

File No. 101449

Committee Item No. 2

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Land Use and Economic Development Date December 6, 2010

Board of Supervisors Meeting

Date _____

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| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget Analyst Report |
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| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form (for hearings) |
| <input type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
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OTHER

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Completed by: Alisa Somera Date December 3, 2010

Completed by: _____ Date _____

An asterisked item represents the cover sheet to a document that exceeds 25 pages.
The complete document can be found in the file.

1 [Rehabilitation of Building 813 in the Hunters Point Shipyard Redevelopment Project Area -
2 \$7,258,890]

3
4 **Resolution making findings under Section 33445 of the California Health and Safety**
5 **Code and consenting to the Redevelopment Agency of the City and County of San**
6 **Francisco's payment of funds in the amount of \$7,258,890 for the pre-development and**
7 **rehabilitation of Building 813 in the Hunters Point Shipyard Redevelopment Project**
8 **Area.**

9
10 WHEREAS, Building 813 is an existing 260,000 square foot building located on Parcel
11 D-2 within the Hunters Point Shipyard Redevelopment Project Area (the "Project Area" or the
12 "Shipyard") and is owned by the Redevelopment Agency of the City and County of San
13 Francisco ("Agency"); and,

14 WHEREAS, the Hunters Point Shipyard Redevelopment Plan, as amended by
15 Ordinance No. 211-10 (Aug. 3, 2010), provides for the installation and construction of publicly-
16 owned community centers, job training centers, and related facilities; and

17 WHEREAS, The Agency desires to enter into a professional services contract with a
18 project management team to conduct feasibility and pre-development analyses, and assist
19 with the construction management of the initial rehabilitation of Building 813 (the "Building 813
20 Project"); and,

21 WHEREAS, The Agency intends to use approximately \$7,258,890 to pay for the
22 Building 813 Project; and,

23 WHEREAS, Ninety percent (90%) of these funds will be provided by money from two
24 grants awarded by the United States Department of Commerce, Economic Development
25 Administration ("EDA"), to the Agency to fund the Building 813 Project; and,

1 WHEREAS, The EDA grant requires a grant recipient to provide a ten percent (10%)
2 match on funds it invests in a project; and,

3 WHEREAS, The Agency will provide matching funds from rent revenues in the Project
4 Area; and,

5 WHEREAS, The goals of EDA's grants are to generate jobs, help retain existing jobs,
6 and stimulate industrial and commercial growth in economically distressed areas of the United
7 States; and,

8 WHEREAS, As a condition of using the federal funds, the Agency must follow the EDA
9 Procurement Regulations, 15 C.F.R. 24.36 et seq., and EDA construction standards, which
10 require, among other things, that the Agency meet competitive procurement requirements;
11 and,

12 WHEREAS, the Community Redevelopment Law, Section 33445 of the California
13 Health and Safety Code, requires that, prior to paying for the installation and construction of
14 any publicly-owned building, a redevelopment agency must obtain the consent of the local
15 legislative body, which must determine the following: (1) the installation and construction of
16 the building is of a benefit to the project area by helping to eliminate blight within the project
17 area; (2) no other reasonable means of financing the installation and construction of the
18 building are available to the local jurisdiction in which the redevelopment agency operates; (3)
19 the use of funds for the installation and construction of the building is consistent with the
20 implementation plan for the project area;

21 WHEREAS, the Agency Commission adopted Resolution No. 77-2010 (June 15, 2010)
22 making findings pursuant to Section 33445 of the Community Redevelopment Law for funding
23 of the installation and construction of the Building 813 Project ("Benefits Findings") and
24 authorized the Agency staff to pursue Board of Supervisors approval of the findings and
25 consent for the Agency funding of the HPS Public Art Project; and

1 WHEREAS, the Building 813 Project will benefit the Hunters Point Shipyard
2 Redevelopment Project Area in the following ways: 1) once renovated, Building 813 will serve
3 as a business incubator for innovation-driven industries with an emphasis on clean technology
4 and green businesses; 2) as an incubator, the building will provide affordable, short term,
5 small and flexible leases for companies in early stages of development; 3) the Building 813
6 incubator will accommodate and facilitate the creation and expansion of companies at various
7 stages of their growth lifecycle, but particularly those at the earliest stages of business
8 development, thereby creating jobs for economic vitality as well as creating an appropriate
9 mix of new businesses; and 4) as an incubator or other commercial use, the rehabilitation of
10 Building 813 will activate this dormant and vacant property, helping to restore economic
11 activity to the Project Area.

12 WHEREAS, no other reasonable means of financing the Building 813 Project are
13 available to the City and County of San Francisco ("City") because it faces substantial fiscal
14 challenges in light of substantially reduced tax revenues and challenging economic conditions
15 created by the ongoing recession. According to the Three-Year Budget Projection for General
16 Fund Supported Obligations FY 2010-11 through 2012-13 ("Budget Projection") (published
17 April 2, 2010 by the Controller's Office, Mayor's Office, and Board of Supervisors Budget
18 Analyst): (1) Projected shortfalls in General Fund revenues compared to expenditures over
19 the next three years are \$483 million in FY 2010-11, \$712 million in FY 2011-12, and \$787
20 million in FY 2012-13. (2) Due to the State's severe budget shortfall, the City expects
21 significant cuts in State funding. While the City's budgeting assumed a reduction of \$58
22 million, the Three Year Budget Projection notes that it is possible the final State budget could
23 contain significantly more reductions in funding to the City than were assumed.

1 Based on the Budget Projection and other matters described in the Benefits Findings, no other
2 reasonable means of financing the Building 813 Project are available to the community aside
3 from payment of the costs by the Agency.

4 WHEREAS, The payment of funds for the Building 813 Project is consistent with the
5 Five Year Implementation Plan for the Hunters Point Shipyard Redevelopment Plan
6 ("Implementation Plan"), which was updated in Appendix F of the Report of the Plan
7 Amendment for the Hunters Point Shipyard Redevelopment Plan Amendments (May 2010)
8 (the "Report," a copy of which is on file with the Clerk of the Board of Supervisors in File No.
9 100859 and is incorporated herein by reference). The Implementation Plan provides for the
10 rehabilitation, alteration, modernization, general improvement or any combination thereof of
11 certain existing structures in the Project Area. Report at page 8 of Appendix F. The
12 Implementation Plan also has the goals of (a) fostering employment, business, and
13 entrepreneurial opportunities in the rehabilitation, construction, operations, and maintenance of
14 facilities and the attracting of private investments in the Project Area. Report at page 13 of
15 Appendix F; (b) providing for the development of economically vibrant and environmentally
16 sound districts for mixed use cultural, recreation, educational and arts uses, Id.; and (c)
17 encouraging the use of the most cost effective, energy-efficient measures feasible. Id. at page
18 15.; and, now, therefore, be it

19 RESOLVED, The Board of Supervisors finds, based on the record before it, including
20 but not limited to the Benefits Findings, that (1) installation and construction of the Building
21 813 Project will benefit the Project Area by helping to eliminate blight within the Project Area;
22 (2) no other reasonable means of funding the Building 813 Project are available to the City
23 and County of San Francisco; and, (3) the payment of funds for the cost of the Building 813
24 Project is consistent with the current implementation plan for the Project Area; and, be it
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1 FUTURE RESOLVED, That the Board of Supervisors of the City and County of San
2 Francisco consents to the Agency's payment of costs for the Building 813 Project.
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