations of the City or materially decrease the intended public
20 benefits to the City, and subject to any Board approval of amendments or new agreements
21 required under Section 9.118 of the Charter or under existing agreements on behalf of the
22 City; and,

23 FURTHER RESOLVED, That for the Major Approved Development Projects (including
24 for Transbay Parcels T and F in Zone 2 for which there are enforceable obligations pledging
25 incremental tax revenues), after the Agency is dissolved, the Oversight Board, immediately

1 upon its creation under AB 26, shall have the authority, as provided under AB 26 and subject
2 to final approval by the Board, to review and approve the City's proposed issuance of Bonds
3 (including bonds, notes, leases, certificates of participation or other evidences of
4 indebtedness) secured by CFD or property tax revenues and to otherwise review and approve
5 public or private financings based on the pledge of the right to receive any such revenues, for
6 the purpose of fulfilling the enforceable obligations for the Major Approved Development
7 Projects; and,

8 **FURTHER RESOLVED**, That to ensure the performance of the enforceable obligations
9 for the Major Approved Development Projects and to assist the Oversight Board in the
10 exercise of all of the foregoing powers authorized under this resolution, the director of
11 Administrative Services is authorized to provide coordinated staff support to the Oversight
12 Board, consistent with the authority previously exercisable by the Agency Executive Director
13 or staff under the redevelopment plans or the enforceable obligations or the authority
14 otherwise provided under CRL. as amended by AB 26, for implementing enforceable
15 obligations; and, be it

16 **FURTHER RESOLVED**, That the Board of Supervisors rescinds its designation of
17 TIDA as the redevelopment agency for TI under CRL; that such rescission shall not affect
18 TIDA's status as the Local Reuse Authority for TI or the tidelands trust trustee for the portions
19 of TI subject to the tidelands trust, or any of the other powers or authority that the City has
20 granted to TIDA or that TIDA may otherwise have, including, but not limited to, under TIDA's
21 articles of incorporation and bylaws, the Conversion Act and other applicable laws, rules and
22 regulations, nor shall such rescission affect any leases or other agreements that TIDA has
23 entered into, permits or licenses it has granted or any other rights or obligations that TIDA
24 may have, and that the Board is not relinquishing its authority under the Conversion Act to
25 designate TIDA or any successor entity or agency of TIDA as the redevelopment or similar

1 agency for TI at some future date consistent with then applicable law and the purpose of the
2 TI DDA or the TIHDI Agreement if the Board determines that it then becomes appropriate to
3 do so; and, be it

4 FURTHER RESOLVED, That because TIDA never acted as a redevelopment agency
5 and never collected tax increment revenues, there is no need to designate a successor
6 agency for TIDA under Health and Safety Code Section 34173 or a successor housing
7 agency under Health and Safety Code Section 34176, and the enforceable obligation
8 payment schedule adopted by TIDA is of no further force and effect; and, be it

9 FURTHER RESOLVED, That the Board urges and authorizes the City Administrator,
10 Director of the Department of Administrative Services, Controller, Treasurer, and other City
11 commissions, boards, departments, and officials to take such actions as may be necessary or
12 appropriate, in consultation with the City Attorney, to effectuate the purpose and intent of this
13 resolution and to comply with AB 26; and, be it

14 FURTHER RESOLVED, That the four members of the Oversight Board appointed by
15 the Mayor and subject to confirmation by the Board of Supervisors shall serve at the pleasure
16 of the Mayor for a term of four years; provided, however, the Mayor shall designate two initial
17 appointees to serve a two-year term, and all subsequent terms shall be four years.



City and County of San Francisco

Tails

Resolution

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

File Number: 120021

Date Passed: January 24, 2012

Resolution: 1) approving the retention by the City and County of San Francisco (the City) as successor agency to the Redevelopment Agency of the City and County of San Francisco (the Agency) of the Agency's affordable housing assets and functions upon the Agency's dissolution, including all funds in the Agency's Low and Moderate Income Housing Fund, and authorizing the Mayor's Office of Housing to manage these affordable housing assets and to exercise the housing functions that the Agency previously performed; 2) acknowledging that upon the Agency's dissolution the City as successor agency shall accept the transfer of all of the Agency's non-affordable housing assets, which shall be placed under the jurisdiction of the Director of the Department of Administrative Services unless otherwise provided for in the Charter, and that the Director shall have the authority to manage such assets and to exercise the functions that the Agency previously performed for such assets; 3) providing for the required payment and performance of enforceable obligations, the transfer and establishment of funds and accounts, and for the administration of funds and other assets, all associated with the City's exercise of its responsibilities as successor agency to the Agency under state law; 4) authorizing the new Oversight Board, which state law requires the City as successor agency to create, to oversee certain fiscal management of former Agency assets other than affordable housing assets, to exercise land use, development, and design approval authority under the enforceable obligations for the Mission Bay Redevelopment Project Area, Hunters Point Shipyard Project Area, and Zone 1 of the Bayview Hunters Point Redevelopment Project Area, and part of the Transbay Redevelopment Project Area, in place of the former Agency Commission, authorizing the Oversight Board to approve certain changes to such obligations, related documents and certain new agreements to implement those enforceable agreements, including review and approval for issuing bonds under such agreements, and authorizing the Director of the Department of Administrative Services to provide coordinated staff support to the Oversight Board, in the place of staff of the former Agency, in the exercise of these functions; 5) rescinding the designation of the Treasure Island Development Authority as a Redevelopment Agency; and 6) making findings under the California Environmental Quality Act.

January 18, 2012 Budget and Finance Committee - RECOMMENDED

January 24, 2012 Board of Supervisors - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

Ayes: 11 - Avalos, Campos, Chiu, Chu, Cohen, Elsbernd, Farrell, Kim, Mar, Olague and Wiener

January 24, 2012 Board of Supervisors - ADOPTED AS AMENDED

Ayes: 11 - Avalos, Campos, Chiu, Chu, Cohen, Elsbernd, Farrell, Kim, Mar, Olague and Wiener

File No. 120021

I hereby certify that the foregoing
Resolution was ADOPTED AS AMENDED on
1/24/2012 by the Board of Supervisors of the
City and County of San Francisco.



Angela Calvillo
Clerk of the Board



Mayor

1/26/12
Date Approved