

1 [Extending Redevelopment Agency's Times for Incurring and Repaying Debt for Affordable
2 Housing Development.]

3 **Ordinance approving, for the redevelopment plans listed below, the extension of**
4 **existing time limits in each plan for establishment of loans, advances and**
5 **indebtedness and for repayment of indebtedness for the exclusive purpose of**
6 **financing Low and Moderate Income Housing Fund activities: (1) the Embarcadero-**
7 **Lower Market (Golden Gateway) Redevelopment Plan, (2) the Hunters Point**
8 **Redevelopment Plan, (3) the India Basin Industrial Park Redevelopment Plan.**

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

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

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

15 a. The Board of Supervisors originally approved the Embarcadero-Lower Market
16 (Golden Gateway) Redevelopment Plan by adopting Ordinance No. 301-59 on May 25, 1959.
17 The Embarcadero-Lower Market (Golden Gateway) Redevelopment Plan has since been
18 amended ten times. The Embarcadero-Lower Market (Golden Gateway) Redevelopment
19 Plan prohibits the San Francisco Redevelopment Agency from incurring any debt for that
20 project after January 1, 2009 and from repaying any such debt after January 1, 2019.

21 b. The Board of Supervisors originally approved the Hunters Point Redevelopment
22 Plan by adopting Ordinance No. 25-69 on January 20, 1969. The Hunters Point
23 Redevelopment Plan has since been amended three times. The Hunters Point
24 Redevelopment Plan prohibits the San Francisco Redevelopment Agency from incurring any

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1 debt for that project after January 1, 2004 and from repaying any such debt after January 1,
2 2019.

3 c. The Board of Supervisors originally approved the India Basin Industrial Park
4 Redevelopment Plan by adopting Ordinance No. 26-69 on January 20, 1969. The India Basin
5 Industrial Park Redevelopment Plan has since been amended three times. The India Basin
6 Industrial Park Redevelopment Plan prohibits the San Francisco Redevelopment Agency from
7 incurring any debt for that project after January 1, 2004 and from repaying any such debt after
8 January 1, 2019.

9 d. The redevelopment plans described and referred to in items a. through c. above
10 are collectively referred to herein as the "Affected Redevelopment Plans."

11 e. Under Section 33333.4(a)(1) of the Health and Safety Code, a pre-1976
12 redevelopment plan for a particular project area must have a specific limitation on the amount
13 of tax increment that an agency may receive for fulfilling its redevelopment plan activities,
14 except that this limitation does not apply to an agency's compliance with housing obligations.
15 The tax increment limitations for the Affected Redevelopment Plans have either been met or
16 substantially met.

17 f. Under Section 33333.6(e)(3)(A) of the Health and Safety Code, a legislative
18 body, such as the Board of Supervisors, may amend a redevelopment plan to extend the time
19 limit for incurring debt or establishing more debt in order to fulfill a redevelopment agency's
20 housing obligations. Under Section 33333.6(e)(3)(B), the legislative body may enact these
21 plan amendments by ordinance without following the plan amendment process otherwise
22 required by the Community Redevelopment Law.

23 g. The housing obligations for which a redevelopment agency may establish more
24 debt and extend the time to incur such debt include providing replacement housing when an
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1 agency destroys or removes low or moderate income housing ("Affordable Housing") in a
2 project area. Section 33333.8(a)(1)(E) of the CRL.

3 h. Prior to 1976, the Community Redevelopment law did not impose a replacement
4 housing obligation on redevelopment agencies that destroyed or removed Affordable Housing.

5 i. The California Department of Housing and Community Development ("HCD")
6 has determined that, prior to 1976, the San Francisco Redevelopment Agency demolished
7 14,207 units and replaced 7,498 units, resulting in a net loss of 6,709 affordable units.

8 j. In 2000, the California Legislature adopted Senate Bill 2113 (Statutes 2000,
9 Chapter 661) which added Section 33333.7 to the Health and Safety Code and authorized the
10 San Francisco Redevelopment Agency, with the Board of Supervisors' approval, to extend its
11 tax increment financing powers "to redress the demolition of a substantial number of
12 residential dwelling units affordable to very low, low, and moderate income households during
13 the agency's earlier urban renewal efforts." Statutes 2000, chapter 661 § 1.

14 k. Senate Bill 2113 authorizes the Board of Supervisors to amend pre-1994
15 redevelopment plans by extending the Agency's ability to incur indebtedness exclusively for
16 Low and Moderate Income Housing Fund activities until the earlier of either January 1, 2014
17 or the Agency's replacement of all Affordable Housing that was lost before state law imposed
18 a replacement housing obligation. Senate Bill 2113 also authorizes an extension of time to
19 receive tax increment funds to repay indebtedness incurred to fund these Low and Moderate
20 Income Housing Fund activities until 2044.

21 l. Senate Bill 2113 requires that the Agency's expenditure of funds must be
22 consistent with San Francisco's housing element and its consolidated and annual action plans
23 submitted to the United States Department of Housing and Urban Development and must
24 address the unmet housing needs of very low, low and moderate income households.

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1 m. Senate Bill 2113 requires that all of the revenues, e.g. bond proceeds, that it
2 authorizes shall be devoted to assisting in the development of Affordable Housing, that no
3 less than 50 percent of the proceeds received shall be devoted to housing for very low income
4 households, and that no more than 10 percent of the proceeds received shall be devoted to
5 planning and administrative costs.

6 n. The Agency estimates that Senate Bill 2113 amendments to the Golden
7 Gateway, India Basin Industrial Park, and Hunters Point Redevelopment Plans would
8 generate a total of approximately \$58 million in affordable housing funds for fiscal year
9 2004-05 and that, over a ten-year period, the Agency may receive a total of approximately
10 \$168 million if the Board of Supervisors amends other plans adopted prior to 1994 to
11 implement Senate Bill 2113. The Agency intends, in future years, to seek Board of Supervisor
12 approval to amend these other plans when it completes the redevelopment activities required
13 under those plans.

14 o. On July 16, 2004, the Board of Supervisors approved the Agency's budget for
15 fiscal year 2004-05, which includes \$15 million in bond proceeds that are contingent on the
16 adoption of this proposed ordinance authorizing amendments to the Golden Gateway, India
17 Basin Industrial Park, and the Hunters Point Redevelopment Plans.

18 p. Prior to incurring any debt under Senate Bill 2113 plan amendments, HCD must
19 annually certify, among other things, that San Francisco has a housing element that
20 substantially complies with state law, that the housing element indicates an unmet need for
21 Low and Moderate Income Housing Fund activities, and that the Agency has met its other
22 affordable housing obligations. These HCD certifications are not necessary for the adoption
23 of this proposed ordinance, but the Agency will obtain those certifications prior to incurring any
24 debt that this proposed ordinance would authorize.

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1 q. At a public hearing on Tuesday, September 7, 2004, the Agency approved the
2 above-described amendments to the Affected Redevelopment Plans and subsequently has
3 transmitted to the Clerk of the Board of Supervisors a certified copy of Agency Resolution
4 106-2004, adopted September 7, 2004, recommending that the Board of Supervisors amend
5 each of the Affected Redevelopment Plans. A copy of the Agency Resolution is on file with
6 the Clerk of the Board of Supervisors in File No. _____.

7 r. This proposed ordinance extending existing time limits in the Affected Plans for
8 establishment of loans, advances and indebtedness and for repayment of indebtedness for
9 the exclusive purpose of financing Low and Moderate Income Housing Fund activities is
10 exempt from the California Environmental Quality Act (California Public Resources Code
11 Sections 21000 et seq. and hereafter referred to as "CEQA") because it creates a government
12 funding mechanism that does not involve any commitment to any specific project which may
13 result in a potentially significant physical impact on the environment and therefore is not a
14 "project" under Sections 15378(b)(4) and 15060(c)(3) of the CEQA Guidelines.

15 Section 2. Pursuant to Section 33333.7 of the Health and Safety Code, the Board of
16 Supervisors of the City and County of San Francisco hereby approves the extension of time
17 limits (i) for establishment of loans, advances and indebtedness in the Affected
18 Redevelopment Plans to the earlier of January 1, 2014 or the date that the San Francisco
19 Redevelopment Agency replaces all of the housing units demolished prior to the enactment of
20 the replacement housing obligations in Chapter 970 of the Statutes of 1975, and (ii) for
21 repayment of indebtedness in the Affected Redevelopment Plans to no later than January 1,
22 2044, all for the exclusive purpose of financing Low and Moderate Income Housing Fund
23 activities as described in Section 1 above and in accordance with the conditions and
24 limitations set forth in Section 33333.7 of the Health and Safety Code.

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1 Section 3. Nothing in this ordinance shall be construed to extend the effectiveness of
2 any of the Affected Redevelopment Plans except to incur additional indebtedness for Low and
3 Moderate Income Housing Fund activities, to pay previously incurred indebtedness, and to
4 enforce existing covenants, contracts, or other obligations.

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6 APPROVED AS TO FORM:
7 DENNIS J. HERRERA, City Attorney

8 By: _____
9 DONNELL W. CHOY
10 Deputy City Attorney