

File No. 110408

Committee Item No. _____

Board Item No. 10

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee _____

Date _____

Board of Supervisors Meeting

Date April 26, 2011

Cmte Board

- | | | |
|--------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form (for hearings) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER (Use back side if additional space is needed)

<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____

Completed by: Joy Lamug

Date April 21, 2011

Completed by: _____

Date _____

An asterisked item represents the cover sheet to a document that exceeds 20 pages. The complete document is in the file.

1 [Redevelopment Improvements to the the Bayview Opera House and Plaza]

2
3 **Resolution making certain findings pursuant to Health and Safety Code Section 33445**
4 **and consenting to the Redevelopment Agency of the City and County of San**
5 **Francisco's use of tax increment funds to provide: (1) a \$400,000 grant to the San**
6 **Francisco Arts Commission for structural, seismic and disabled-accessibility**
7 **renovations to the Bayview Opera House; and (2) a \$785,000 grant to the San Francisco**
8 **Municipal Transportation Agency for Plaza improvements to the Bayview Opera House;**
9 **in the Bayview Hunters Point Redevelopment Project Area.**

10
11 WHEREAS, The Redevelopment Agency of the City and County of San Francisco
12 ("Agency") is authorized, pursuant to California Community Redevelopment Law ("CRL")
13 (Health and Safety Code, Section 33000 et seq.) to provide assistance and advance funds for
14 the making of improvements necessary for the redevelopment of blighted areas and the
15 implementation of a project area redevelopment plan; and

16 WHEREAS, On June 1, 2006, the Agency adopted the Redevelopment Plan (the
17 "Plan") for the Bayview Hunters Point ("BVHP") Redevelopment Project Area (the "Project
18 Area"). One of the key goals of the Plan is economic revitalization of certain activity nodes of
19 the Project Area. One of the activity nodes is the Town Center where the Bayview Opera
20 House is located. The Bayview Opera House is owned by the City and County of San
21 Francisco (the "City"), acting by and through its Arts Commission; and

22 WHEREAS, The Bayview Opera House, built in 1888, is located between Oakdale and
23 Newcomb Avenues. It is a multi-use, cultural, and recreational center offering programs that
24 promote community arts through entertainment and education for the benefit of residents,
25 visitors, and businesses in the Project Area. It provides the BVHP community with a creative

1 outlet through programs offering performance arts, stage technician workshops, an acting
2 academy, a music academy, dance classes, photography, and art. It is a very visible cultural
3 symbol and gateway to the BVHP community, and has been granted landmark status by the
4 City; and

5 **SFAC Grant**

6 WHEREAS, Between 1973 and 2001, the San Francisco Arts Commission ("SFAC")
7 undertook physical assessments of the Bayview Opera House. The assessments revealed
8 structural, seismic, and disabled-accessibility deficiencies. Since then, SFAC has been
9 looking for funds to address these deficiencies. In 2008, SFAC allocated \$248,000 from its
10 capital improvement budget to develop a scope of work and produce preliminary construction
11 drawings for improvements to correct the most critical deficiencies. At that time, the City was
12 hoping that this predevelopment work would attract federal stimulus funds to correct the
13 deficiencies, but the funds never materialized; and,

14 WHEREAS; The Bureau of Architecture of the City's Department of Public Works is
15 assisting SFAC with the preliminary construction drawings, has estimated the total cost of the
16 Project at \$748,000 (the "Project Cost") as of January 2010, and has agreed to oversee the
17 construction of the Project if there is sufficient funding for the Project Cost. SFAC recently
18 received an additional \$100,000 for the Project from the Mayor's Office of Community
19 Investment, bringing the total current funding for the Project to \$348,000 and leaving a funding
20 gap of \$400,000. SFAC has requested that the Agency cover the gap because no alternative
21 funding is available; and,

22 WHEREAS, The Agency has reviewed the request from SFAC for a \$400,00 and
23 agreed to cover the gap using tax increment funds, subject to certain terms and conditions
24 that are incorporated into the grant agreement (the "SFAC Grant Agreement"), including,
25

1 among other things, seeking the consent and approval of the Board of Supervisors of the City
2 and County of San Francisco (the "Board"); and,

3 **SFMTA Grant**

4 WHEREAS, The residents, businesses, stakeholders, the Bayview Hunters Point
5 Project Area Advisory Committee, the Agency, the San Francisco Municipal Transportation
6 Agency("SFMTA"), and other City departments have been working closely together on a
7 project called "Bayview Connections" to improve transit service in the Project Area and to
8 connect the Project Area to Citywide and regional destinations. The Bayview Connection
9 project includes two major components: (1) the transit expansion consisting of the Third Street
10 Light Rail Project and improvements to pedestrian gathering spaces near transit stations; and
11 (2) economic revitalization of the Project Area; and

12 WHEREAS, SFMTA is now working on completing improvements to pedestrian
13 gathering spaces at the Bayview Opera House Plaza (the "Plaza"); and

14 WHEREAS, In 2000, SFMTA applied for, and received, a \$1.874 million grant (the
15 "Federal Funds") from the Federal Transit Administration of the U.S. Department of
16 Transportation. The Federal Funds were earmarked for improvements to, or renovation of,
17 the Plaza to tie it to the nearby Oakdale/Palou Transit Hub and the surrounding residential,
18 commercial, cultural and institutional uses. The Federal Funds require local matching funds
19 set at a minimum of 11% of the Federal Funds or \$206,140; and

20 WHEREAS, During community meetings in 2000 to discuss the Plaza renovation,
21 community members expressed a collective desire to adequately address most of the Plaza's
22 deficiencies – the lack of improvements, the lack of respite from the sun, noise, traffic, and the
23 lack of a convenient and direct connection to Third Street; and

24 WHEREAS, The proposed Plaza renovations include, among other things, reshaping
25 some of the Plaza's existing elements to create contiguous open space around the Bayview

1 Opera House; replacing paving, perimeter fences and brick walls; and adding lighting and
2 utilities for an outdoor stage. As of January 2010, SFMTA estimated the total cost of the
3 current renovation plan at \$1.89 million (the "Project Cost"). Only \$1.1 million of the Federal
4 Funds are left for the renovation, leaving a gap of about \$785,000. SFMTA have asked the
5 Agency to cover the gap since there is no alternative funding available; and

6 WHEREAS, Agency staff has reviewed the request from SFMTA for \$785,000 and
7 agreed to cover the gap using tax exempt bond proceeds, subject to certain terms and
8 conditions that are incorporated into the grant agreement (the "SFMTA Grant Agreement"),
9 including, among other things, seeking the consent and approval of the Board; and

10 **CRL Requirements**

11 WHEREAS, Because the Agency will be granting \$400,000 and \$785,000 of its funds
12 to pay a part of the cost of the proposed r improvements and renovations to the Bayview
13 Opera House, a City-owned property, CRL Sections 33445 and 33679 requires the Agency to
14 seek the consent of the legislative body, in this case the Board, before providing the funding;
15 and,

16 WHEREAS, To facilitate moving forward on the Project, the City and the Agency desire
17 to execute the proposed grant agreements with SFAC and SFMTA to provide the requested
18 funds for the Project; and,

19 WHEREAS, CRL Sections 33445 and 33679 require the Board to make findings to
20 determine that: (1) the proposed seismic and disabled-access improvements to the Bayview
21 Opera House will help alleviate blight within the Project Area, (2) no other reasonable means
22 of financing the entire proposed improvements is available to the City or the community, and
23 (3) payment of funds for the cost of the improvements is consistent with the current
24 implementation plan for the Project Area; and

1 WHEREAS, the Agency Commission adopted Resolution Nos. 24-2011 and 25-2011
2 on March 15, 2011, making findings pursuant to CRL Sections 33445 and 33679 for the use
3 of tax increment to provide supplemental funding for the improvements and renovation of the
4 Bayview Opera House and authorized the Agency staff to pursue Board of Supervisors
5 approval of the findings and consent for the Agency funding for the renovation project; and

6 **CRL Section 33445 & 33679 Findings For SFAC and SFMTA Grants**

7 WHEREAS, The Bayview Opera House is currently considered unsafe because of a
8 number of deficiencies, including weakened structural support for its existing balcony and lack
9 of accessibility improvements to comply with the Americans with Disability Act ("ADA") – the
10 absence of ramp, stairs, and restrooms readily accessible to the disabled. The improvements
11 proposed to remove the deficiencies include: (1) the construction of a new concrete ramp and
12 stairs; (2) replacement of a roll-up door on the porch with a new pair of doors; (3) addition of
13 two ADA-accessible restrooms; (4) addition of a new interior wall under the existing balcony in
14 the main auditorium space; and (5) installation of metal columns under the existing balcony for
15 seismic strengthening. The proposed improvements will prevent the Bayview Opera House
16 from being declared seismically unsafe and noncompliant with ADA. This will help reduce its
17 blighting conditions and restore the building to a vibrant cultural center that can draw
18 residents, visitors, and businesses in the Project Area through the programs offer in the
19 center. The programs promote community arts through entertainment and education and it is
20 an important part of the vitality of this Project Area. Without the proposed SFAC Grant, the
21 Bayview Opera House would remain blighted and underutilized; and

22 WHEREAS, The Plaza Plaza's deficiencies include a lack of respite from the sun,
23 exposure to excess noise and traffic, and the lack of a convenient and direct connection to
24 Third Street. The proposed Plaza renovations will create a contiguous open space around the
25 Bayview Opera House; replace paving, perimeter fences and brick walls; and adding lighting

1 and utilities for an outdoor stage. Correcting the Plaza deficiencies will eliminate a blighting
2 condition in the Project Area; and

3 WHEREAS, The City searched for additional funding within its own budget and from
4 other sources but was impeded because of the recent economic recession. The City faces
5 substantial fiscal challenges in light of substantially reduced tax revenues and challenging
6 economic conditions created by the recession. According to the Three-Year Budget
7 Projection for General Fund Supported Obligations FY 2010-11 through 2012-13, projected
8 shortfalls in General Fund revenues compared to expenditures over the next three years are
9 \$483 million in FY 2010-11, \$712 million in FY 2011-12, and \$787 million in FY 2012-13.
10 These projected deficits illustrate why alternative sources of funding are not available for the
11 needed seismic and disabled-access improvements to the Bayview Opera House; and

12 WHEREAS, The proposed structural, seismic and the disabled-accessibility
13 improvements to the Bayview Opera House and the Plaza renovations are consistent with the
14 Project Area's Five-Year Implementation Plan ("the Implementation Plan") adopted pursuant to
15 Health and Safety Code Section 33490. The Implementation Plan covers the period from July
16 1, 2006 to June 30, 2011 and was adopted under the March 7, 2006 Agency Commission
17 Resolution No. 32-2006 and under the June 1, 2006 San Francisco County Board of
18 Supervisors' Ordinance No. 113-06. The Implementation Plan lists the goals and objectives to
19 be achieved within its five-year operating period, including the following specific objectives: (a)
20 *facilitating the preservation, rehabilitation; and seismic retrofitting of historic buildings and other*
21 *landmarks, and (b) eliminating blighting influences ... deteriorated public improvements,*
22 *facilities, and utilities.* The proposed improvements to the Bayview Opera House and Plaza
23 renovations will help to preserve this historic landmark to continue to meet some of the of the
24 community's cultural needs; and; now, therefore, be it

1 RESOLVED, The Board of Supervisors finds, based on the record before it, including
2 but not limited to the facts and findings contained in the Agency Resolutions Nos. 24-2011
3 and 25-2011, the two Summary Reports prepared by the Agency, and the factual recitals
4 contained in the Whereas clauses of this Board resolution, that: (1) the proposed use of tax
5 increment funding through the SFAC Grant Agreement and the SFMTA Grant Agreement will
6 benefit the Project Area by helping to eliminate blight within the Project Area; (2) no other
7 reasonable means of funding the interior renovation project are available to the City and
8 County of San Francisco; and (3) the payment of funds for the cost of the interior renovation
9 of the Bayview Opera House is consistent with the Implementation Plan; and, be it

10 FURTHER RESOLVED, That the Board of Supervisors of the City and County of San
11 Francisco consents to the execution of the SFAC Grant Agreement and SFMTA Grant
12 Agreement and disbursement of Agency tax increment funds pursuant to their respective
13 terms for the proposed improvement and renovation of the Bayview Opera House.

DRAFT

MEMORANDUM

TO: Board of Supervisors
City and County of San Francisco

FROM: Fred Blackwell
Executive Director

SUBJECT: Public Hearing on the proposed Agency Grants for Bayview Opera House

The Redevelopment Agency of the City and County of San Francisco (the "Redevelopment Agency") is requesting the Board to hold a public hearing on the two proposed Agency grants for the renovation of the Bayview Opera House. Attached for the Board's consideration are two Summary Reports prepared by the Agency for the grants. Pursuant to State Community Redevelopment Law (Health and Safety Code Section 33679), the Board holds is required to hold a public hearing on the Summary Report and the conclusion of the public hearing adopt the findings list under Section 2 of the Summary Report which findings set forth the facts supporting a determination that the City has no reasonable means of the financing the proposed renovation to the Bayview Opera House.

The Board is recommended to take the following actions:

1. Conduct a public hearing on the proposed Agency grants for the renovation of the Bayview Opera House;
2. Make the findings required by CRL Section 33445; and
3. Consent to the Redevelopment Agency's use of tax increment funds to provide supplemental funding for the renovation of the Bayview Opera House Plaza

Originated by Ricky Tijani, Senior Development Specialist

Fred Blackwell,
Executive Director

Summary Report
For
The proposed renovation of the Bayview Opera House Plaza
(Health & Safety Code Section 33679)

Background

The Community Redevelopment Law (Health and Safety Code Section 33679) requires a **summary report** be prepared and made available to the public before a redevelopment agency commits to use tax increment revenues for the purpose of paying for all or part of the value of land for, and the cost of installation or construction of, any publicly owned building. The **report** must: (a) estimate the amount of tax increment proposed to be used for such land and construction, (b) set forth the facts supporting the determinations required to be made by the legislative body pursuant to Health & Safety Code Section 33445, and (c) set forth the redevelopment purpose for which the tax increment is being used.

Bayview Opera House plaza renovation

In June 2006, the Agency adopted the Redevelopment Plan (the "Plan") for the Bayview Hunters Point Redevelopment Project Area ("Project Area"). One of the key goals of the Plan is economic revitalization of certain activity nodes of the Project Area. One of the activity nodes is the Town Center where the Bayview Opera House is located. The residents, businesses, stakeholders, the Bayview Hunters Point Project Area Advisory Committee, the Agency, SFMTA and other City departments have been working closely together on a project called Bayview Connections to improve transit service in the Project Area and to connect the Project Area to citywide and regional destinations. The Bayview Connection project includes two major components: (1) the transit expansion consisting of the Third Street Light Rail Project and improvements to pedestrian gathering spaces near transit stations; and (2) economic revitalization of the Project Area.

SFMTA, on behalf of the City, has completed the Third Street Light Rail Project and the Oakdale Palou Transit Hub, and it is now working on completing improvements to pedestrian gathering spaces at the Bayview Opera House plaza (the "Project"). In 2000, SFMTA applied for, and received, a \$1.874 million grant (the "Federal Funds") from the Federal Transit Administration of the U.S. Department of Transportation. The Federal Funds were earmarked for improvements to, or renovation of, the Plaza to tie it to the nearby Oakdale/Palou Transit Hub and the surrounding residential, commercial, cultural and institutional uses. The Federal Funds require local matching funds set at a minimum of 11% of the Federal Funds or \$206,140.

During community meetings in 2000 to discuss the Plaza renovation, community members expressed a collective desire to adequately address most of the Plaza's deficiencies – the lack of improvements, the lack of respite from the sun, noise, traffic, and the lack of a convenient and direct connection to Third Street. They wanted the Plaza transformed into an attractive pedestrian-oriented public space.

Towards that end, the renovations proposed in 2000 included, among other things, reshaping some of the Plaza's existing elements to create contiguous open space around the Bayview Opera

House; replacing paving, perimeter fences and brick walls; and adding lighting and utilities for an outdoor stage. At that time, SFMTA estimated the total cost of the proposed renovation at \$2.269 million, leaving a funding gap of \$395,000 that the City was expected to fund.

Approximately \$769,000 of the Federal Funds was spent on design iterations, reviews and community meetings to form a consensus on the scope of the renovation. As of January 2010, SFMTA estimated the total cost of the current renovation plan at \$1.89 million (the "Project Cost"). Only \$1.1 million of the Federal Funds are left for the renovation, leaving a gap of about \$785,000. The Arts Commission and SFMTA have asked the Agency to cover the gap since there is no alternative funding available.

The grant agreement is with SFMTA for \$785,000 for the Project. It is subject to receiving the consent and approval of the City and County of San Francisco Board of Supervisors as detailed later in this Memorandum. The agreement will run of three years to accommodate any possible delays; however, all work is expected to be completed within the next 18 months. It also includes provisions requiring that the SFMTA pays for any cost overruns associated with both projects.

The Summary Report

Section 33679 requires the following documentation:

1. Estimates of the amount of taxes proposed to be used to pay for such land and construction of any publicly owned building, including interest payments.

The estimated cost of the proposed Project, including interest payments, is \$1.89 million. The Federal Funds is expected to provide \$1.1 million towards the estimated cost, leaving a funding gap of about \$785,000. The Agency will be funding the gap with \$785,000 of tax increment funds.

2. Set forth the facts supporting the determinations required to be made by the legislative body pursuant to Section 33445.

A. *The publicly-owned Bayview Opera House will continue to be of benefit to the Project Area by helping to eliminate blight in this Project Area.*

The above-stated finding is based on the following facts:

The Bayview Opera House, a multi-use facility built in 1888, serves as a cultural and recreational center offering programs that promote community arts through entertainment and education for residents, visitors, and businesses in the Project Area. It is currently underutilized because it does not have the necessary improvements; it does not provide respite from the sun, noise, and traffic, and it does not have convenient and direct connection to the nearby transit station and Third Street. The proposed renovation will help reclaim the plaza from its current primary use as a parking lot to create a reshaped plaza with contiguous open space

around the Bayview Opera House; replace its paving, perimeter fences and brick walls; and add lighting and utilities for an outdoor stage to transform the plaza into an attractive pedestrian-oriented public space.

The proposed renovation of the plaza will help reduce blighting conditions and create a vibrant cultural center that can draw residents, visitors, and businesses in the Project Area through the programs the Bayview Opera House offers. The programs promote community arts through entertainment and education and it is an important part of the vitality of this Project Area. Without the proposed Agency grant, the Plaza would remain blighted and underutilized.

B. There are no other reasonable means of funding the public improvements.

The above-stated finding is based on the following facts:

Because the San Francisco Arts Commission has limited capital improvement budget, it was not able to provide the matching funds required for the Federal Funds earmarked for the renovation of the Plaza. It searched for funds from the City and other sources was impeded because of the recent economic recession. The City itself faces substantial fiscal challenges in light of substantially reduced tax revenues and challenging economic conditions created by the recession. According to the Three-Year Budget Projection for General Fund Supported Obligations FY 2010-11 through 2012-13, projected shortfalls in General Fund revenues compared to expenditures over the next three years are \$483 million in FY 2010-11, \$712 million in FY 2011-12, and \$787 million in FY 2012-13. These projected deficits illustrate why alternative sources of funding are not available for the needed renovation and improvements to the Bayview Opera House.

C. The public improvements are consistent with the Implementation Plan for the Project Area.

The above-stated finding is based on the following facts:

The proposed renovation of the Plaza is consistent with the Project Area's Five-Year Implementation Plan ("the Implementation Plan") adopted pursuant to Health and Safety Code Section 33490. The Implementation Plan covers the period from July 1, 2006 to June 30, 2011 and was adopted under the March 7, 2006 Agency Commission Resolution No. 32-2006 and under the June 1, 2006 San Francisco County Board of Supervisors' Ordinance No. 113-06. The Implementation Plan lists the goals and objectives to be achieved within its five-year operating period, including the following specific objectives: (a) *facilitating the preservation, rehabilitation, and seismic retrofitting of historic buildings and other landmarks*, and (b) *eliminating blighting influences ... deteriorated public improvements, facilities, and utilities*. The proposed improvements to the plaza

will help to preserve this historic landmark to continue to meet some of the community's cultural needs.

3. Sets forth the redevelopment purpose for which such tax increment is being used.

Health and Safety Code Section 33020 defines "redevelopment" as follows:

"Redevelopment: means the planning, development, replanning, redesign, clearance, reconstruction, or rehabilitation, or any combination of these, or all or part of a survey area, and the provision of those residential, commercial, industrial, public, or other structures or space as may be appropriate or necessary in the interest of the general welfare, including recreational and other facilities incidental or appurtenant to them..."

Section 1.2.1 of the BVHP Redevelopment Plan listed the goals and objectives (redevelopment purpose) of the Redevelopment Plan; the list includes, among other goals and objectives, the following:

- *"Retaining existing residents and existing cultural diversity to the extent feasible."*
- *"Facilitating the preservation, rehabilitation, and seismic retrofitting of historic buildings and other landmarks."*
- *"Eliminating blighting influences and correcting environmental deficiencies with the Project Area, including, but not limited to, abnormally high vacancies, abandoned, deteriorated and dilapidated buildings, incompatible land uses, depreciated or stagnant property values, and inadequate or deteriorated public improvements, facilities and utilities."*

The Implementation Plan, updated under the June 3, 2010 Agency Commission Resolution No. 64-2010 and under the August 3, 2010 San Francisco County Board of Supervisors' Ordinance No.210-10, provides for, among other things, the following:

"Formulate development program for the publicly-owned Town Center Block within the Town Center activity node"

"Facilitate the completion of the Bayview Connections urban open space project in the Town Center activity node."

The Fiscal Year 2010-2011 approved for the Agency under the June 25, 2010 San Francisco County Board of Supervisors' Resolution No.320-10 provides for, among other things, the following:

"Support the completion of the Bayview Opera House Plaza/Gardens. ... Staff is coordinating the release of gap funding in order to complete implementation of the public plaza."

The renovation of the Bayview Opera House Plaza will provide improved public facility within the Project Area in accordance with the adopted Redevelopment Plan and Implementation Plan.

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

NOTICE OF PUBLIC HEARING

BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO

NOTICE IS HEREBY GIVEN THAT the Board of Supervisors of the City and County of San Francisco, as a Committee of the Whole, will hold a public hearing to consider the following proposal and said public hearing will be held as follows, at which time all interested parties may attend and be heard:

- Date:** Tuesday, April 26, 2011
- Time:** 3:00 p.m.
- Location:** Legislative Chamber, Room 250 located at City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA
- Subject:** Public hearing to consider making findings under Health and Safety Code Section 33445 for the use of tax increment funds in the amount of \$400,000 by the Redevelopment Agency of the City and County of San Francisco to provide supplemental funding for the interior renovation of the Bayview Opera House located at 4701 Third Street in the Bayview Hunters Point Redevelopment Project Area.

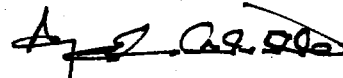
The purpose of the said hearing is to hear all persons interested in the matter of the proposal of the Redevelopment Agency of the City and County of San Francisco (the "Redevelopment Agency") to use tax increment funds under a grant agreement with the San Francisco Arts Commission in an amount not to exceed \$400,000 to supplement the funding for the interior renovation of the Bayview Opera House, located on Third Street, between Oakdale and Newcomb Avenues.

The Redevelopment Agency has prepared a summary report pursuant to Section 33679 of the Health and Safety Code. The report contains the following: (1) an estimate of the amount of tax increment funds to be used for the purpose of the interior renovating the Bayview Opera House; (2) a summary of the proposed grant agreement; (3) the facts supporting the determinations required to be made by the legislative body pursuant to Section 33445; and (4) the redevelopment purpose for which such tax increment funds are being used to pay estimated costs of proposed interior renovation of the Bayview Opera House. Interested persons may inspect and upon payment of the cost of reproduction, obtain copies of the report at the following address: San Francisco Redevelopment Agency, 1 South Van Ness Avenue, 5th Floor, San Francisco, CA 94103. Questions concerning the renovation may be addressed to Ricky Tijani, San Francisco Redevelopment Agency (415) 749-2451.

An action to challenge the findings pursuant to Health and Safety Code Section 33445 shall be filed and served within 60 days after the date of the resolution containing the findings.

Pursuant to Government Code Section 65009, notice is hereby given, if you challenge, in court, the matter described above, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the Board of Supervisors at, or prior to, the public hearing.

In accordance with Section 67.7-1 of the San Francisco Administrative Code, persons who are unable to attend the hearing on this matter may submit written comments to the City prior to the time the hearing begins. These comments will be made as part of the official public record in this matter, and shall be brought to the attention of the Board of Supervisors. Written comments should be addressed to: Angela Calvillo, Clerk of the Board, Room 244, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102. Agenda information related to this matter will be available for public review at the Office of the Clerk of the Board on Thursday, April 21, 2011.



Angela Calvillo
Clerk of the Board

DATED: April 7, 2011
PUBLISHED: April 10, 2011 and April 17, 2011

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

NOTICE OF PUBLIC HEARING

BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO

NOTICE IS HEREBY GIVEN THAT the Board of Supervisors of the City and County of San Francisco, as a Committee of the Whole, will hold a public hearing to consider the following proposal and said public hearing will be held as follows, at which time all interested parties may attend and be heard:

- Date:** Tuesday, April 26, 2011
- Time:** 3:00 p.m.
- Location:** Legislative Chamber, Room 250 located at City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA
- Subject:** Public hearing to consider making findings under Health and Safety Code Section 33445 for the use of tax increment funds in the amount of \$785,000 by the Redevelopment Agency of the City and County of San Francisco to provide supplemental funding for the renovation of the Bayview Opera House Plaza located at 4701 Third Street in the Bayview Hunters Point Redevelopment Project Area.

The purpose of the said hearing is to hear all persons interested in the matter of the proposal of the Redevelopment Agency of the City and County of San Francisco (the "Redevelopment Agency") to use tax increment funds under a grant agreement with the San Francisco Municipal Transportation Agency in an amount not to exceed \$785,000 to supplement the funding for the renovation of the plaza of the Bayview Opera House located on Third Street, between Oakdale and Newcomb Avenues.

The Redevelopment Agency has prepared a summary report pursuant to Section 33679 of the Health and Safety Code. The report contains the following: (1) an estimate of the amount of tax increment funds to be used for the purpose of renovating the Bayview Opera House plaza; (2) a summary of the proposed grant agreement; (3) the facts supporting the determinations required to be made by the legislative body pursuant to Section 33445; and (4) the redevelopment purpose for which such tax increment funds are being used to pay estimated costs of proposed renovation of the Bayview Opera House plaza. Interested persons may inspect and upon payment of the cost of reproduction, obtain copies of the report at the following address: San Francisco Redevelopment Agency, 1 South Van Ness Avenue, 5th Floor, San Francisco, CA 94103. Questions concerning the renovation may be addressed to Ricky Tijani, San Francisco Redevelopment Agency (415) 749-2451.

An action to challenge the findings pursuant to Health and Safety Code Section 33445 shall be filed and served within 60 days after the date of the resolution containing the findings.

Pursuant to Government Code Section 65009, notice is hereby given, if you challenge, in court, the matter described above, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the Board of Supervisors at, or prior to, the public hearing.

In accordance with Section 67.7-1 of the San Francisco Administrative Code, persons who are unable to attend the hearing on this matter may submit written comments to the City prior to the time the hearing begins. These comments will be made as part of the official public record in this matter, and shall be brought to the attention of the Board of Supervisors. Written comments should be addressed to: Angela Calvillo, Clerk of the Board, Room 244, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102. Agenda information related to this matter will be available for public review at the Office of the Clerk of the Board on Thursday, April 21, 2011.



Angela Calvillo
Clerk of the Board

DATED: April 7, 2011
PUBLISHED: April 10, 2011 and April 17, 2011

Summary Report For

Proposed seismic and disabled-access improvements to the Bayview Opera House (Health & Safety Code Section 33679)

Background

The Community Redevelopment Law (Health and Safety Code Section 33679) requires a **summary report** be prepared and made available to the public before a redevelopment agency commits to use tax increment revenues for the purpose of paying for all or part of the value of land for, and the cost of installation or construction of, any publicly owned building. The **report** must: (a) estimate the amount of tax increment proposed to be used for such land and construction, (b) set forth the facts supporting the determinations required to be made by the legislative body pursuant to Health & Safety Code Section 33445, and (c) set forth the redevelopment purpose for which the tax increment is being used.

Proposed Seismic and Disabled-access improvements to Bayview Opera House plaza

In June 2006, the Agency adopted the Redevelopment Plan (the "Plan") for the Bayview Hunters Point Redevelopment Project Area ("Project Area"). One of the key goals of the Plan is economic revitalization of certain activity nodes of the Project Area. One of the activity nodes is the Town Center where the Bayview Opera House is located.

The Opera House, built in 1888, is located between Oakdale and Newcomb Avenues. It is a multi-use, cultural, and recreational center offering programs that promote community arts through entertainment and education for the benefit of residents, visitors, and businesses in the Project Area. It provides the BVHP community with a creative outlet through programs offering performance arts, stage technician workshops, an acting academy, a music academy, dance classes, photography, and art. It is a very visible cultural symbol and gateway to the BVHP community, and has been granted landmark status by the City.

Between 1973 and 2001, SFAC undertook physical assessments of the Opera House. The assessments revealed structural, seismic, and disabled-accessibility deficiencies. Since then, SFAC has been looking for funds to address these deficiencies. In 2008, SFAC allocated \$248,000 from its capital improvement budget to develop a scope of work and produce preliminary construction drawings for improvements to correct the most critical deficiencies. At that time, the City was hoping that this predevelopment work would attract federal stimulus funds to correct the deficiencies, but the funds never materialized.

Recently, SFAC proposed a scope of work that includes seismic upgrades and accessibility improvements to comply with the Americans with Disability Act ("ADA"). More specifically, it includes: (1) removal of non-original concrete stairs at the front entrance of the building and construction of a new concrete ramp and stairs; (2) replacement of a roll-up door on the porch with a new pair of doors; (3) addition of two ADA-accessible restrooms; (4) addition of a new interior wall under the existing balcony in the main auditorium space; and (5) installation of metal columns under the existing balcony for seismic strengthening (the "Project").

The Bureau of Architecture of the City's Department of Public Works ("DPW") is assisting SFAC with the preliminary construction drawings, has estimated the total cost of the Project at \$748,000 (the "Project Cost") as of January 2010, and has agreed to oversee the construction of the Project if there is sufficient funding for the Project Cost. SFAC recently received an additional \$100,000 for the Project from the Mayor's Office of Community Investment ("MOCI"), bringing the total current funding for the Project to \$348,000 and leaving a funding gap of \$400,000. SFAC has requested that the Agency cover the gap because no alternative funding is available.

The grant agreement is with SFAC for \$400,000 for the Project. It is subject to receiving the consent and approval of the City and County of San Francisco Board of Supervisors as detailed later in this Memorandum. The agreement will run of three years to accommodate any possible delays; however, all work is expected to be completed within the next 18 months. It also includes provisions requiring that the SFAC pays for any cost overruns associated with both projects.

The Summary Report

Section 33679 requires the following documentation:

1. Estimates of the amount of taxes proposed to be used to pay for such land and construction of any publicly owned building, including interest payments.

The estimated cost of the proposed Project, including interest payments, is \$748,000. Funds from the City and MOCI are expected to provide 348,000 towards the estimated cost, leaving a funding gap of about \$400,000. The Agency will be funding the gap with \$400,000 of tax increment funds.

2. Set forth the facts supporting the determinations required to be made by the legislative body pursuant to Section 33445.

A. *The publicly-owned Bayview Opera House will continue to be of benefit to the Project Area by helping to eliminate blight in this Project Area.*

The above-stated finding is based on the following facts:

The Bayview Opera House, a multi-use facility built in 1888, serves as a cultural and recreational center offering programs that promote community arts through entertainment and education for residents, visitors, and businesses in the Project Area. It is currently considered unsafe because of a number of deficiencies, including weakened structural support for its existing balcony and lack of accessibility improvements to comply with the Americans with Disability Act ("ADA") – the absence of ramp, stairs, and restrooms readily accessible to the disabled. The improvements proposed to remove the deficiencies include: (1) the construction of a new concrete ramp and stairs; (2) replacement of a roll-up door on the porch with a new pair of doors; (3) addition of two ADA-accessible

restrooms; (4) addition of a new interior wall under the existing balcony in the main auditorium space; and (5) installation of metal columns under the existing balcony for seismic strengthening (the "Interior Project").

The proposed improvements will prevent the Bayview Opera House from being declared seismically unsafe and noncompliant with ADA. This will help reduce its blighting conditions and restore the building to a vibrant cultural center that can draw residents, visitors, and businesses in the Project Area through the programs offer in the center. The programs promote community arts through entertainment and education and it is an important part of the vitality of this Project Area. Without the proposed Agency grant, the Plaza would remain blighted and underutilized.

B. *There are no other reasonable means of funding the public improvements.*

The above-stated finding is based on the following facts:

Because the San Francisco Arts Commission has limited capital improvement budget, it was not able to provide the funds needed to fully cover the cost of all the required improvements to keep the building seismically safe and ADA compliant. It searched for full funding from the City and other sources was impeded because of the recent economic recession. The City itself faces substantial fiscal challenges in light of substantially reduced tax revenues and challenging economic conditions created by the recession. According to the Three-Year Budget Projection for General Fund Supported Obligations FY 2010-11 through 2012-13, projected shortfalls in General Fund revenues compared to expenditures over the next three years are \$483 million in FY 2010-11, \$712 million in FY 2011-12, and \$787 million in FY 2012-13. These projected deficits illustrate why alternative sources of funding are not available for the needed renovation and improvements to the Bayview Opera House.

C. *The public improvements are consistent with the Implementation Plan for the Project Area.*

The above-stated finding is based on the following facts:

The proposed seismic and the disabled-accessibility improvements to the Bayview Opera House is consistent with the Project Area's Five-Year Implementation Plan ("the Implementation Plan") adopted pursuant to Health and Safety Code Section 33490. The Implementation Plan covers the period from July 1, 2006 to June 30, 2011 and was adopted under the March 7, 2006 Agency Commission Resolution No. 32-2006 and under the June 1, 2006 San Francisco County Board of Supervisors' Ordinance No. 113-06. The Implementation Plan lists the goals and objectives to be achieved within its five-year operating period, including the following specific objectives: (a) *facilitating the preservation, rehabilitation; and seismic retrofitting of historic buildings and other landmarks,* and (b) *eliminating blighting influences ... deteriorated public improvements,*

facilities, and utilities. The proposed improvements to the Bayview Opera House will help to preserve this historic landmark to continue to meet some of the community's cultural needs.

3. Sets forth the redevelopment purpose for which such tax increment is being used.

Health and Safety Code Section 33020 defines "redevelopment" as follows:

"Redevelopment: means the planning, development, replanning, redesign, clearance, reconstruction, or rehabilitation, or any combination of these, or all or part of a survey area, and the provision of those residential, commercial, industrial, public, or other structures or space as may be appropriate or necessary in the interest of the general welfare, including recreational and other facilities incidental or appurtenant to them..."

Section 1.2.1 of the BVHP Redevelopment Plan listed the goals and objectives (redevelopment purpose) of the Redevelopment Plan; the list includes, among other goals and objectives, the following:

- *"Retaining existing residents and existing cultural diversity to the extent feasible."*
- *"Facilitating the preservation, rehabilitation, and seismic retrofitting of historic buildings and other landmarks."*
- *"Eliminating blighting influences and correcting environmental deficiencies with the Project Area, including, but not limited to, abnormally high vacancies, abandoned, deteriorated and dilapidated buildings, incompatible land uses, depreciated or stagnant property values, and inadequate or deteriorated public improvements, facilities and utilities."*

The Implementation Plan, updated under the June 3, 2010 Agency Commission Resolution No. 64-2010 and under the August 3, 2010 San Francisco County Board of Supervisors' Ordinance No.210-10, provides for, among other things, the following:

"Formulate development program for the publicly-owned Town Center Block within the Town Center activity node"

"Facilitate the completion of the Bayview Connections urban open space project in the Town Center activity node."

The Fiscal Year 2010-2011 approved for the Agency under the June 25, 2010 San Francisco County Board of Supervisors' Resolution No.320-10 provides for, among other things, the following:

“Support the completion of the Bayview Opera House Plaza/Gardens. Staff is coordinating the release of gap funding in order to complete implementation of the public plaza.”

The proposed improvements to the Bayview Opera House will provide improved public facility within the Project Area in accordance with the adopted Redevelopment Plan and Implementation Plan.

MEMORANDUM**TO:** Agency Commissioners**FROM:** Fred Blackwell
Executive Director**SUBJECT:** Authorizing a Grant Agreement with the City and County of San Francisco, acting by and through the Municipal Transportation Agency, in an amount not to exceed \$785,000 to provide supplemental funding for the renovation of the Bayview Opera House Plaza and making findings required by Health and Safety Code Section 33445; Bayview Hunters Point Redevelopment Project Area

Authorizing a Grant Agreement with the City and County of San Francisco, acting by and through its Arts Commission, in an amount not to exceed \$400,000 to provide supplemental funding for the interior renovation of the Bayview Opera House and making findings required by Health and Safety Code Section 33445; Bayview Hunters Point Redevelopment Project Area

EXECUTIVE SUMMARY

The City and County of San Francisco (the "City") owns the Bayview Opera House (the "Opera House") which is being managed and operated by the City's Arts Commission ("SFAC"). The Opera House, built in 1888, is located on Third Street, between Oakdale and Newcomb Avenues. It is a multi-use, cultural, and recreational center offering programs that promote community arts through entertainment and education for the benefit of residents, visitors, and businesses in the Bayview Hunters Point Redevelopment Project Area (the "Project Area" or "BVHP"). It provides the BVHP community with a creative outlet through programs offering performance arts, stage technician workshops, an acting academy, a music academy, dance classes, photography, and art. It is a very visible cultural symbol and gateway to the BVHP community, and has been granted a landmark status by the City.

The Opera House is in need of renovation to increase the use of its plaza ("Plaza") and to fix its seismic and disabled-access deficiencies. The San Francisco Municipal Transportation Agency ("SFMTA") plans to renovate the Plaza with federal funds it received in connection to the Third Street Light Rail Project and improvements to pedestrian gathering spaces near transit stations. SFAC plans to fix the Deficiencies with City funds. Both the federal and City funds are both insufficient to cover the respective estimated cost of these two projects, leaving a funding gap. SFMTA and SFAC have searched for funds to cover the gap to no success and have requested the Agency's help to fund the gap. Both the BVHP community and the BVHP Project Area Committee (the "BVHP PAC") support the requested funding. Staff is requesting that the

Agency Commission approve the two proposed grant agreements, discussed later in this memorandum, that provide the gap financing.

A redevelopment agency using redevelopment funds for publicly-owned improvements located in or contiguous to a project area must comply with Health and Safety Code Section 33445 of California's Community Redevelopment Law ("CRL Section 33445"). This section requires a redevelopment agency's legislative body (which, for these purposes, is the City and County of San Francisco Board of Supervisors or the "Board of Supervisors" or the "Board") to make findings that: (1) the publicly-owned improvements alleviate blight in a project area, (2) redevelopment agency funds are required because no other reasonable means of financing such improvements exists, and (3) development of such improvements is consistent with the current implementation plan for the project area (the "CRL Section 33445 Findings").

Staff is requesting that the Agency Commission consider authorizing the two proposed grant agreements for SFMTA and SFAC for the renovation of the Bayview Opera House and Plaza; and adopting a resolution making the findings required by CRL Section 33445 for the grants; and authorizing Agency staff to submit a resolution making identical or substantially similar findings for consideration by the Board of Supervisors.

Staff recommends approval of the two proposed grant agreements with SFMTA and SFAC and adoption of two separate resolutions making the required findings for the grants pursuant to CRL Section 33445.

DISCUSSION

Bayview Opera House Plaza Renovation (the "Exterior Project")

In June 2006, the Agency adopted the Redevelopment Plan (the "Plan") for the Project Area. One of the key goals of the Plan is economic revitalization of certain activity nodes of the Project Area. One of the activity nodes is the Town Center where the Bayview Opera House is located. The residents, businesses, stakeholders, BVHP PAC, Agency staff, SFMTA and other City departments have been working closely together on a project called Bayview Connections to improve transit services and connect the Project Area to citywide and regional destinations. The Bayview Connection project includes two major components: (1) the transit expansion consisting of the Third Street Light Rail Project and improvements to pedestrian gathering spaces near transit stations; and (2) economic revitalization of the Project Area.

SFMTA, on behalf of the City, has completed the Third Street Light Rail Project and the Oakdale Palou Transit Hub, and it is now working on completing improvements to pedestrian gathering spaces at the Bayview Opera House Plaza (the "Exterior Project"). In 2000, SFMTA applied for, and received, a \$1.874 million grant (the "Federal Funds") from the Federal Transit Administration of the U.S. Department of Transportation. The Federal Funds were earmarked for improvements to, or renovation of, the Plaza to tie it to the nearby Oakdale/Palou Transit Hub and the surrounding residential, commercial, cultural and institutional uses. The Federal Funds require local matching funds set at a minimum of 11% of the Federal Funds, or \$206,140.

During community meetings in 2000 to discuss the Plaza renovation, community members expressed a collective desire to adequately address most of the Plaza's deficiencies: (1) the lack of improvements, (2) the lack of respite from the sun, noise, and traffic, and (3) the lack of a convenient and direct connection to Third Street. They wanted the Plaza transformed into an attractive pedestrian-oriented public space. Toward that end, renovation proposed in 2000 included, among other things, reshaping some of the Plaza's existing elements to create contiguous open space around the Bayview Opera House; replacing paving, perimeter fences and brick walls; and adding lighting and utilities for an outdoor stage, etc. At that time, SFMTA estimated the total cost of the proposed renovation at \$2.269 million, leaving a funding gap of \$395,000 that the City was expected to fund.

Between 2000 and 2009, approximately \$769,000 of the Federal Funds has been spent on design iterations, reviews and community meetings to form a consensus on the scope of the renovation. As of January 2010, SFMTA estimated the total cost of the current renovation plan at \$1.89 million. Only \$1.1 million of the Federal Funds is left for the renovation, leaving a gap of about \$785,000. The SFAC and SFMTA have asked the Agency to cover the gap since there is no alternative funding available.

Bayview Opera House Seismic and Disabled-access Improvements (the "Interior Project")

Between 1973 and 2001, SFAC undertook physical assessments of the Opera House. The assessments revealed structural, seismic, and disabled-access deficiencies. Since then, SFAC has been looking for funds to address these deficiencies. In 2008, SFAC allocated \$248,000 from its capital improvement budget to develop a scope of work and produce preliminary construction drawings for improvements to correct the most critical deficiencies. At that time, the City was hoping that this predevelopment work would attract federal stimulus funds to correct the deficiencies, but the funds never materialized.

Recently, SFAC proposed a scope of work that includes seismic upgrades and accessibility improvements to comply with the Americans with Disability Act ("ADA"). More specifically, it includes: (1) removal of non-original concrete stairs at the front entrance of the building and construction of a new concrete ramp and stairs; (2) replacement of a roll-up door on the porch with a new pair of doors; (3) addition of two ADA-accessible restrooms; (4) addition of a new interior wall under the existing balcony in the main auditorium space; and (5) installation of metal columns under the existing balcony for seismic strengthening (the "Interior Project").

The Bureau of Architecture of the City's Department of Public Works ("DPW") is assisting SFAC with the preliminary construction drawings. DPW has estimated the total cost of the Interior Project at \$748,000 as of January 2010, and agreed to oversee the construction of the Interior Project if there is sufficient funding for it. SFAC recently received an additional \$100,000 for the Interior Project from the Mayor's Office of Community Investment ("MOCI"), bringing the total current funding for the Interior Project to \$348,000 and leaving a funding gap of \$400,000. SFAC has requested that the Agency cover the gap because no alternative funding is available.

Proposed Grant Agreements

The first grant agreement is with SFMTA for \$785,000 for the Exterior Project. The second grant agreement is with SFAC for \$400,000 for the Interior Project. Both grants are subject to receiving the consent and approval of the Board as detailed later in this Memorandum. Both agreements will run for three years to accommodate any possible delays; however, all work is expected to be completed within the next 18 months. Both agreements also include provisions requiring that the City pays for any cost overruns associated with both projects.

Workforce and Contracting Requirements

The Exterior and Interior Projects are City projects, and as such, the City will be the lead entity implementing local contracting and hiring requirements.

For the Exterior Project, federal transportation dollars require the City to adhere to federal workforce and contracting guidelines. These guidelines differ from the Agency's workforce and contracting policies in two key ways: (1) they include a goal to award 100% of the contracting opportunities to small business enterprises, and (2) they do not include geographic preferences for contracting and hiring.

For the Interior Project, SFAC has agreed to follow the local contracting guidelines established in the Agency's Small Business Enterprise policy and to follow the City's policy for local hiring.

For both projects, the City has agreed to work with CityBuild to provide opportunities for qualified residents of the Bayview to apply for any available entry-level positions.

Community Redevelopment Law Requirements

Because the Agency will be using tax increment funds for improvements to the Bayview Opera House, a City-owned property, CRL Section 33445 requires that the Agency seek approval of the Board before disbursing funds from the proposed grants. As such, the Agency will request the Board's approval of the proposed Agency grants based on the following findings: that (1) the improvements to the Bayview Opera House are of benefit to the Project Area by helping to eliminate blight within the Project Area; (2) no other reasonable means of financing the improvements are available; and (3) the Agency funding is consistent with the implementation plan adopted for the Project Area pursuant to CRL Section 33490.

The Commission is being asked to make certain findings pursuant to CRL Section 33445 and also to authorize the submission of a resolution with identical or substantially similar findings for consideration by the Board. CRL Section 33445 requires the Agency's legislative body, which, for these purposes, is the Board, to adopt a resolution making certain determinations with respect to publicly-owned improvements funded by the Redevelopment Agency. The required findings are summarized below:

1. ***The publicly-owned Bayview Opera House with the proposed improvements to its plaza and interior will continue to be of benefit to the Project Area by helping to eliminate blight in this Project Area.***

The above-stated finding is based on the following facts:

- A. The Bayview Opera House serves as a cultural and recreational center offering programs that promote community arts through entertainment and education for residents, visitors, and businesses in the Project Area. It is currently underutilized because it lacks the necessary improvements, does not provide respite from the sun, noise and traffic, and lacks convenient and direct connection to the nearby transit station and Third Street. The proposed renovation will help reclaim the Plaza from its current primary use as parking to create a reshaped Plaza with contiguous open space around the Bayview Opera House; replace its paving, perimeter fences and brick walls, and add lighting and utilities for an outdoor stage to transform the Plaza into an attractive pedestrian-oriented public space.
- B. The proposed renovation of the Plaza will help reduce blighting conditions and create a vibrant cultural center that can draw the residents, visitors, and businesses in the Project Area through the programs the Bayview Opera House offers. The programs promote community arts through entertainment and education and it is an important part of the vitality of this Project Area. Without the proposed Agency grant, the Plaza would remain underutilized and blighted.

2. ***There are no other reasonable means of funding the public improvements.***

The City faces substantial fiscal challenges in light of substantially reduced tax revenues and challenging economic conditions created by the recent recession. According to the City's Three-Year Budget Projection for General Fund Supported Obligations FY 2010-11 through 2012-13, projected shortfalls in General Fund revenues compared to expenditures over the next three years are \$483 million in FY 2010-11, \$712 million in FY 2011-12, and \$787 million in FY 2012-13. These projected deficits illustrate why alternative sources of funding are not available for the needed renovation and improvements to the Bayview Opera House.

3. ***The public improvements are consistent with the Implementation Plan for the Project Area.***

The proposed Interior and Exterior Projects are consistent with the Project Area's Five-Year Implementation Plan (the "Implementation Plan") adopted pursuant to Health and Safety Code Section 33490. The Implementation Plan covers the period from July 1, 2006 to June 30, 2011 and was adopted under the March 7, 2006 Agency Commission Resolution No. 32-2006 and under the June 1, 2006

Board of Supervisors' Ordinance No. 113-06. The Implementation Plan lists the goals and objectives to be achieved within its five-year operating period, including the proposed improvements to the Plaza to preserve it.

More detailed findings are included in the two resolutions attached to this memorandum. The findings the Agency Commission is requested to make in accord with the above analysis will help create a record upon which the Board may consider whether to make similar findings in accordance with CRL Section 33445. Authorization of the Executive Director to submit such findings to the Board of Supervisors will indicate the Commission's approval of the submission of such findings.

Community Outreach

The proposed Agency funding for the Bayview Opera House and Plaza improvements was presented to the Land Use Planning and Transportation Subcommittee and then to the full BVHP PAC on January 8, 2010 and February 25, 2010. The BVHP PAC endorsed both funding requests at the February 2010 meeting.

California Environmental Quality Act

Agency approval of the grant agreements for the renovation of the Bayview Opera House Plaza and the interior renovation of the Bayview Opera House would have no resultant significant environmental impacts and are categorically exempt from CEQA pursuant to CEQA Guidelines Section 15301(a), Interior and Exterior Alteration to an Existing Facility. Making findings required by Health and Safety Code Section 33445 for the two grant agreements are Agency administrative activities that will not cause any physical change in the environment and are not "Projects" as defined in CEQA Guidelines Section 15378(b)(5).

Originated by: Ricky Tijani, Senior Development Specialist

Fred Blackwell
Executive Director

RESOLUTION NO. 24-2011

Adopted March 15, 2011

AUTHORIZING A GRANT AGREEMENT WITH THE CITY AND COUNTY OF SAN FRANCISCO, ACTING BY AND THROUGH ITS MUNICIPAL TRANSPORTATION AGENCY, IN AN AMOUNT NOT TO EXCEED \$785,000 TO PROVIDE SUPPLEMENTAL FUNDING FOR THE RENOVATION OF THE BAYVIEW OPERA HOUSE PLAZA AND MAKING FINDINGS REQUIRED BY HEALTH AND SAFETY CODE SECTION 33445; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. The Redevelopment Agency of the City and County of San Francisco ("Agency") is authorized, pursuant to California Community Redevelopment Law ("CRL") (Health and Safety Code, Section 33000 *et seq.*) to provide assistance and advance funds for the making of improvements necessary for the redevelopment of blighted areas and the implementation of a project area redevelopment plan.
2. On June 1, 2006, the Agency adopted the Redevelopment Plan (the "Plan") for the Bayview Hunters Point Redevelopment Project Area (the "Project Area" or "BVHP"). One of the key goals of the Plan is economic revitalization of certain activity nodes of the Project Area. One of the activity nodes is the Town Center where the Bayview Opera House is located. The Bayview Opera House and the adjacent plaza are owned by the City, acting by and through its Arts Commission.
3. The residents, businesses, stakeholders, the Bayview Hunters Point Project Area Advisory Committee, the Agency, the San Francisco Municipal Transportation Agency ("SFMTA"), and other City departments have been working closely together on a project called "Bayview Connections" to improve transit service in the Project Area and to connect the Project Area to citywide and regional destinations. The Bayview Connection project includes two major components: (1) the transit expansion consisting of the Third Street Light Rail Project and improvements to pedestrian gathering spaces near transit stations; and (2) economic revitalization of the Project Area.
4. SFMTA, on behalf of the City, has completed the Third Street Light Rail Project and the Oakdale Palou Transit Hub, and it is now working on completing improvements to pedestrian gathering spaces at the Bayview Opera House Plaza (the "Project" or the "Plaza").
5. In 2000, SFMTA applied for, and received, a \$1.874 million grant (the "Federal Funds") from the Federal Transit Administration of the U.S. Department of Transportation. The Federal Funds were earmarked for improvements to, or renovation of, the Plaza to tie it to the nearby Oakdale/Palou Transit Hub and the surrounding residential, commercial, cultural and institutional uses. The Federal Funds require local matching funds set at a minimum of 11% of the Federal Funds or \$206,140.

6. During community meetings in 2000 to discuss the Plaza renovation, community members expressed a collective desire to adequately address most of the Plaza's deficiencies – the lack of improvements, the lack of respite from the sun, noise, traffic, and the lack of a convenient and direct connection to Third Street. They wanted the Plaza transformed into an attractive pedestrian-oriented public space.
7. Towards that end, the renovations proposed in 2000 included, among other things, reshaping some of the Plaza's existing elements to create contiguous open space around the Bayview Opera House; replacing paving, perimeter fences and brick walls; and adding lighting and utilities for an outdoor stage. At that time, SFMTA estimated the total cost of the proposed renovation at \$2.269 million, leaving a funding gap of \$395,000 that the City was expected to fund.
8. Between 2000 and 2009, approximately \$769,000 of the Federal Funds was spent on design iterations, reviews, and community meetings to form a consensus on the scope of the renovation. As of January 2010, SFMTA estimated the total cost of the current renovation plan at \$1.89 million (the "Project Cost"). Only \$1.1 million of the Federal Funds are left for the renovation, leaving a gap of about \$785,000. The San Francisco Arts Commission and SFMTA have asked the Agency to cover the gap since there is no alternative funding available.
9. Agency staff has reviewed the request and desires to cover the gap using tax exempt bond proceeds, subject to certain terms and conditions that are incorporated into the proposed grant agreement (the "Grant Agreement").
10. Because the Agency will be using \$785,000 in tax exempt bond proceeds to pay for the renovation of the Plaza, a City-owned property, Health and Safety Code Section 33445 requires the Agency to seek approval of the San Francisco Board of Supervisors ("Board") before providing the funding. As such, the Agency will request the Board's approval of the proposed Agency funding based on the following findings: (1) the improvements are of benefit to the Project Area by helping to eliminate blighting influences within the Project Area; (2) no other reasonable means of financing the improvements are available; and (3) the Agency funding is consistent with the implementation plan adopted for the Project Area pursuant to CRL Section 33490.
11. To facilitate moving forward on the Project, the City and the Agency desire to execute the proposed Grant Agreement to provide the requested funds to supplement the Federal Funds for the Project.
12. The proposed renovation to the Plaza of the Bayview Opera House ("Plaza Renovation") seeks to improve the Plaza, which is located in the Bayview Hunters Point Redevelopment Project Area by reshaping the Plaza with contiguous open space around the Bayview Opera House; replacing its paving, perimeter fences and brick walls; and adding lighting and utilities for an outdoor stage to transform the Plaza into an attractive pedestrian-oriented public space.

13. The renovation is expected to alleviate blighting conditions of, and around, the Plaza, which is currently underutilized because it does not have the necessary improvements; it does not provide respite from the sun, noise, and traffic, and it does not have convenient and direct connection to the nearby transit station and Third Street. The Bayview Opera House, which includes the Plaza, is owned by the City and County of San Francisco (the "City"); as such, it is a publicly-owned building or improvements.
14. A redevelopment agency using redevelopment funds for publicly-owned improvements located in or contiguous to a project area must comply with Health and Safety Code Section 33445 of the CRL, which requires the Agency and the Board to make findings that: (1) the proposed seismic and disabled-access improvements to the Bayview Opera House will help alleviate blight within a Project Area, (2) no other reasonable means of financing the entire proposed improvements is available to the City or the community, and (3) payment of funds for the cost of the improvements is consistent with the current implementation plan for the Project Area. The factual basis in support of the findings are attached hereto as Exhibit A.
15. Agency approval of the Grant Agreement for the renovation of the Bayview Opera House Plaza would have no resultant significant environmental impacts and is categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15301(a), Interior and Exterior Alteration to an Existing Facility. Making findings required by Health and Safety Code Section 33445 for the Grant Agreement is an Agency administrative activity that will not cause any physical change in the environment and is not a "Project" as defined in CEQA Guidelines Section 15378(b)(5).

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that:

- (a) the Agency hereby adopts the findings contained in Exhibit A;
- (b) the Executive Director is authorized to enter into and execute a Grant Agreement with City and County of San Francisco, acting by and through its Municipal Transportation Agency, in an amount not to exceed \$785,000 to provide supplemental funding for the renovation of the Bayview Opera House Plaza, substantially in the form lodged with Agency General Counsel; and

(c) the Executive Director is authorized to prepare, on behalf of the Agency, a resolution for consideration by the Board of Supervisors (together with other relevant documents), which resolution shall comply with the requirements of California Health and Safety Code Sections 33445 and 33679 to allow for Agency funding of the Bayview Opera House Plaza renovations and shall include findings identical or substantially similar to those attached in Exhibit A.

APPROVED AS TO FORM:

James B. Morales
Agency General Counsel

EXHIBIT A

FINDINGS PURSUANT TO HEALTH AND SAFETY CODE SECTION 33445 USE OF AGENCY'S GRANT FOR THE RENOVATION OF THE BAYVIEW OPERA HOUSE PLAZA; BAYVIEW HUNTERS REDEVELOPMENT PROJECT AREA

The Redevelopment Agency makes the following findings related to the Agency funding for a portion of the renovation of the Bayview Opera House Plaza (the "Plaza Renovation" or the "Project"), in the Bayview Hunters Point Redevelopment Project Area ("Project Area").

- I. *The publicly-owned Bayview Opera House will continue to be of benefit to the Project Area by helping to eliminate blight in this Project Area.***

The above-stated finding is based on facts in the record and otherwise known to the Commission, including the following:

- A. The Bayview Opera House, a multi-use facility built in 1888, serves as a cultural and recreational center offering programs that promote community arts through entertainment and education for residents, visitors, and businesses in the Project Area. It is currently underutilized because it does not have the necessary improvements; it does not provide respite from the sun, noise, and traffic, and it does not have convenient and direct connection to the nearby transit station and Third Street. The proposed renovation will help reclaim the plaza from its current primary use as a parking lot to create a reshaped plaza with contiguous open space around the Bayview Opera House; replace its paving, perimeter fences and brick walls; and add lighting and utilities for an outdoor stage to transform the plaza into an attractive pedestrian-oriented public space.
- B. The proposed renovation of the plaza will help reduce blighting conditions and create a vibrant cultural center that can draw residents, visitors, and businesses in the Project Area through the programs the Bayview Opera House offers. The programs promote community arts through entertainment and education and it is an important part of the vitality of this Project Area. Without the proposed Agency grant, the Plaza would remain blighted and underutilized.

- II. *There are no other reasonable means of funding the proposed renovation of the Plaza, a public open space.***

The above-stated finding is based on facts in the record and otherwise known to the Commission, including the following:

Because the San Francisco Arts Commission has limited capital improvement budget, it was not able to provide the matching funds required for the Federal Funds earmarked for the renovation of the Plaza. It searched for funds from the City and other sources was

impeded because of the recent economic recession. The City itself faces substantial fiscal challenges in light of substantially reduced tax revenues and challenging economic conditions created by the recession. According to the Three-Year Budget Projection for General Fund Supported Obligations FY 2010-11 through 2012-13, projected shortfalls in General Fund revenues compared to expenditures over the next three years are \$483 million in FY 2010-11, \$712 million in FY 2011-12, and \$787 million in FY 2012-13. These projected deficits illustrate why alternative sources of funding are not available for the needed renovation and improvements to the Bayview Opera House.

III. The public improvements are consistent with the Implementation Plan for the Project Area.

The above-stated finding is based on facts in the record and otherwise known to the Commission, including the following:

The proposed renovation of the Plaza is consistent with the Project Area's Five-Year Implementation Plan ("the Implementation Plan") adopted pursuant to Health and Safety Code Section 33490. The Implementation Plan covers the period from July 1, 2006 to June 30, 2011 and was adopted under the March 7, 2006 Agency Commission Resolution No. 32-2006 and under the June 1, 2006 San Francisco County Board of Supervisors' Ordinance No. 113-06. The Implementation Plan lists the goals and objectives to be achieved within its five-year operating period, including the following specific objectives: (a) *facilitating the preservation, rehabilitation; and seismic retrofitting of historic buildings and other landmarks*, and (b) *eliminating blighting influences ... deteriorated public improvements, facilities, and utilities*. The proposed improvements to the plaza will help to preserve this historic landmark to continue to meet some of the community's cultural needs.

RESOLUTION NO. 25-2011

Adopted March 15, 2011

AUTHORIZING A GRANT AGREEMENT WITH THE CITY AND COUNTY OF SAN FRANCISCO, ACTING BY AND THROUGH ITS ARTS COMMISSION, IN AN AMOUNT NOT TO EXCEED \$400,000 TO PROVIDE SUPPLEMENTAL FUNDING FOR THE INTERIOR RENOVATION OF THE BAYVIEW OPERA HOUSE AND MAKING FINDINGS REQUIRED BY HEALTH AND SAFETY CODE SECTION 33445; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. The Redevelopment Agency of the City and County of San Francisco ("Agency") is authorized, pursuant to California Community Redevelopment Law ("CRL") (Health and Safety Code, Section 33000 *et seq.*) to provide assistance and advance funds for the making of improvements necessary for the redevelopment of blighted areas and the implementation of a project area redevelopment plan.
2. On June 1, 2006, the Agency adopted the Redevelopment Plan (the "Plan") for the Bayview Hunters Point Redevelopment Project Area (the "Project Area" or "BVHP"). One of the key goals of the Plan is economic revitalization of certain activity nodes of the Project Area. One of the activity nodes is the Town Center where the Bayview Opera House is located. The Bayview Opera House is owned by the City and County of San Francisco (the "City"), acting by and through its Arts Commission.
3. The Bayview Opera House, built in 1888, is located between Oakdale and Newcomb Avenues. It is a multi-use, cultural, and recreational center offering programs that promote community arts through entertainment and education for the benefit of residents, visitors, and businesses in the Project Area. It provides the BVHP community with a creative outlet through programs offering performance arts, stage technician workshops, an acting academy, a music academy, dance classes, photography, and art. It is a very visible cultural symbol and gateway to the BVHP community, and has been granted landmark status by the City.
4. Between 1973 and 2001, the San Francisco Arts Commission ("SFAC") undertook physical assessments of the Bayview Opera House. The assessments revealed structural, seismic, and disabled-accessibility deficiencies. Since then, SFAC has been looking for funds to address these deficiencies. In 2008, SFAC allocated \$248,000 from its capital improvement budget to develop a scope of work and produce preliminary construction drawings for improvements to correct the most critical deficiencies. At that time, the City was hoping that this predevelopment work would attract federal stimulus funds to correct the deficiencies, but the funds never materialized.

5. Recently, SFAC proposed a scope of work that includes seismic upgrades and accessibility improvements to comply with the Americans with Disability Act ("ADA"). More specifically, it includes: (1) removal of non-original concrete stairs at the front entrance of the building and construction of a new concrete ramp and stairs; (2) replacement of a roll-up door on the porch with a new pair of doors; (3) addition of two ADA-accessible restrooms; (4) addition of a new interior wall under the existing balcony in the main auditorium space; and (5) installation of metal columns under the existing balcony for seismic strengthening (the "Project").
6. The Bureau of Architecture of the City's Department of Public Works is assisting SFAC with the preliminary construction drawings, has estimated the total cost of the Project at \$748,000 (the "Project Cost") as of January 2010, and has agreed to oversee the construction of the Project if there is sufficient funding for the Project Cost. SFAC recently received an additional \$100,000 for the Project from the Mayor's Office of Community Investment, bringing the total current funding for the Project to \$348,000 and leaving a funding gap of \$400,000. SFAC has requested that the Agency cover the gap because no alternative funding is available.
7. The Agency has reviewed the request and agreed to cover the gap using tax increment funds subject to certain terms and conditions that are incorporated into this Loan Agreement, including, among other things, seeking the consent and approval of the Board of Supervisors of the City and County of San Francisco (the "Board").
8. Because the Agency will be using \$400,000 of its funds to pay a part of the cost of the proposed repairs and upgrades to the Bayview Opera House, a City-owned property, CRL Section 33445 requires the Agency to seek approval of the Board before providing the funding.
9. To facilitate moving forward on the Project, the City and the Agency desire to execute the proposed grant agreement (the "Grant Agreement") to provide the requested funds to supplement the Federal Funds for the Project.
10. The proposed seismic and disabled-access improvements to the Bayview Opera House seeks to improve the facility, which is located in the Bayview Hunters Point Redevelopment Project Area by: (1) installing a new concrete ramp and stairs; (2) replacement of a roll-up door on the porch with a new pair of doors; (3) addition of two ADA-accessible restrooms; (4) addition of a new interior wall under the existing balcony in the main auditorium space; and (5) installation of metal columns under the existing balcony for seismic strengthening.
11. The proposed improvements are expected to alleviate blighting conditions of the facility, which is currently considered unsafe because of a number of deficiencies, including weakened structural support for its existing balcony and lack of accessibility improvements to comply with the ADA – the absence of ramp, stairs, and restrooms readily accessible to the disabled. The Bayview Opera House is owned by the City; as such, it is a publicly-owned building or improvements.

12. A redevelopment agency using redevelopment funds for publicly-owned improvements located in or contiguous to a project area must comply with Health and Safety Code Section 33445 of CRL, which requires the Agency and the Board to make findings that: (1) the proposed seismic and disabled-access improvements to the Bayview Opera House will help alleviate blight within the Project Area, (2) no other reasonable means of financing the entire proposed improvements is available to the City or the community, and (3) payment of funds for the cost of the improvements is consistent with the current implementation plan for the Project Area. The factual basis in support of the findings are attached hereto as Exhibit A.
13. Agency approval of the Grant Agreement for the interior renovation of the Bayview Opera House would have no resultant significant environmental impacts and is categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15301(a), Interior and Exterior Alteration to an Existing Facility. Making findings required by Health and Safety Code Section 33445 for the Grant Agreement is an Agency administrative activity that will not cause any physical change in the environment and is not a "Project" as defined in CEQA Guidelines Section 15378(b)(5).

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that:

- (a) the Agency hereby adopts the findings contained in Exhibit A;
- (b) the Executive Director is authorized to execute a grant agreement with the City and County of San Francisco, acting by and through its Arts Commission, in an amount not to exceed \$400,000 to provide supplemental funding for the interior renovation of the Bayview Opera House, substantially in the form lodged with the Agency General Counsel; and
- (c) the Executive Director is authorized to prepare, on behalf of the Agency, a resolution for consideration by the Board of Supervisors (together with other relevant documents), which resolution shall comply with the requirements of California Health and Safety Code Sections 33445 and 33679 to allow for Agency funding of the Bayview Opera House renovations and shall include findings identical or substantially similar to those attached in Exhibit A.

APPROVED AS TO FORM:

James B. Morales
Agency General Counsel

EXHIBIT A

FINDINGS PURSUANT TO HEALTH AND SAFETY CODE SECTION 33445 THAT USE OF AGENCY'S GRANT FOR THE PROPOSED INTERIOR RENOVATION OF THE BAYVIEW OPERA HOUSE; BAYVIEW HUNTERS REDEVELOPMENT PROJECT AREA

The Redevelopment Agency makes the following findings related to the Agency funding for a portion of the proposed seismic and disabled-access of the Bayview Opera House Plaza (the "Interior Project"), in the Bayview Hunters Point Redevelopment Project Area ("Project Area").

I. The publicly-owned Bayview Opera House will continue to be of benefit to the Project Area by helping to eliminate blight in this Project Area.

The above-stated finding is based on facts in the record and otherwise known to the Commission, including the following:

- A. The Bayview Opera House, a multi-use facility built in 1888, serves as a cultural and recreational center offering programs that promote community arts through entertainment and education for residents, visitors, and businesses in the Project Area. It is currently considered unsafe because of a number of deficiencies, including weakened structural support for its existing balcony and lack of accessibility improvements to comply with the Americans with Disability Act ("ADA") – the absence of ramp, stairs, and restrooms readily accessible to the disabled. The improvements proposed to remove the deficiencies include: (1) the construction of a new concrete ramp and stairs; (2) replacement of a roll-up door on the porch with a new pair of doors; (3) addition of two ADA-accessible restrooms; (4) addition of a new interior wall under the existing balcony in the main auditorium space; and (5) installation of metal columns under the existing balcony for seismic strengthening (the "Interior Project").
- B. The proposed improvements will prevent the Bayview Opera House from being declared seismically unsafe and noncompliant with ADA. This will help reduce its blighting conditions and restore the building to a vibrant cultural center that can draw residents, visitors, and businesses in the Project Area through the programs offer in the center. The programs promote community arts through entertainment and education and it is an important part of the vitality of this Project Area. Without the proposed Agency grant, the Plaza would remain blighted and underutilized.

II. *There are no other reasonable means of funding the proposed seismic and disabled-access improvements to the Bayview Opera House.*

The above-stated finding is based on facts in the record and otherwise known to the Commission, including the following:

Because the San Francisco Arts Commission has limited capital improvement budget, it was not able to provide the funds needed to fully cover the cost of all the required improvements to keep the building seismically safe and ADA compliant. It searched for full funding from the City and other sources was impeded because of the recent economic recession. The City itself faces substantial fiscal challenges in light of substantially reduced tax revenues and challenging economic conditions created by the recession. According to the Three-Year Budget Projection for General Fund Supported Obligations FY 2010-11 through 2012-13, projected shortfalls in General Fund revenues compared to expenditures over the next three years are \$483 million in FY 2010-11, \$712 million in FY 2011-12, and \$787 million in FY 2012-13. These projected deficits illustrate why alternative sources of funding are not available for the needed seismic and disabled-access improvements to the Bayview Opera House.

III. *The public improvements are consistent with the Implementation Plan for the Project Area.*

The above-stated finding is based on facts in the record and otherwise known to the Commission, including the following:

The proposed seismic and the disabled-accessibility improvements to the Bayview Opera House is consistent with the Project Area's Five-Year Implementation Plan ("the Implementation Plan") adopted pursuant to Health and Safety Code Section 33490. The Implementation Plan covers the period from July 1, 2006 to June 30, 2011 and was adopted under the March 7, 2006 Agency Commission Resolution No. 32-2006 and under the June 1, 2006 San Francisco County Board of Supervisors' Ordinance No. 113-06. The Implementation Plan lists the goals and objectives to be achieved within its five-year operating period, including the following specific objectives: (a) *facilitating the preservation, rehabilitation; and seismic retrofitting of historic buildings and other landmarks*, and (b) *eliminating blighting influences ... deteriorated public improvements, facilities, and utilities*. The proposed improvements to the Bayview Opera House will help to preserve this historic landmark to continue to meet some of the of the community's cultural needs.