

BOARD of SUPERVISORS



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June 11, 2015

File No. 150592

Sarah Jones & Rick Cooper
Environmental Review Officer
Planning Department
1650 Mission Street, 4th Floor
San Francisco, CA 94103

Dear Ms. Jones & Mr. Cooper:

On June 2, 2015 Supervisor Jane Kim introduced the following proposed legislation:

File No. 150592

Resolution of Intention – Greater Rincon Hill Community Benefit District

This legislation is being transmitted to you for environmental review, pursuant to Planning Code Section 306.7(c).

Crezia Tano, OEWD, Senior Project Manager
CBD Program

Attachment

c: Andrea Ausberry, Office of the Clerk of the Board
Alisa Somera, Office of the Clerk of the Board
Erica Major, Office of the Clerk of the Board
Joy Navarrete, Environmental Planning
Jeanie Poling, Environmental Planning

1 [Resolution of Intention - Greater Rincon Hill Community Benefit District]
2

3 **Resolution declaring the intention of the Board of Supervisors to establish a property-**
4 **based business improvement district (Community Benefit District) known as the**
5 **“Greater Rincon Hill Community Benefit District” and levy a multi-year assessment on**
6 **all parcels in the district; approving the management district plan and engineer’s report**
7 **and proposed boundaries map for the district; ordering and setting a time and place for**
8 **a public hearing thereon; approving the form of the Notice of Public Hearing and**
9 **Assessment Ballot Proceeding, and Assessment Ballot; directing environmental**
10 **findings; and directing the Clerk of the Board of Supervisors to give notice of the**
11 **public hearing and balloting as required by law.**
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13

14 WHEREAS, The Property and Business Improvement District Law of 1994 (California
15 Streets and Highways Code Sections 36600 et seq., “1994 Act”), authorizes cities to establish
16 property and business improvement districts within business districts to promote the economic
17 revitalization and physical maintenance of such business districts; and

18 WHEREAS, Section 36603 of the 1994 Act recognizes the authority of Charter cities to
19 adopt ordinances providing for different methods of levying assessments for similar or
20 additional purposes from those set forth in the 1994 Act; and

21 WHEREAS, Article 15 of the San Francisco Business and Tax Regulations Code
22 (“Article 15”) augments certain procedural and substantive requirements relating to the
23 formation of property and business improvement districts and the assessments on real
24 property or businesses within such districts; and
25

1 WHEREAS, The 1994 Act and Article 15 authorize the City to levy and collect
2 assessments on real property within such districts for the purpose of providing improvements
3 and promoting activities and property-related services that specially benefit parcels of real
4 property located within such districts; and

5 WHEREAS, Article XIID of the California Constitution and Section 53753 of the
6 California Government Code impose certain procedural and substantive requirements relating
7 to assessments on real property; and

8 WHEREAS, The 1994 Act and Article 15 impose additional procedural and substantive
9 requirements relating to assessments on real property within a proposed property and
10 business improvement district, also known as a community benefit district ("CBD"); and

11 WHEREAS, The Board of Supervisors finds that the property-related services, activities
12 and improvements to be funded with assessments on real property within the proposed district
13 will confer special benefits on the assessed properties over and above the general benefit to
14 the public at large from such services, activities and improvements; and

15 WHEREAS, The property owners who will pay 30 percent or more of the total amount
16 of assessments on properties within the proposed district signed and submitted to the Clerk of
17 the Board of Supervisors a petition ("Petition") requesting that the Board of Supervisors
18 establish the property-based community benefit district known as the "Greater Rincon Hill
19 Community Benefit District," and levy assessments on properties located in the proposed
20 district to fund property-related services, activities and improvements within the district; and

21 WHEREAS, A Management District Plan entitled "Greater Rincon Hill Community
22 Benefit District Management Plan" ("Management District Plan") containing information about
23 the proposed district and assessments required by Section 36622 of the 1994 Act, including
24 but not limited to a map showing all parcels located in the district, a description of the
25 boundaries of the district, the name of the district, the amount of the proposed assessment for

1 each parcel, the total annual amount chargeable to the entire district, the duration of the
2 payments, the property-related services, activities and improvements to be funded by the
3 assessments for each year and the maximum cost thereof, the method and basis upon which
4 the assessments are calculated in sufficient detail to allow each property owner to calculate
5 the amount of the assessment to be levied against his or her property, a statement that no
6 bonds will be issued, the time and manner of collecting the assessments, and a list of the
7 properties to be assessed (including assessor parcel numbers), is on file with the Clerk of the
8 Board of Supervisors in File No. 150592, which is hereby declared to be a part of this
9 Resolution as if set forth fully herein; and

10 WHEREAS, A detailed engineer's report supporting the assessments within the
11 proposed district, prepared by Thomas E. Lowell, California Registered Professional Engineer
12 No. 13398, entitled "Greater Rincon Hill Community Benefit District Engineer's Report"
13 ("Engineer's Report") is on file with the Clerk of the Board of Supervisors in File No. 150592,
14 which is hereby declared to be a part of this Resolution as if set forth fully herein; and

15 WHEREAS, A Proposed Boundaries Map, submitted pursuant to California Streets and
16 Highways Code Section 3110, is on file with the Clerk of the Board of Supervisors in File No.
17 150592, which is hereby declared to be a part of this Resolution as if set forth fully herein;
18 now, therefore, be it

19 RESOLVED, That the Board of Supervisors declares as follows:

20 Section 1. Pursuant to Section 36621(a) of the 1994 Act and Article 15, the Board of
21 Supervisors declares its intention to establish the property and business improvement district
22 known as the "Greater Rincon Hill Community Benefit District" ("District") for a period of fifteen
23 and one half (15 1/2) years, and to levy and collect assessments against all parcels of real
24 property in the District for 15 of those years, commencing with fiscal year ("FY") 2015-2016,
25 subject to approval by a majority of the property owners in the District who cast assessment

1 ballots, which ballots shall be weighted according to the proportional financial obligations of
2 the affected properties. No bonds will be issued. District operations are expected to
3 commence on or about January 1, 2016, following collection of the assessments for FY 2015-
4 2016 and disbursement of the assessment proceeds to the nonprofit owners' association that
5 will administer the property-related services, activities and improvements in the District
6 pursuant to Section 36651 of the 1994 Act and a written agreement with the City.

7 Section 2. Nonpayment of assessments will have the same lien priority and delinquent
8 payment penalties and be subject to the same enforcement procedures and remedies as the
9 ad valorem property tax. All delinquent payment of assessments will be subject to interest
10 and penalties. The City Treasurer and Tax Collector will enforce imposition of interest and
11 penalties and collection of assessments pursuant to the 1994 Act, Article 15 and the San
12 Francisco Business and Tax Regulation Code Article 6, as each may be amended from time
13 to time.

14 Section 3. The Board of Supervisors hereby approves the Management District Plan
15 and Engineer's Report, including the estimates of the costs of the property-related services,
16 activities and improvements set forth in the plan, and the assessment of said costs on the
17 properties that will specially benefit from such services, activities and improvements. The
18 Clerk of the Board shall make the Management District Plan, Engineer's Report and other
19 documents related to the District and included in the record before the Board of Supervisors
20 available to the public for review during normal business hours, Monday through Friday 8:00
21 a.m. through 5:00 p.m., excluding legal holidays.

22 Section 4. The Board of Supervisors hereby approves the Proposed Boundaries Map
23 showing the boundaries of the District. The proposed District contains approximately 3279
24 identified parcels located on approximately 57 whole or partial blocks.

25 Specifically, the exterior District boundaries are:

- 1 • 2nd Street from Jessie Street to Harrison Street, and from Harrison Street to the
2 southwest corner of APN 3764-067 (east side only)
- 3 • Harrison Street from 2nd Street to Main Street (east and west side – street and
4 affronting parcels; however specifically excluding the following parcels and
5 affronting public right of way: APN 3764-066, APN 3764-064, APN 3765-018, APN
6 3767-014 to 3767-310)
- 7 • Main Street from Harrison Street to Bryant Street (east side only)
- 8 • Bryant Street from Main Street to The Embarcadero (north side only)
- 9 • The Embarcadero from Bryant Street to Harrison Street (west side only)
- 10 • Steuart Street from Harrison Street to Howard Street (west side only)
- 11 • Howard Street from Steuart Street to Spear Street (south side only)
- 12 • Spear Street from Howard to Mission Street, and from Mission Street to the
13 northeast corner of APN 3712-023 (west side only)
- 14 • Mission Street from Spear Street to 1st Street (east and west side – street and
15 affronting parcels; however specifically excluding the following parcel and affronting
16 public right of way: APN 3712-025)
- 17 • First Street to the northwest corner of APN 3709-019/020 (east side only) to
18 Stevenson Street (west side only)
- 19 • Stevenson Street from 1st Street to Ecker Street (south side only)
- 20 • Ecker Street from Stevenson Street to the northeast corner of APN 3708-023 (east
21 side only)
- 22 • Northern property line of APN 3708-023 from the northeast corner of the parcel to
23 the northwest corner of the parcel
- 24 • Western property line of APN 3708-023 from the northwest corner of the parcel to
25 the southwest corner of the parcel

- From the southwest corner of APN 3708-023 to 2nd Street (south side only)

Reference should be made to the detailed maps and the lists of parcels identified by Assessor Parcel Number that are contained in the Management District Plan, in order to determine which specific parcels are included in the Greater Rincon Hill Community Benefit District.

Section 5. A public hearing on the establishment of the District, and the levy and collection of assessments starting with fiscal year 2015-2016 and continuing through fiscal year 2029-2030, shall be conducted before the Board of Supervisors sitting as a Committee of the Whole on July 28, 2015 at 3:00 p.m., or as soon thereafter as the matter may be heard in the Board's Legislative Chambers, Second Floor, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, California, 94102. At this public hearing, the Board of Supervisors will hear public testimony regarding the proposed formation of the District, assessments, and boundaries of the District, including testimony from all interested persons for or against establishment of the District, the extent of the District, the levy of the assessments, the furnishing of specific types of property-related services, improvements and activities, and other matters related to the District. The Board of Supervisors may waive any irregularity in the form or content of any written protest, and at the public hearing may correct minor defects in the proceedings. All protests submitted by affected property owners and received prior to the conclusion of the public testimony portion of the public hearing shall be tabulated to determine whether a majority protest exists.

Section 6. The Board of Supervisors hereby approves the form of the Notice of Public Hearing and Assessment Ballot Proceeding, and Assessment Ballot, which are on file with the Clerk of the Board of Supervisors in File No. 150592; which are hereby declared to be a part of this Resolution as if set forth fully herein.

1 Section 7. The proposed property-related services, improvements and activities for the
2 District include Public Safety, Cleaning and Maintenance, Parks and Greenspace,
3 Communication and Development, and Management.

4 **Public Safety:** Public Safety includes, but is not limited to, a variety of safety
5 programs and strategies to prevent crime and increase pedestrian safety throughout the
6 District. The District will provide Community Guides to assist visitors, connect those in need
7 with social services, and report cleaning and safety issues. In addition, Public Safety includes
8 funding for safety work through the San Francisco Patrol Specials.

9 **Cleaning and Maintenance:** Cleaning and Maintenance includes, but is not limited to,
10 sidewalk sweeping, scheduled steam cleanings, graffiti removal, reporting trash for removal,
11 spot cleaning of street furniture and fixtures, and minor repair and maintenance of streetscape
12 amenities, furnitures, and fixtures.

13 **Parks and Greenspace:** Parks and Greenspace includes, but is not limited to, street
14 tree maintenance, gardening and weeding, irrigation system management and repair, trash
15 off-haul, pest control, pavement and pathway repairs and care, and minor capital
16 improvements. The District will also operate the District's parks in conjunction with their public
17 owners, this will include park promotion and neighborhood outreach.

18 **Communication and Development:** Communication and Development includes, but
19 is not limited to, periodic newsletters distributed via email and posted on the District's website,
20 brochures advertising the District, creation and maintenance of a District website, property
21 owner and merchant outreach programs, and coordinated networking for businesses, property
22 owners, and residents. Additionally, the District will focus on business retention and
23 recruitment by gathering information from brokers and potential retailers.

24 **Management:** Management includes, but is not limited to, a staff that will oversee the
25 administration of the District and the management of office expenses including accounting,

1 rent, utilities, office supplies, insurance, legal, and other professional services related to
2 District activities

3 Section 8. Within the area encompassed by the proposed District, the City currently
4 provides services at the same level provided to other similar areas of the City. It is the intent
5 of the Board of Supervisors to continue to provide the area encompassed by the District with
6 the same level of services provided to other similar areas of the City; formation of the District
7 will not affect the City's policy to continue to provide the same level of service to the areas
8 encompassed by the District as it provides to other similar areas of the City during the term of
9 the District.

10 Section 9. The annual total assessments proposed to be levied and collected for the
11 first year of the District (FY 2015-2016) is estimated to be \$2,428,821.39. The amount of the
12 total annual assessments to be levied and collected for years two through fifteen (FY 2016-
13 2017 through 2029-2030) may be increased from one year to the next by a percentage that
14 does not exceed either the change in the Consumer Price Index for All Urban Consumers in
15 the San Francisco-Oakland-San Jose Consolidated Metropolitan Statistical Area (the "CPI"),
16 or three percent (3%), whichever is less. In addition, to account for new assessments from
17 potential future development in the District, the assessment for each of years five (FY 2019-
18 2020) through 15 of the District may be increased by not more than 5% of the prior year's
19 assessment, including any CPI adjustment for the prior year, for a total maximum increase of
20 8%.

21 Section 10. Environmental Findings. Following the approval of this Resolution, the
22 Planning Department shall determine whether the actions contemplated in this Resolution are
23 in compliance with the California Environmental Quality Act (California Public Resources
24 Code Sections 21000 et seq.), and respond in writing to the Clerk of the Board of Supervisors
25

1 prior to the Board's public hearing on the establishment of the District on July 28, 2014 at 3:00
2 p.m.

3 Section 11. The Clerk of the Board is directed to give notice of the public hearing as
4 provided in California Streets and Highways Code Section 36623, California Government
5 Code Section 53753, California Constitution Article XIID Section 4, San Francisco Charter
6 Section 16.112, and San Francisco Administrative Code Section 67.7-1.

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