



SAN FRANCISCO REDEVELOPMENT AGENCY

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**SOUTH OF MARKET  
REDEVELOPMENT PROJECT AREA**



**REDEVELOPMENT PLAN**

(With Amendment)

Underlined language indicates the significant provisions of the  
Plan as they have been amended.

Adopted December 6, 2005

# SOUTH OF MARKET REDEVELOPMENT PROJECT AREA REDEVELOPMENT PLAN

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# REDEVELOPMENT PLAN FOR THE SOUTH OF MARKET REDEVELOPMENT PROJECT AREA

## Chapter 1.0 – Project Description

### 1.1 Introduction

Following the October 1989 Loma Prieta Earthquake and subsequent Gubernatorial and Presidential Declarations of disaster and emergency in the San Francisco Bay Area, the Board of Supervisors of the City and County of San Francisco acting as the Legislative Body (the “Board”) adopted the South of Market Earthquake Recovery Redevelopment Plan on June 11, 1990. In accordance with the Community Redevelopment Financial Assistance and Disaster Project provisions of California Redevelopment Law (California Health and Safety Code, Sections 33000 et seq., “CRL”), the Earthquake Recovery Redevelopment Plan was adopted solely for the purposes of repairing, restoring, and/or replacing buildings and physical infrastructure damaged by the earthquake, and to provide economic development assistance to neighborhood-serving businesses and related establishments.

In order to expand the revitalization and blight elimination efforts beyond those Project Area properties directly affected by the earthquake, the Board amended the Earthquake Recovery Redevelopment Plan on \_\_\_\_\_, 2005 [Date of Plan Amendment adoption to be inserted] to broaden its application.

This document is the amended South of Market Redevelopment Plan (the “Plan”). The Plan includes text, a Legal Description of the Project Area and the area’s Boundary Map. The Redevelopment Agency of the City and County of San Francisco (the “Agency”) prepared the Plan pursuant to the CRL, the California Constitution, and all applicable local codes and ordinances. The definitions of terms contained in the CRL govern the construction of this Plan, as supplemented by the more specific terms and definitions provided in the Plan.

The South of Market Redevelopment Project Area (the “Project Area”) includes all properties within the project boundary shown on the Boundary Map, and described in the legal description (refer to Section 1.2 of the Plan). The proposed redevelopment of the Project Area as described in this Plan is consistent with the General Plan of the City and County of San Francisco, and all rehabilitation and new development will comply with the General Plan, the Planning Code and other applicable ordinances. The Plan is also intended to supplement but not supplant other laws and regulations applicable within the Project Area, as they may be enacted or amended from time to time.

This Plan provides the Agency with powers, duties, and obligations to implement and further the program described herein. The Plan provides a framework within which specific development plans will be devised, priorities for specific projects established, and specific solutions proposed. It also describes the tools available to the Agency to develop and proceed with specific plans, projects, and solutions.

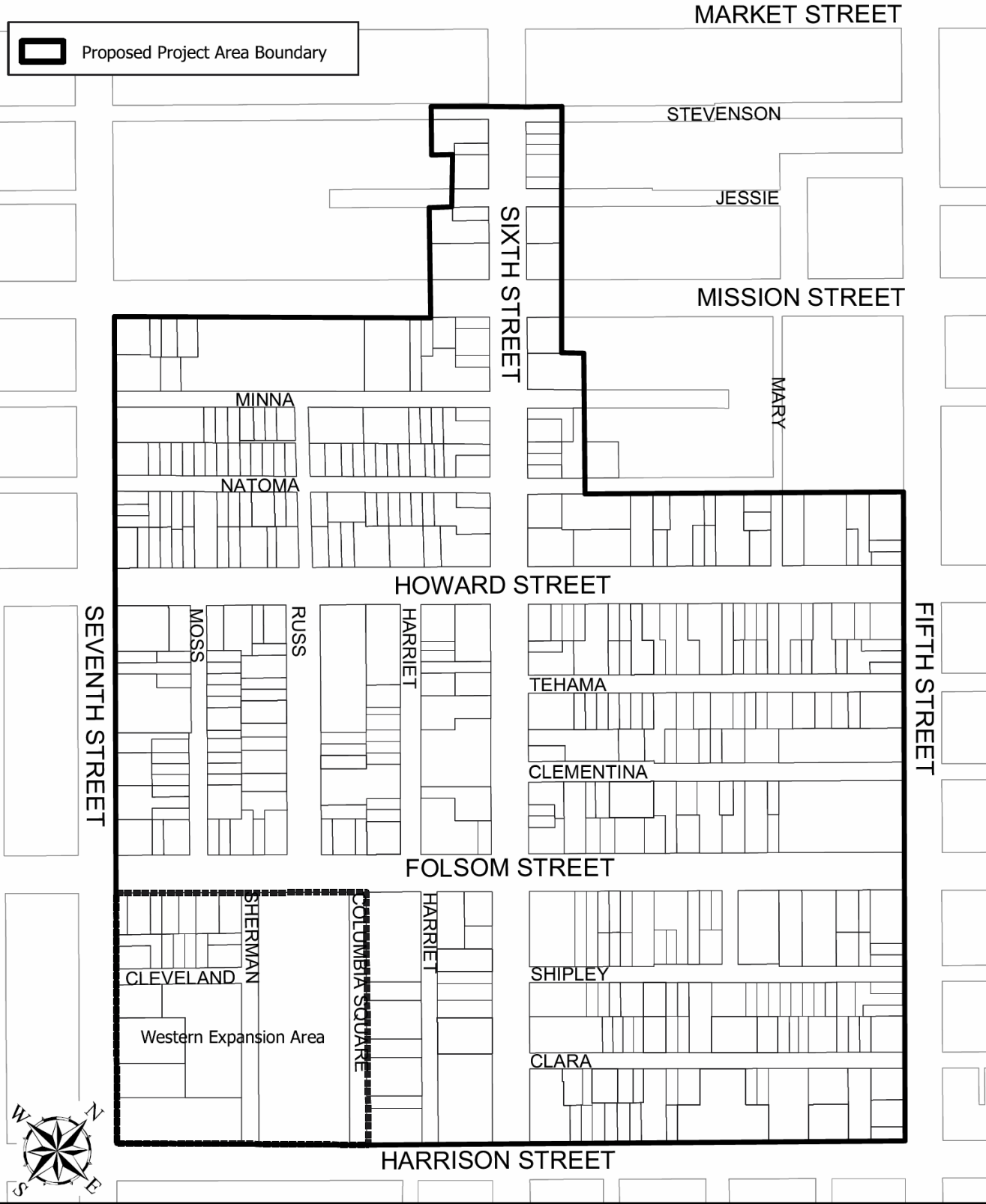
### 1.2 Project Boundaries

The amended boundaries of the South of Market Redevelopment Project Area are described as follows:

Beginning at the point of intersection of the southeasterly line of Mission Street with the northeasterly line of 7<sup>th</sup> Street, said point being the most northwesterly corner of Assessor’s Block 3726; running thence

southeasterly along said line of 7<sup>th</sup> Street to a point in the northwesterly line of Harrison Street, last said point being the most southwesterly corner of Assessor's Block 3754; thence northeasterly along last said line of Harrison Street to a point in the southwesterly line of 5<sup>th</sup> Street, last said point being the most southeasterly corner of Assessor's Block 3753; thence northwesterly along last said line of 5<sup>th</sup> Street to the southeasterly line of Natoma Street (35 feet in width), being in Assessor's Block 3725; thence southwesterly along last said line of Natoma Street a distance of 700 feet, more or less, to a point in a line that is parallel with and distant 125 feet northeasterly, measured at right angles, from the northeasterly line of Sixth Street; thence northwesterly along last said parallel line a distance of 310 feet, more or less, to a point in a line that is parallel with and distant 80 feet southeasterly, measured at right angles, from the southeasterly line of Mission Street; thence southwesterly along last said parallel line a distance of 50 feet to a point in a line that is parallel with and distant 75 feet northeasterly, measured at right angles, from said northeasterly line of Sixth Street; thence northwesterly along last said parallel line a distance of 437 feet 6 inches to a point in Assessor's Block 3704; thence northeasterly at right angles to last described course a distance of 3.0 feet to a point; thence northwesterly at right angles to last described course a distance of 105 feet to a point in the northwesterly line of Stevenson Street; thence southwesterly along last said line of Stevenson Street and its southwesterly prolongation a distance of 285 feet 6 inches, more or less, to a point in a line that is parallel with and distant 125 feet southwesterly, measured at right angles, from the southwesterly line of Sixth Street, last said point being in Assessor's Block 3703; thence southeasterly along last said parallel line a distance of 110 feet; thence northeasterly at right angles to the last described course a distance of 45 feet to a point in a line that is parallel with and distant 80 feet southwesterly, measured at right angles, from said southwesterly line of Sixth Street; thence southeasterly along last said parallel line a distance of 115 feet, more or less, to a point in the southeasterly line of Jessie Street; thence southwesterly along said line of Jessie Street a distance of 50 feet to a point in a line that is parallel with and distant 130 feet southwesterly, measured at right angles, from said southwesterly line of Sixth Street; thence southeasterly, along last said parallel line a distance of 242 feet 6 inches, more or less, to a point in said southeasterly line of Mission Street, last said point being in Assessor's Block 3726; thence southeasterly along last said line of Mission Street a distance of 695 feet, more or less, to the Point of Beginning.

SOUTH OF MARKET REDEVELOPMENT PROJECT AREA



## Chapter 2.0 – Project Redevelopment Plan

### 2.1 Project Goals

The following goals for the South of Market Redevelopment Plan were established based on consultation with the South of Market Project Area Committee (PAC). The goals set forth objectives for revitalization of the community. Redevelopment and removal of blight will be done in a manner which includes a maximum number of current property owners and residents in the redevelopment process, with a minimum of displacement. Any businesses or residents who are required to relocate as a result of redevelopment activities shall receive relocation assistance pursuant to applicable laws, with the goal of obtaining equal or better permanent accommodations. Goals have been prepared for five categories: Housing, Business & Jobs, Community Quality of Life, Transportation & Parking, and Neighborhood Development & Land Use.

### 2.2 A – Housing

#### All Affordable Housing

- A1 Complete the replacement of low- and very low-income housing that was lost in the 1989 Loma Prieta Earthquake (of 199 units lost in the earthquake, 140 were replaced by the Knox Hotel, and 17 by the 8<sup>th</sup> & Howard development) and ensure the replacement of those units lost through redevelopment activities in the Project Area.
- A2 Promote keeping existing affordable rental housing permanently affordable for low- and very low-income residents.
- A3 Address the need for the deepest levels of housing affordability.
- A4 When marketing affordable housing opportunities in the Project Area, and to the extent legally permissible, provide priority in housing lotteries and other housing allocation processes for those displaced by Agency actions in accordance with the priorities established in Section 4.11.6.E.

#### Single Room Occupancy (SRO) Housing

- A5 Maintain as part of the City’s housing stock the number of Single Room Occupancy hotel (SRO) units that were present in the Project Area immediately preceding the Earthquake. (Approximately 2,520 units.)
- A6 Locate SRO replacement units in other parts of South of Market or Citywide, if feasible. Encourage replacement units within a one-mile radius of the Project Area.
- A7 Ensure that the rehabilitation of SRO hotels does not result in the unnecessary loss of affordable units.
- A8 Make every effort to give SRO tenants displaced because of Agency actions, the option, if such a tenant so desires, to relocate directly to permanent, equal, or better housing at comparable levels of affordability (it being understood that such a tenant shall also be given the option to relocate to temporary housing until such permanent housing becomes available in the same neighborhood

from which the tenant was displaced if permanent replacement housing is not currently available there).

- A9** Encourage physical improvements and compliance with all applicable codes as part of the management, operations, and maintenance of SROs and other residential rental units.

### **Other Housing Development**

- A10** Promote the prohibition of demolition of existing dwelling units or their conversion to tourist or other non-residential use, except when such units are replaced by the equivalent number of units of similar or greater affordability.
- A11** Facilitate financial and technical assistance to residential building owners within the Project Area for renovation that preserves and enhances affordable housing.
- A12** Encourage more non-subsidized middle-income housing for both individuals and families.
- A13** Encourage opportunities for affordable homeownership, particularly for first-time low- and moderate-income homebuyers.
- A14** Promote tenant rights through education and other strategies that ensure tenant participation and building owner accountability.
- A15** Support implementation of City's Inclusionary Housing Ordinance providing that any private housing or live/work development with 10 units or more in Project Area will include at least 10% affordable housing units and that those requiring discretionary approval will include at least 12 affordable housing units.
- A16** Encourage Planning Code changes which provide for additional height or density conditioned on higher levels of inclusionary housing.
- A17** Promote the prohibition of additional Live/Work units, but continue to allow residential lofts in a balanced mix of housing that preserves the right to work out of any residential unit (as governed and restricted by applicable City codes).
- A18** Increase the supply of housing and the range of housing opportunities (including very low-income, low-income, moderate-income and market-rate housing) without adversely affecting the scale, density, or architectural character of the Project Area.
- A19** Encourage new development and building rehabilitation projects to include affordable housing suitable for artists.

### **2.3 B – Business & Jobs**

- B1** Promote a business friendly environment, and promote the retention and growth of existing businesses that contribute positively to the neighborhood and the existing employment base.
- B2** Encourage responsible growth and expansion of the Project Area's diverse economic activities and promote compatibility of mixed uses.

- B3 Promote private sector investment in neighborhood-serving businesses and businesses employing local residents by providing financial and technical assistance, as well as other means.
- B4 Promote training and employment opportunities for low- and very low-income residents.
- B5 Promote employment opportunities and training with first consideration given to Project Area residents, and then to other San Francisco residents.
- B6 Promote business ownership by neighborhood residents.

## **2.4 C – Community Quality of Life**

### **Human and Social Services**

- C1 Work with City agencies and other organizations to promote and facilitate the availability of social and health services, and promote the distribution of information about such services to those living or working in the Project Area.
- C2 Work with City agencies and other organizations to ensure social service programs to address the particular needs and concerns of the Project Area's various populations.
- C3 Encourage the scaling of social service programs to meet neighborhood needs.
- C4 Promote and assist in the development of new and existing recreational and community facilities serving South of Market health, education, art, cultural and social needs.
- C5 Promote development of low-income, subsidized childcare to meet Project Area needs, including its incorporation into new developments in South of Market.
- C6 Promote programs supporting the needs of young adults in the Project Area.
- C7 Promote improvement of programs to meet the needs of all children who live in the Project Area.

### **Crime**

- C8 Work with police and the criminal justice system to reduce area crime, including the installation of a satellite police office on Sixth Street.
- C9 Promote crime prevention and enhance public safety along the Sixth Street corridor, ensuring that illegal activities are not tolerated.
- C10 Work with police, the criminal justice system and social service agencies to assure dispersed placement and appropriate servicing and oversight of parolees or others who may be detrimental to neighborhood safety.

### **Safety**

- C11 Promote and facilitate a clean, healthy, and safe environment in the Project Area.
- C12 Promote a disaster preparedness plan for the Project Area.

C13 During the development process, implement the mitigation of waste and toxic material located on the development site.

**Communications**

C14 Encourage the establishment and effectiveness of neighborhood associations on a block-by-block basis.

C15 Encourage and support the work of volunteers in addressing neighborhood issues and concerns.

C16 Encourage programs and projects that will strengthen communication of redevelopment activities between the Agency and its Project Area Committee, and the community-at-large.

**2.5 D – Transportation and Parking**

D1 Encourage a balanced mix of all forms of transportation, including walking, to maximize service throughout the neighborhood.

D2 Encourage the mitigation of conflicts between pedestrians, bicycles and other transportation modes to ensure neighborhood safety.

D3 Assist the creation of a visually prominent, safe, and clean pedestrian circulation network in the Project Area.

D4 Support the extension of bike lanes through the Project Area as alternative transportation.

D5 Support additional bus lines and service frequency in the Project Area.

D6 Encourage automobile and bicycle parking facilities in new development and rehabilitation projects.

D7 Work with the Department of Parking and Traffic (DPT) in the development of parking facilities that meet the needs of businesses, customers, residents, guests, and visitors to the Project Area for convenient short-term parking.

**2.6 E – Neighborhood Development & Land Use**

E1 Encourage Planning Code changes and Planning Department policies that maintain and strengthen the rich ethnic, social, cultural, and economic diversity of the Project Area by encouraging mixed-use, commercial, light industrial, and affordable residential uses.

E2 Encourage Planning Code changes and Planning Department policies that address mixed uses, scale, bulk, density, heights, and architectural style to recognize the differences between the Project Area’s arterials and its side streets.

E3 Preserve and enhance the architectural character and identity of the South of Market neighborhood by promoting the preparation of neighborhood and project design guidelines.

- E4 Preserve historically and/or architecturally significant buildings that contribute to the area's identity, give visual orientation, and impart a sense of continuity with San Francisco's past.
- E5 Promote the development of a unique and positive identity for the Sixth Street corridor.
- E6 Promote physical, urban design, and streetscape improvements for major thoroughfares.
- E7 Encourage predominantly residential mixed-use development on vacant and underutilized parcels.
- E8 Promote opportunities for blocks and neighborhoods to participate in the design process for new developments in the Project Area.

## Chapter 3.0 – Development Controls & Requirements

### 3.1 Land Use, Zoning Districts, and Height/Bulk Districts

The City of San Francisco General Plan, South of Market Area Plan, and Planning Code identify several South of Market Mixed-Use Zoning Districts and Height/Bulk Districts applicable to the South of Market Redevelopment Project Area. This Redevelopment Plan applies the Planning Code (as it may be amended from time to time) as the development controls within the Redevelopment Project Area, provided, however, that the California Redevelopment Law shall control in the event of any conflict between the Planning Code and the CRL. Other codes and regulations relating to development also apply within the Project Area, including but not limited to the Single Room Occupancy Living Units (SRO) Ordinance. The Planning Department and the Board of Supervisors may adopt amendments to the Planning Code to better achieve the goals outlined in Sections 2.2 through 2.6, with the desired outcome of a vibrant mixed-use neighborhood for the South of Market. Prospective property developers should refer directly to the Planning Code for applicable standards, as well as to the remainder of this Redevelopment Plan.

### 3.2 Other Land Uses

*Public Rights-of-Way.* Major public streets within the Project Area include the following "east-west" streets: Mission, Howard, Folsom, and Harrison, and these "north-south" major arterials: Fifth, Sixth and Seventh Streets. Existing streets and alleys may be modified as necessary for proper use and/or development.

Any changes in the existing street layout shall be in accord with the City's General Plan, the objectives of this Plan, and the City's street design standards; shall be effectuated in the manner prescribed by state and local laws; and shall be guided by the following criteria:

- A. Changes must promote a pedestrian-oriented environment for Sixth Street with limitations on curb cuts and vehicular access, and priority placed on adequate pedestrian facilities including lighting, "bump-outs," waste receptacles, and economically viable land uses.
- B. Changes must balance the needs of proposed and potential new development for adequate pedestrian and vehicular access, vehicular parking, and delivery loading docks with similar needs of existing developments proposed or potentially proposed to remain. Such balancing shall take into consideration the rights of existing owners and tenants under the Owner Participation and Business Re-Entry Rules adopted by the Agency for the Project Area, and any participation agreements executed thereunder;
- C. Changes must address the constraints imposed by such factors as topography, traffic safety, and aesthetics;
- D. Changes must serve not only the Project Area and new or existing developments, but also serve areas outside the Project Area by providing convenient, efficient vehicular access and movement;
- E. Changes must accommodate public transportation facilities and/or requirements.

### 3.3 General Controls and Limitations

All real property in the Project Area is hereby made subject to the controls and requirements specified in this Plan. No real property shall be developed, rehabilitated, or otherwise changed after the date of the adoption of this Plan, except in conformance with the provisions of the City Planning Code and the provisions of this Plan. Please also refer to Subsection 4.8.4, Development Plans.

### 3.4 Design Guidelines

The Agency may issue design guidelines to more particularly guide the design of development within the Project Area, or portions of the Project Area, in order to promote harmony and coherence of the urban environment, and otherwise further the goals of the Plan.

### 3.5 Administration of Development Controls

The Agency has entered into a Cooperation Agreement with the Planning Department delegating the administration of development controls within the Project Area in certain instances to the Planning Department. The Cooperation Agreement specifies the role of the Agency and the Planning Department in reviewing development proposals and otherwise administering the development controls, with the objective of facilitating the development process and furthering the goals of the Redevelopment Plan. The Agency shall retain the right to terminate the Cooperation Agreement and administer the development controls itself. The Agency may also modify the Agreement, provided that the Planning Department agrees with any such modifications.

## Chapter 4.0 – Project Development Proposals

### 4.1 General Development Actions

The Agency proposes to carry out this Plan by the maintenance, repair, restoration, removal, or replacement of facilities damaged or destroyed as a result of the 1989 Loma Prieta Earthquake disaster, the redevelopment of vacant, blighted or underutilized properties in accordance with this Plan, and the improvement of the living and working conditions within the Project Area. The general redevelopment actions to be undertaken to achieve the above-mentioned objectives include:

- A. Ensuring opportunities for participation in the redevelopment process by owners and occupants of the properties located in the Project Area, consistent with this Plan and rules adopted by the Agency;
- B. Acquisition of real property interests, subject to the limitations set forth in Section 4.3 of this Plan;
- C. Management of real property under the temporary ownership of the Agency;
- D. Provision of relocation assistance to occupants displaced by the Agency’s redevelopment activities in the Project Area;
- E. Removal of a limited number of buildings exhibiting physical and economic blighting conditions, including underutilization;
- F. Installation, construction, expansion, addition, extraordinary maintenance or reconstruction of streets, utilities, and other public facilities and improvements;
- G. Disposition of property for uses in accordance with this Plan;
- H. Land redevelopment by private enterprise and public agencies for use in accordance with this Plan;
- I. Rehabilitation of structures and improvements by present owners, their successors, and the Agency;
- J. Rehabilitation, development, or construction of low- and moderate-income housing within the Project Area or in the City and County, and the development of other housing within the Project Area;
- K. Development, construction, or funding participation of affordable non-profit social service and arts spaces within the Project Area; and
- L. Retention of controls and establishment of restrictions or covenants running with the land so that property will continue to be used in accordance with this Plan.

In the accomplishment of these activities, and in the implementation and furtherance of this Plan, the Agency retains authorization to use all the powers provided by law and in this Plan.

## 4.2 Redevelopment Participation Opportunities

The Agency shall encourage owners of real property in the Project Area to participate in the redevelopment of their properties through rehabilitation or new development of all or a portion of their properties, or participation with developers in the redevelopment of all or a portion of their properties, or by other suitable means.

### 4.2.1 Owner Participation in Redevelopment

Owners of property in the Project Area may participate in the redevelopment of their property by following the development processes applicable to their property pursuant to this Plan, as well as the applicable provisions of the Planning Code and other regulations of the City and County of San Francisco.

If the Agency is requested to award a financial subsidy, discretionary approval or other benefit as an incentive to redevelop (“Redevelopment Incentive”), the Agency may require execution of an Owner Participation Agreement or other form of agreement, which obligates the owner (Owner Participant) to rehabilitate, develop, or use the property in conformance with this Plan and such other provisions and conditions to which the parties may agree.

In addition, to alleviate blighting conditions, implement the objectives of the Plan and encourage revitalization efforts in the Project Area, the Agency may request owners of properties exhibiting one or more of the conditions listed in Section 4.3.2(B) to redevelop such properties and to enter into an Owner Participation Agreement to regulate such redevelopment. If the Owner of such a property refuses to enter into an Owner Participation Agreement or fails or refuses to develop, use and maintain the subject real property in accordance with such Owner Participation Agreement, the real property or any interest therein may be subject to acquisition by the Agency pursuant to the provisions of Section 4.3 below.

Owner Participation Agreements may include provisions necessary to make the Owner Participation Agreement applicable to successor property owners, and may be recorded together with any related instrument.

Whether or not a property owner enters into an Owner Participation Agreement with the Agency, the provisions of this Plan are applicable to all public and private property in the Project Area.

The Agency’s approval of any request for any Redevelopment Incentive or Owner Participation Agreement will be based on the Agency’s consideration of the following factors:

- A. Ability of the participants to finance the proposed acquisition, development or rehabilitation in accordance with this Plan;
- B. Ability and experience of participants to undertake and complete the proposed development;
- C. Adherence to the requirements of this Plan and applicable laws and regulations of the City and County of San Francisco; and

- D. Feasibility of the proposed development.

#### 4.2.2 Re-entry Preferences for Persons Engaged in Business in the Project Area

In accordance with the Agency's South of Market Owner Participation and Business Re-Entry Rules, the Agency shall extend reasonable re-entry preferences to any persons who were engaged in a business in the Project Area and were displaced by the Loma Prieta earthquake, other disaster or by implementation of this Plan to re-enter in business within the Project Area if they otherwise meet the requirements prescribed by this Plan.

#### 4.2.3 Owner Participation and Business Re-Entry Rules

The policies pertaining to owner participation and business re-entry preferences shall be implemented according to the South of Market Owner Participation and Business Re-entry Rules (the "Rules") adopted by the Agency prior to the approval of this Plan, as the same may be from time to time amended by the Agency. The Rules adopted by the Agency shall require that the improvement, rehabilitation, operations and maintenance of properties comply with all applicable laws, codes and ordinances, including but not limited to the Building Code, Housing Code, Health Code, Fire Code, Residential Heating Ordinance, Rent Stabilization and Arbitration Ordinance and Residential Hotel Conversion Ordinance. Where there is a conflict between the participation and re-entry preferences provisions in this Plan and the Rules, the Plan shall prevail.

#### 4.2.4 [Intentionally Deleted]

### 4.3 Property Acquisition

#### 4.3.1 Acquisition of Real Property

The Agency may acquire, but is not required to acquire, any interest in real property or improvements located in the Project Area by gift, devise, exchange, lease, purchase, or any other lawful method. The Agency may acquire an interest in real property or improvements in fee or other interest in real property less than a fee. However, the use of eminent domain to acquire property shall be subject to the limitations of Section 4.3.2.

#### 4.3.2 Eminent Domain

The Agency may exercise the power of eminent domain if the Agency adopts a resolution of necessity finding that acquisition of such property through eminent domain is in the public interest, and necessary to carry out this Plan. The use of eminent domain shall also be limited by the following provisions:

- A. No eminent domain proceeding to acquire property within the Project Area shall be commenced more than 12 years following \_\_\_\_\_, 2005 [insert date] the effective date of Ordinance No. \_\_\_\_\_, the ordinance amending this Plan. Such time limitation may be extended only by amendment of this Plan.
- B. The Agency shall not use eminent domain to acquire a property unless one or more of the following conditions exist and (i) the property owner refuses to enter into an Owner

Participation Agreement that provides for the redevelopment of the property in accordance with this Plan and implementing policies, or (ii) an Owner Participant fails to comply substantially with the responsibilities of an Owner Participation Agreement:

1. The property contains a Single-Room Occupancy hotel that has been cited repeatedly for violations of applicable laws, codes and ordinances.
  2. The property contains an unreinforced masonry bearing wall building that has not been seismically retrofitted by the date required by City ordinance (an unreinforced masonry bearing wall building is a building or structure having at least one unreinforced masonry bearing wall).
  3. The property contains uses that have led to recurrent problems of public safety and welfare.
  4. The property is located on Sixth Street and is vacant or significantly underutilized or used as a surface parking lot.
  5. The property is located on Sixth Street and exhibits one or more conditions of blight as defined by the Community Redevelopment Law.
- C. The Agency will not utilize eminent domain to acquire property without conferring with and seeking the advice of the duly constituted Project Area Committee, while the Project Area Committee continues to exist.

#### 4.3.3 Pre-existing Covenants, Conditions and Restrictions on Agency Acquired Real Property

As to any property acquired or to be acquired by the Agency, any covenants, conditions, or restrictions existing on any real property within the Project Area prior to the time the Agency acquires title to such property, which covenants, conditions, or restrictions do or purport to restrict the use of, or building upon, such real property, shall -- when the Agency complies with the procedures of Section 33397 of the Community Redevelopment Law -- be void and unenforceable as to the Agency and any other subsequent owner, tenant, beneficiary under a deed of trust, or any other person or entity acquiring an interest in such real property from the date title to the real property is acquired by the Agency.

#### 4.3.4 Personal Property

Generally, personal property shall not be acquired by the Agency. However, where necessary in the execution of this Plan, the Agency is also authorized to acquire personal property in the Project Area by any lawful means.

### 4.4 Property Management

During such time as property, if any, in the Project Area is owned by the Agency, such property shall be under the management and control of the Agency. Such property may be rented or leased by the Agency

pending its disposition for redevelopment, and such rental or lease shall be pursuant to the then current policies of the Agency.

## 4.5 Relocation of Occupants Displaced by Agency Action

### 4.5.1 Relocation Housing Requirements

The Agency shall assist in the provision of dwellings suitable for the needs of families displaced by the Loma Prieta Earthquake and any actions of the Agency. The Agency shall implement the following relocation policies. However, the failure to comply with these provisions shall not affect the validity of any action taken by the Agency, or the validity of this Plan.

- A. No persons or families of low and moderate income shall be displaced unless and until there is a suitable housing unit available and ready for occupancy by such displaced person or family at rents comparable to those at the time of their displacement.
- B. Such housing units shall be suitable to the needs of such displaced persons or families. Such units must be decent, safe and sanitary.
- C. Permanent housing facilities shall be made available within three years from the time occupants are displaced. Pending the development of such facilities, there will be available to such displaced occupants adequate temporary housing facilities at rents comparable to those in the community at the time of their displacement.

### 4.5.2 Assistance in Finding Other Locations

The Agency shall assist all persons (including individuals and families), business concerns, and others displaced as a result of Agency action in the Project Area in finding other locations and facilities. In order to implement this Plan with a minimum of hardship to persons (including individuals and families), business concerns, and others, if any, displaced from their respective places of residence or business, the Agency shall assist such persons, business concerns, and others in finding new locations that are decent, safe, sanitary, and otherwise suitable to their respective needs. Such locations may be either inside or outside the Project Area.

### 4.5.3 Relocation Payments

The Agency shall make all relocation payments required by law to persons (including individuals and families), business concerns, and others displaced from property in the Project Area. Such relocation payments shall be made pursuant to the California Relocation Assistance Law (Government Code Sections 7260 et seq.), the Relocation Assistance Guidelines adopted by the State of California Department of Housing and Community Development, the applicable provisions of the Federal Uniform Relocation Act, and Agency rules and regulations adopted thereto, as such may be amended from time to time. The Agency may make such other payments as it may deem appropriate and for which funds are available.

## 4.6 Payments To Taxing Agencies For In Lieu Taxes And To Alleviate Financial Burden

Subject to the provisions of Section 33401 of the CRL, the Agency may make the payments specified herein. In any year during which it owns property in the Project Area, the Agency retains authorization, but is not required, to pay directly to any City, County, City and County, District, including, but not limited to a School District, or other public corporation for whose benefit a tax would have been levied upon such property had it not been exempt, an amount of money in lieu of taxes. The Agency may also pay to any taxing agency with territory located within the Project Area (other than the City), any amounts of money that, in the Agency's determination, are appropriate to alleviate any financial burden or detriment caused to such taxing agency by the Project Area.

## 4.7 Public Improvements and Site Preparation

### 4.7.1 Public Improvements and Facilities

The Agency's installation and construction of public improvements, facilities, and utilities to repair such public improvements within the Project Area is hereby authorized, subject to the applicable provisions of the CRL. Such public improvements, facilities, and utilities include, but are not limited to the following: sewers, storm drains, electrical, natural gas, telephone and water distribution systems, parks and plazas, playgrounds, parking and transportation facilities, landscaped areas, and street and circulation improvements.

### 4.7.2 Preparation of Building Sites

The preparation of building sites of any real property in the Project Area owned by the Agency is hereby authorized. The Agency is also authorized to construct foundations, platforms, and other structural forms necessary for the provision or utilization of "air rights" sites for buildings to be used for housing, commercial, public, and other uses provided for in this Plan.

## 4.8 Property Disposition and Development

### 4.8.1 Real Property Disposition Standards

For the purposes of this Plan, the following criteria and obligations shall be met in the disposition and development of real property in the Project Area:

- A. The Agency is authorized to sell, lease for a period not to exceed 99 years, exchange, subdivide, transfer, assign, pledge, encumber by mortgage or deed of trust, or otherwise dispose of any interest in real property. The disposition of real property by negotiated lease, sale, or transfer without public bidding is hereby authorized, but only after conducting a public hearing.
- B. Before any interest in real property of the Agency acquired in whole or in part, directly or indirectly, with tax increment monies is sold, leased, or otherwise disposed for development pursuant to this Plan, such sale, lease, or disposition shall first be approved by the Board of

Supervisors after a public hearing held in conformance with Section 33433 of the Community Redevelopment Law.

- C. All real property acquired by the Agency in the Project Area and not developed by the Agency shall be sold or leased to public or private persons or entities for development for the uses permitted under this Plan. For all residentially designated property, the Agency shall give first consideration to San Francisco based developers.
- D. All purchasers or lessees of property from the Agency are required to use the property for the purposes designated in this Plan, to complete development of the property within a time period which the Agency fixes as reasonable, and to comply with other conditions which the Agency deems necessary to carry out the purposes of this Plan.
- E. In the disposition of its property, the Agency is authorized to and shall ensure compliance with the provisions of this Plan and other documents formulated pursuant to this Plan. The Agency shall also ensure that development of such property proceeds in accordance with development documents and time schedules.

#### **4.8.2 Disposition and Development Documents**

The Agency shall reserve powers and controls in disposition and development documents as may be necessary to prevent transfer, retention, or use of property for speculative purposes and to ensure that development is expeditiously carried out pursuant to this Plan.

To provide adequate safeguards to ensure that the provisions of this Plan will be carried out, all real property sold, leased, or conveyed by the Agency, as well as all property subject to an Owner Participation Agreement, shall be made subject to the provisions of this Plan and other conditions imposed by the Agency by leases, deeds, contracts, agreements, and declarations of restrictions. Where appropriate, such documents or portions thereof shall be recorded in the official records of the Recorder of the City and County of San Francisco.

The leases, deeds, contracts, agreements, and declarations of restrictions may contain restrictions, covenants, covenants running with the land, rights of reverter, conditions subsequent, equitable servitudes, or any other provision necessary to carry out this Plan.

All property in the Project Area is hereby subject to the restriction that there shall be no discrimination or segregation based upon sexual orientation, gender identity, marital status or domestic status, race, color, religion, national origin, disability including AIDS or HIV status, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of property in the Project Area. All property sold, leased, conveyed, or subject to an Owner Participation Agreement, by or through the Agency, shall be expressly subject by appropriate documents to the restrictions that all deeds, leases, or contracts for the sale, lease, sublease, or other transfer of land in the Project Area shall contain such non-discrimination and non-segregation clauses, as required by law.

#### **4.8.3 Development by the Agency or Other Public Bodies**

To the extent now or hereafter permitted by CRL and other applicable law, the Agency, with consent of the Board of Supervisors of the City and County of San Francisco, may use tax increment funds to pay all or part of the value of land, for the cost of the installation and construction of any building, facility,

structure, or other improvement publicly owned either within or outside the Project Area, if the Agency and the Board of Supervisors each determine that:

- A. Such buildings, facilities, structures, or other improvements are of benefit to the Project Area or the immediate neighborhood in which the Project Area is located regardless of whether such improvements are within or outside the Project Area; and
- B. No other reasonable means of financing such buildings, facilities, structures, or other improvements are available to the community.

Such determinations by the Agency and the Board of Supervisors shall be final and conclusive.

When the value of such land or the cost of the installation and construction of such building, facility, structure, or other improvement, or both, has been or will be paid or provided for initially by the City or other public entity, the Agency may enter into a contract with the City or other public entity under which the Agency agrees to reimburse the City or other public entity for all or part of the value of such land or all or part of the cost of such building, facility, structure, or other improvement, or both, by periodic payments over a period of years.

The obligation of the Agency under such contract shall constitute an indebtedness of the Agency for the purpose of carrying out this Plan. This indebtedness may be made payable out of taxes levied in the Project Area and allocated to the Agency under subdivision (b) of Section 33670 of the Community Redevelopment Law and Chapter 5.0, Section 5.2 of this Plan, or out of any other available funds.

Before the Agency commits to use the portion of taxes to be allocated and paid to the Agency pursuant to subdivision (b) Section 33670 of the CRL for the purpose of paying all or part of the value of the land for, and the cost of the installation and construction of, any publicly owned buildings (other than parking facilities), the Board of Supervisors shall hold a public hearing in accord with the provisions of Section 33679 of the CRL.

#### 4.8.4 Development Plans

All plans for any type of development (whether public or private) shall be processed in the manner provided by applicable City codes as they are or as they may be amended in the future. So long as the Agency maintains a Cooperation Agreement with the Planning Department pursuant to Section 3.5 of this Plan, development in the Project Area will be reviewed and approved in conformance with such Agreement.

#### 4.8.5 Personal Property Disposition

For the purposes of this Plan, the Agency is authorized to lease, sell, exchange, transfer, assign, pledge, encumber, or otherwise dispose of personal property that is acquired by the Agency.

#### 4.9 Coordination with Other Public Bodies

Certain public bodies are authorized by state law to aid and cooperate with or without consideration in the planning, undertaking, construction, or operation of this Project Area. The Agency may seek the aid and

cooperation of such public bodies and attempt to coordinate this Plan with the activities of such public bodies in order to accomplish the purposes of redevelopment and the highest public good.

To the extent that the Agency, by law, is not authorized to acquire real property owned by public bodies without the consent of such public bodies, the Agency shall not acquire such public property. However, the Agency will seek the cooperation of all public bodies that own or intend to acquire property in the Project Area. Any public bodies that own or lease property in the Project Area will be afforded all the privileges of owner participation if such public body is willing to enter into an Owner Participation Agreement with the Agency. All plans for development of property in the Project Area by a public body shall also be subject to the approval process referred to in Subsection 4.8.4, Development Plans to the extent permissible by law.

All development controls in this Plan and the City Planning Code shall apply to all public bodies, to the extent permissible by law. The Agency is authorized to financially (and otherwise) assist any public entity in the cost of public land, buildings, facilities, structures, or other improvements (within or outside the Project Area) when such Agency assistance will be of benefit to the Project Area.

#### 4.10 Rehabilitation and Conservation of Structures

The Agency is authorized to rehabilitate and conserve, or to cause to be rehabilitated and conserved, any building or structure in the Project Area owned by the Agency. The Agency is also authorized to advise, encourage, and assist (through loan programs and other implementation actions) in the rehabilitation and conservation of property in the Project Area not owned by the Agency. The Agency is also authorized to acquire, restore, rehabilitate, and/or conserve buildings of historic or architectural significance.

It is the intent of this Plan to allow for the retention of existing businesses which do not contribute to blighting conditions and to add to the economic life of these businesses by a program of voluntary participation in their conservation and rehabilitation. The Agency retains authorization to conduct a program to encourage owners of property within the Project Area to maintain, repair, restore, remove, or replace their property consistent with this Plan.

The extent of rehabilitation in the Project Area shall be subject to the following limitations:

- A. The rehabilitation of the structure must be compatible with land uses as provided for in this Plan;
- B. Rehabilitation and conservation activities on a structure must be carried out in conformance with the requirements of this Plan, as well as applicable requirements of the City.

#### 4.11 Housing Affordable by Low- And Moderate- Income Persons and Families

##### 4.11.1 General Authority

The Agency may acquire land, improve sites, or construct or rehabilitate structures in order to provide housing affordable by persons and families of low or moderate income and occupied by such persons (Affordable Housing). The Agency may also provide subsidies to, or for the benefit of, such persons and families or households to assist them in obtaining housing. The Agency may also sell, lease, grant, or

donate real property owned or acquired by the Agency in carrying out the provisions of Subsection 4.11.3, Increased and Improved Supply. Low- or moderate- income families are defined as:

- For first-time home buyers, a moderate-income family is a family whose income is no more than 120% of the area median income as defined pursuant to Health and Safety Code section 50093 (Area Median Income), with an average target of 100% of the Area Median Income.
- For renters, a low-income family is one whose income is no more than 80% of the Area Median Income, with an average target of 60% of the Area Median Income.

The Agency may require deeper affordability levels at its discretion.

#### **4.11.2 Replacement Housing**

In accordance with Section 33334.5 of the CRL, whenever dwelling units housing persons and families of low or moderate income are destroyed or removed from the low and moderate-income housing market as a result of Agency action, the Agency shall, within four years of such destruction or removal, rehabilitate, develop, or construct, or cause to be rehabilitated, developed, or constructed, for rental or sale to persons and families of low or moderate income an equal number of replacement dwelling units for comparable household sizes and at comparable Affordable Housing costs within the territorial jurisdiction of the Agency. This will be in accordance with the provisions of Sections 33413 and 33413.5 of the CRL. If feasible and cost-effective, SRO replacement units may be located in other parts of South of Market or Citywide, preferably within a one-mile radius of the Project Area.

#### **4.11.3 Replacement Housing Plan Requirement**

Not less than 30 days prior to (1) the execution of an agreement for acquisition of real property, or (2) the execution of an agreement for the disposition and development of property, or (3) the execution of an Owner Participation Agreement that would lead to the destruction or removal of dwelling units from the low- and moderate-income housing market, the Agency shall adopt by resolution a Replacement Housing Plan that shall include:

- A. The general location of housing to be rehabilitated, developed, or constructed pursuant to Section 33413 of the CRL;
- B. An adequate means of financing such rehabilitation, development, or construction;
- C. A finding that the replacement housing does not require the approval of the voters pursuant to Article XXXIV of the California Constitution, or that such approval has been obtained;
- D. The number of dwelling units housing persons and families of low or moderate income planned for construction or rehabilitation; and
- E. The timetable for meeting the Plan's relocation, rehabilitation, and replacement housing objectives.

A dwelling unit whose replacement is required by Section 33413 of the CRL, but for which no replacement housing plan has been prepared, shall not be destroyed, razed, or removed from the low- and moderate-income housing market until the Agency has by resolution adopted a Replacement Housing Plan.

#### 4.11.4 Increased And Improved Supply

Pursuant to Section 33334.2 of the Community Redevelopment Law, not less than 20 percent of all tax increment funds from the Project Area which are allocated to the Agency pursuant to subdivision (b) of Section 33670 of the CRL and Chapter 5.0 of this Plan shall be used by the Agency for the purpose of increasing and improving the City's supply of low- and moderate-income housing. This supply shall be made available at Affordable Housing Cost (as defined by Section 50052.5 of the Health and Safety Code), to persons and families of low or moderate income (as defined in Section 50093 of the Health and Safety Code), and very low-income households (as defined in Section 50105 of the Health and Safety Code). The funds for this purpose shall be held in a separate Low and Moderate Income Housing Fund until used. Any interest earned by such Low and Moderate Income Housing Fund shall accrue to the Fund.

The requirement that at least 20 percent of all tax increment allocated to the Agency from the Project Area is to be used to meet the Affordable Housing obligations set forth above shall apply, unless one or more of the following findings are made pursuant to Subsection 33334.2 (a) of the CRL:

- A. That no need exists in the City to improve, increase, or preserve the supply of low- and moderate-income housing, including housing for very low-income households in a manner which would benefit the Project Area and that this finding is consistent with the General Plan Housing Element;
- B. That some stated percentage less than 20 percent of the taxes which are allocated to the Agency pursuant to Section 33670 of the Community Redevelopment Law is sufficient to meet the housing needs of the community, including its share of the regional housing needs for persons and families of low or moderate income and very low-income households, and that this finding is consistent with the General Plan Housing Element; or
- C. That the City is making a substantial effort to meet its existing and projected housing needs, including its share of the regional housing needs, with respect to persons and families of low and moderate income, particularly very low-income households, as identified in the General Plan Housing Element.

#### 4.11.5 Use of Agency Powers to Meet Affordable Housing and Replacement Housing Obligations

In carrying out the Affordable Housing requirements of Section 33334.2 of the Community Redevelopment Law and this Plan, the Agency may exercise any of its powers, including the following:

- A. Acquire land or building sites.
- B. Improve land or building sites with on-site or off-site improvements, subject to the requirements of Subsection 33334.2 (e)(2) of the CRL.
- C. Donate land to private or public persons or entities.

- D. Construct buildings or structures.
- E. Acquire buildings or structures.
- F. Rehabilitate buildings or structures.
- G. Provide subsidies to or for the benefit of persons or families of very low, low, or moderate income.
- H. Develop plans, pay principal and interest on bonds, loans, advances, or other indebtedness, or pay financing or carrying charges.

The Agency may also use proceeds from the Low and Moderate Income Housing Fund to meet, in whole or in part, the replacement housing provisions set forth in Subsection 4.11.2. These funds may be used inside or outside the Project Area, provided, however, that funds may be used outside the Project Area only if findings of benefit to the Project Area are made, as required by Section 33334.2 of the CRL.

#### **4.11.6 New Or Substantially Rehabilitated Dwellings**

- A. Agency Replacement of Housing Destroyed by the Loma Prieta Earthquake.

The Agency shall develop or assist in the development of replacement units which are affordable to and occupied by low- and moderate-income persons and families in amount equal to the 199 low- or moderate-income dwelling units within the Project Area destroyed, by public or private action, or rendered uninhabitable due to the October 17, 1989 Loma Prieta Earthquake, at affordability levels comparable to levels in effect prior to that date. Such replacement housing may be either within or outside the Project Area. Where feasible and cost-effective, such replacement housing may be located within a one-mile radius of the Project Area.

- B. Agency Development of Additional Housing.

The Agency also may develop or assist in the development of additional low- and moderate-income dwelling units in the Project Area to enable the occupancy of such units by low- and moderate-income persons. The Agency may also develop or assist in the development of other residential dwelling units.

- C. Project Area Affordable Housing Production Requirements.

The Affordable Housing Production requirements set forth in this subsection are in addition to Subsection A. and apply in the aggregate to housing developed in the Project Area, not to each individual case of rehabilitation, development or construction of dwelling unit, unless the Agency determines otherwise in accordance with Section 33413(c)(3) of the CRL.

- 1. At least forty percent (40%) of all new or rehabilitated dwelling units developed by the Agency, if any, shall be available at Affordable Housing Cost to and occupied by persons and families of low or moderate income. Not less than fifty percent (50%) of the dwelling units required to be available at Affordable Housing Cost to persons and

families of low or moderate income shall be available at Affordable Housing Costs to, and occupied by, very low-income households.

2. As required by Section 33413(b)(2) of the CRL, at least fifteen percent (15%) of all new or rehabilitated dwelling units developed within the Project Area by public or private entities or persons other than the Agency, if any, shall be available at Affordable Housing Cost to *and occupied by* persons and families of low or moderate income. Not less than forty percent (40%) of the dwelling units required to be available at Affordable Housing cost to persons and families of low or moderate income shall be available at Affordable Housing Costs to very low income households.

D. Compliance with the Agency’s Affordable Housing Participation Policy.

All developers of housing on a site within the Project Area shall also comply with the City’s Inclusionary Housing Ordinance, or with the Agency’s Housing Participation Policy, if required to do so by an Agreement with the Agency.

E. Preference for Displaced Low- and Moderate-Income Persons and Families.

Whenever the Agency provides a subsidy or other Redevelopment Incentive resulting in low- or moderate- income housing units being developed in the Project Area or elsewhere pursuant to this Plan, the Agency shall require by contract or other appropriate means that such housing be made available for rent or purchase to persons and families of low and moderate income in the following order of priority, to the extent permitted by law: 1) those who are Agency Certificate Holders, 2) those displaced from housing within the Project Area by the Loma Prieta Earthquake, 3) those displaced from housing within the Project Area by the Agency’s actions pursuant to this Plan, 4) those displaced from housing elsewhere in the City by the Agency or City, 5) residents of the Project Area, and 6) other residents of South of Market census tracts 176.01 and 178. Such persons and families shall be given priority in renting or buying such housing, provided, however, that failure to give such priority shall not affect the validity of title to real property.

#### 4.11.7 Duration of Affordability Requirements

The Agency shall require that the aggregate number of replacement dwelling units and other dwelling units substantially rehabilitated, developed, or constructed pursuant to Subsections 4.11.2 and 4.11.4 above with financial assistance from the Low and Moderate Income Housing Fund shall remain available at Affordable Housing Cost and occupied by persons and families of low income, moderate income, and very low-income households, respectively, for not less than the following periods of time commencing on the date of issuance of a certificate of occupancy:

- A. Housing financed prior to January 1, 2002 with Low and Moderate Income Housing Fund assistance: 50 years for rental housing.
- B. Housing financed on and after January 1, 2002 with Low and Moderate Income Housing Fund assistance: 55 years for rental housing and 45 years for owner-occupied housing.

## Chapter 5.0 – Methods of Project Financing

### 5.1 General Description of Proposed Financing Method

The Agency is authorized to finance the Project with tax increment funds, interest income, Agency bonds, donations, loans from private financial institutions, the lease or sale of Agency-owned property, participation in development, sales tax advanced or paid to the Agency in accordance with applicable provisions of law, or with financial assistance from the City, State of California, the federal government, or any other available source, public or private.

The Agency is also authorized to obtain advances, borrow funds, issue bonds, and create indebtedness in carrying out this Plan. The principal and interest on such indebtedness may be paid from tax increment or any other funds available to the Agency. Advances and loans from survey and planning, and for the operating capital for administration of this Project may be provided by the City until adequate tax increment or other funds are available or sufficiently assured to repay the advances and loans, and to permit borrowing adequate working capital from sources other than the City. The City, as able, may also supply additional assistance through issuance of bonds, loans, and grants, as well as in-kind assistance.

The City or any other public agency may expend money to assist the Agency in carrying out this Project. As available, gas tax funds, or other funds authorized for such uses, from the State and County may be used for street improvements and public transit facilities. All or a portion of the parking may be installed through a parking authority or other public or private entities.

Tax increment financing, as authorized herein, is intended as a source of financing in combination with other sources of financing that may be available for specific project activities.

### 5.2 Tax Increment Funds

All taxes levied upon taxable property within the Project Area each year, by or for the benefit of the State of California, the City and County of San Francisco, any district or any other public corporation (hereinafter also referred to as “taxing agencies”) shall be divided as follows:

1. That portion of the taxes produced by the rate upon which the tax is levied each year by or for each of said taxing agencies upon the total sum of the assessed value of the taxable property in the portions of the Project Area hereafter described as the Original Project Area and the Western Expansion Area, as shown upon the assessment roll used in connection with the taxation of such property by such taxing agency, last equalized prior to (A) the adoption of Ordinance No. 234-90, as to the portion of the Project Area sometimes referred to as the Original Project Area, reduced in accordance with the provisions of subdivision (b) of Section 170 of the Revenue and Taxation Code; and (B) the adoption of Ordinance No. \_\_\_\_\_, as to the area bounded by Folsom, Seventh, Harrison and Columbia Square Streets , sometimes referred to as the “Western Expansion Area”, on and after the effective date of such ordinances, shall be allocated to and when collected shall be paid to the respective taxing agencies as taxes by or for said taxing agencies on all other property are paid for the purpose of allocating taxes levied by or for any other taxing agency or agencies which did not include the applicable territory of the Project Area on the effective date of such ordinances but to which

such territory has been annexed or otherwise included after the applicable effective date of the ordinances, the assessment roll of the City and County of San Francisco last equalized on the effective date of each such ordinances approving the Original Project Area and the Western Expansion Area shall be used in determining the assessed valuation of the taxable property in the Project Area; and

2. That portion of said levied taxes each year in excess of such amounts shall be allocated to the Agency in accordance with applicable law and when collected shall be paid into a special fund of the Agency to pay the principal of and interest on bonds, loans, monies advanced to, or indebtedness (whether funded, refunded, assumed, or otherwise) incurred by the Agency to finance or refinance, in whole or in part, this Project. Unless and until the total assessed valuation of the taxable property in the Project Area exceeds the total assessed value of the taxable property in the Project Area as shown by the last equalized assessment rolls referred to in subdivision (1) hereof, all of the taxes levied and collected upon the taxable property in the Project Area shall be paid into funds of the respective taxing agencies. When said bonds, loans, advances, and indebtedness, if any, and interest thereon, have been paid, all monies thereafter received from taxes upon the taxable property in the Project Area shall be paid to the respective taxing agencies as taxes on all other property are paid.

The portion of taxes mentioned in subdivision (2) above is hereby irrevocably pledged for the payment of the principal of, and interest on the advance of monies, or making of loans, or the incurring of any indebtedness (whether funded, refunded, assumed, or otherwise) by the Agency to finance or refinance the Project in whole or in part.

The Agency is authorized to make such pledges as to specific advances, loans, and indebtedness as appropriate in carrying out the Project. The number of tax dollars that may be divided and allocated to the Redevelopment Agency pursuant to Section 33670 of the California Health and Safety Code from the Original Project Area (and exclusive of the tax dollars from territories merged with the Project Area described in Section 5.6) shall be limited to \$200,000,000, except by amendment of this Plan.

### 5.3 Agency Bonds

The Agency is authorized to issue bonds from time to time, if it deems it appropriate to do so, in order to finance all or any part of the Project.

The bonds and other obligations of the Agency are not a debt of the City, or the State, nor are any of its political subdivisions liable for them, nor in any event shall the bonds or obligations be payable out of any funds or properties other than those of the Agency; and such bonds and other obligations shall so state on their face. The bonds do not constitute indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

The amount of bonded indebtedness to be repaid in whole or part from the allocation of taxes described in subdivision (2) of Section 5.2 above which can be outstanding at any one time shall not exceed \$80 million in principal amount, except by amendment of this Plan. Such limitation is exclusive of:

1. Any payments to be made from such principal amount by the Agency to any taxing agency pursuant to Section 33401 of the Community Redevelopment Law and Section 5.6, Project Area Merger, to alleviate financial burden; and

2. Any funds required by Section 33334.2 of the Community Redevelopment Law and Section 6.1 of this Plan to be deposited by the Agency in the Low and Moderate Income Housing Fund as a result of such payments to taxing agencies.

#### **5.4 Time Limit on Establishment of Indebtedness**

The Agency shall not establish or incur loans, advances, or indebtedness to finance in whole or in part the Project (A) after June 11, 2020 for indebtedness secured by tax increment from the Original Project Area, and (B) more than twenty years from the adoption of Ordinance No. \_\_\_\_\_, the ordinance adding the Western Expansion Area to the Project Area, for indebtedness secured by tax increment from the Western Expansion Area. Loans, advances, or indebtedness may be repaid over a period of time beyond said time limit. Such time limitations may be extended only by amendment of this Plan.

#### **5.5 Time Limit for Receipt of Tax Increment Funds**

The Agency shall not pay indebtedness or receive property taxes pursuant to Section 33670 of the California Health and Safety Code after (A) June 11, 2030, as to property tax increment received from the Original Project Area and (B) thirty years from the adoption of Ordinance No. \_\_\_\_\_, the ordinance adding the Western Expansion Area to the Project Area. Such time limitations may be extended only by amendment of this Plan.

#### **5.6 Project Area Merger**

The following describes conditions related to merger of the project area:

1. Pursuant to Article 15, Section 33485, et seq. of the California Community Redevelopment Law (Health and Safety Code § 33000, et seq.), the Project Area described in this Plan has been merged with certain other redevelopment project areas. This Merged Redevelopment Project comprises the Embarcadero-Lower Market (Golden Gateway) Approved Redevelopment Project Area E-1, the Federal Office Building Redevelopment Project Area and the South of Market Redevelopment Project Area (formerly known as the South of Market Earthquake Recovery Redevelopment Project Area).
2. By said merger and except as provided in Health and Safety Code Section 33486(b), the taxes attributable to the Project Area (and each other project area merged into the Merged Redevelopment Project), which are allocated to the Agency pursuant to the Health and Safety Code Section 33670 shall be, and they are hereby, allocated to the entire merged project area – the Merged Redevelopment Project – for the purpose of paying the principal of and interest on loans, monies advanced to, or indebtedness, whether funded, refunded, assumed, or otherwise (hereinafter referred to and defined as “indebtedness”), incurred by the Agency to finance or refinance, in whole or in part, the Merged Redevelopment Project.
3. The taxes attributable to all merged project areas in the Merged Redevelopment Project that may be and are so allocated to the Agency under Health and Safety Code Section 33670 after

the effective date of this Merger for the purpose above set forth shall not exceed \$520 million in the aggregate for all merged project areas identified above.

4. The amount of bonded indebtedness outstanding at any one time to be repaid, in whole or in part, from taxes attributable to all merged project areas in the Merged Redevelopment Project that may be and are so allocated to the Agency under Health and Safety Code Section 33670 after the effective date of this Merger for the purposes above set forth shall not exceed \$520 million in the aggregate for all merged project areas identified above. At least 50% of all tax increment from the Merged Project Area shall be deposited in the Low and Moderate Income Housing Fund maintained by the Agency pursuant to Health and Safety Code Section 33334.3(a).

### **5.7 Other Loans, Grants, and Miscellaneous Financing Sources**

Any other loans, grants, guarantees, or financial assistance from the United States of America, the State of California, or any other public or private source will be utilized if available in carrying out the Project. In addition, the Agency may make loans, as permitted by law, to public or private entities for any of its redevelopment purposes.

## Chapter 6.0 – Actions, Enforcement, and Procedures

### 6.1 Actions of the City and County of San Francisco

The City shall aid and cooperate with the Agency in carrying out this Plan and shall take actions necessary to ensure the continued fulfillment of the purposes of this Plan. Actions by the City may include but are not limited to the following:

- A. Institution and completion of proceedings for opening, closing, vacating, widening, or changing the grades of streets, alleys, and other public rights-of-way, and for other necessary modifications of the streets, the street layout, and other public rights-of-way in the Project Area. Such action by the City shall include the requirement of abandonment, removal, and relocation by the public utility companies of their operations in public rights-of-way as appropriate to carry out this Plan, provided that nothing in this Plan shall be construed to require the cost of such abandonment, removal, and relocation be borne by other than those legally required to bear such costs.
- B. Institution and completion of proceedings necessary for changes and improvements in private and publicly owned utilities within or affecting the Project Area.
- C. Imposition wherever necessary (by covenants or restrictions, conditional use permits, or other means) of appropriate controls within the limits of this Plan upon parcels in the Project Area to ensure their proper development and use.
- D. Provision of administrative enforcement of this Plan by the City after development.
- E. Performance of the above actions, and of all other functions and services relating to public health, safety, and physical development normally rendered in accordance with a schedule which will permit the redevelopment of the Project Area to be commenced and carried to completion without unnecessary delays.
- F. Provision of financial assistance in accordance with Chapter 5.0, Methods of Project Financing, of this Plan.
- G. Provision of police services and City Attorney's Office enforcement of laws necessary to secure a safe and crime-free environment for residents, businesses and visitors.
- H. Provision of supportive housing and other social services to increase the stability and quality of life of the residential population of the project area.
- I. Provision of street cleaning services adequate to maintain a clean and attractive street environment.
- J. Undertaking and completing any other proceedings necessary to carry out the Project.

The foregoing actions to be taken by the City may involve financial outlays by the City, but do not constitute a commitment to make such outlays.

## 6.2 Administration & Enforcement

The administration and enforcement of this Plan, including the preparation and execution of any documents implementing this Plan shall be performed by the Agency after any appropriate consultation with the City Planning Department, in matters relating to the General Plan and Planning Code.

The provisions of this Plan or other documents entered into pursuant to this Plan may also be enforced by court litigation instituted by either the Agency or the City. Such remedies may include but are not limited to specific performance, damages, re-entry, injunctions, or any other remedies appropriate to the purposes of this Plan. In addition, such owners may enforce any recorded provisions that are expressly for the benefit of property owners in the Project Area.

## 6.3 Duration of the Plan

Except for non-discrimination and non-segregation provisions which shall run in perpetuity, the provisions of this Plan shall be effective, and the provisions of other documents formulated pursuant to this Plan may be effective, until 11 June 2020, provided, however that the Agency may issue bonds and incur obligations pursuant to this Plan which extend beyond the termination date, and in such event, this Plan shall continue in effect for the purpose of repaying such bonds or other obligations until the date of retirement of such bonds or other obligations, as determined by the Board of Supervisors.

## 6.4 Procedures for Plan Amendment

This plan may be amended by means of the procedures established in Sections 33450-33458 of the Community Redevelopment Law, or by any other procedure hereafter established by law.

It is the intention of this Plan that the San Francisco Zoning Ordinance provides the basis for land use and development standards in the Project Area. Therefore, prior to any proposed amendments, the following processes shall apply:

- A. The Department of City Planning shall notify the Agency of any proposed amendments to the Zoning Code that affect land use and/or development standards in the Project Area.
- B. The City Planning Commission shall conduct all necessary public notifications, hearings, and evaluations as required for Zoning Code or City Master Plan text amendments.
- C. Should it become necessary, the Agency shall apply to the Department of City Planning for any proposed modifications to the Zoning Code or Master Plan as part of its implementation activities in the Project Area.
- D. Public hearings for proposed Zoning Code and/or Master Plan amendments that affect the Project Area may be held separately or jointly with the City Planning Commission and Redevelopment Commission.

## **6.5 Severability**

If any provision, section, subsection, subdivision, sentence, clause or phrase of this Plan is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portion or portions of the Plan.