
AMENDED RULES GOVERNING
PARTICIPATION BY PROPERTY OWNERS AND THE
EXTENSION OF REASONABLE PREFERENCES TO
BUSINESS OCCUPANTS FOR THE SOUTH OF
MARKET REDEVELOPMENT PROJECT

Adopted on October 4, 2005,
pursuant to Resolution No. 150-2005



SAN FRANCISCO
REDEVELOPMENT AGENCY

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1.0 – PURPOSE AND INTENT

On May 15, 1990, the Redevelopment Agency of the City and County of San Francisco (“Agency”) adopted Resolution No. 122-90, which approved the “Rules Governing Participation and Preferences by Property Owners and Business Occupants in the South of Market Earthquake Recovery Redevelopment Project” (as amended, the “Owner Participation Rules”) pursuant to the Community Redevelopment Law. These amended Owner Participation Rules are adopted in view of the proposed amendment to the South of Market Earthquake Recovery Redevelopment Plan, which converts such Earthquake Recovery Redevelopment Plan into a traditional redevelopment plan for the South of Market Redevelopment Project Area and includes other changes, including revised policies for redevelopment activities (the “Redevelopment Plan”). These amended Owner Participation Rules (the “Rules”) describe the policies and procedures for participation by property owners and the extension of reasonable preferences to business occupants within the Project Area.

It is the Agency’s intention to encourage and permit participation in the redevelopment of the Project Area by property owners and to extend reasonable preferences to business occupants of real property within the boundaries of the Project Area to the maximum extent consistent with the objectives of the Redevelopment Plan. Property owners and business occupants within the boundaries of the Project Area are encouraged to contact Agency staff to discuss the full range of options available for owner participation and re-entry preferences under the California Community Redevelopment Law.

2.0 – DEFINITIONS

As used herein, the following definitions apply:

“Agency” means the Redevelopment Agency of the City and County of San Francisco, California.

“Agency Action” means the Agency’s funding, acquisition, disposition of property or other Agency assistance through a loan agreement, grant agreement, Disposition and Development Agreement or other transactional agreement between a property owner and the Agency, as well as a Redevelopment Plan amendment that is necessary to enable development of a Project Area property.

“Board of Supervisors” means the Board of Supervisors of the City and County of San Francisco, California.

“Business Occupant” means any person, persons, corporation, association, partnership or other entity engaged in business within the Project Area on or after June 11, 1990, the date of adoption of the South of Market Earthquake Recovery Redevelopment Plan by the Board of Supervisors.

“City” means the City and County of San Francisco, California.

“Community Redevelopment Law” means the Community Redevelopment Law of the State of California (§§ 33000 *et seq.* of the California Health & Safety Code).

“Design Guidelines” means the Sixth Street Design Guidelines, a set of regulations that supplement the Planning Code by providing guidelines for architectural character and design, including standards for awnings, canopies, security measures, signage, hotel facades, and historic preservation for the Sixth Street portion of the Project Area.

“General Plan” means the General Plan of the City and County of San Francisco.

“Owner” and “Owners” means any person, persons, corporation, association, partnership or other entity holding title of record to real property in the Project Area on or after the date of adoption of the Redevelopment Plan by the Board of Supervisors.

“Owner Participation Agreement” means a binding agreement between a property owner and the Agency, required as a condition to participation in redevelopment, by which the participant agrees to rehabilitate, develop, use and maintain the property in conformance with the Redevelopment Plan and to be subject to its provisions.

“Project Area” means the area included within the boundaries of the South of Market Redevelopment Project Area.

“Real Property” means land, including land under water and waterfront property; buildings, structures, fixtures, and improvements on the land; any property appurtenant to or used in connection with the land; every estate, interest, privilege, easement, franchise, and right in land, including rights-of-way, terms for years, and liens, charges, or encumbrances by way of judgment, mortgage, or otherwise and the indebtedness secured by such liens.

“Redevelopment Commission” means the San Francisco Redevelopment Agency Commission.

“Redevelopment Plan” means the Redevelopment Plan for the South of Market Redevelopment Project Area, as amended from time to time.

3.0 – ELIGIBILITY

Owners shall be eligible to participate in the redevelopment of property within the Project Area in accordance with the provisions of the Redevelopment Plan, these Rules, and the limitations herein described.

Participation opportunities are necessarily subject to and limited by factors such as the following:

- 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.

The Redevelopment Plan contemplates that Owners will develop their property in accordance with the standards and procedures of the Planning Code, which apply to the Project Area, and which will be administered primarily by the City's Planning Department and Planning Commission pursuant to the terms of a Delegation Agreement. The Redevelopment Plan also contemplates that an Owner Participation Agreement will not be necessary for development of a Project Area property, unless the proposed redevelopment is subject to Agency Action.

4.0 – TYPES OF PARTICIPATION

Subject to these rules and the limitations in Section 3.0 and this Section 4.0, Owners shall be given a reasonable opportunity to participate in redevelopment by:

- A. Retaining all or a portion of their properties and developing or improving such property for use in accordance with the Redevelopment Plan;
- B. Acquiring adjacent or other properties within the Project Area and developing or improving such property for use in accordance with the Redevelopment Plan; or
- C. Selling their properties to the Agency and purchasing other properties in the Project Area.

The foregoing methods of providing owner participation opportunities shall not be deemed exclusive.

5.0 – OWNER PARTICIPATION AGREEMENTS

Owners wishing to participate in redevelopment within the Project Area may be required, as a condition to participation and Agency Action, to enter into an Owner Participation Agreement with the Agency if the Agency determines it is necessary to impose upon the property any of the standards, restrictions, and controls of the Redevelopment Plan. The Agreement may require the participant to join in the recordation of such documents as the Agency may require in order to

ensure the property will be developed and used in accordance with the Redevelopment Plan and the Owner Participation Agreement.

6.0 – CONTENTS OF OWNER PARTICIPATION AGREEMENTS

An Owner Participation Agreement shall obligate the Owner, his or her heirs, successors and assigns, and tenants to devote the property to the uses specified in the Redevelopment Plan, abide by all provisions and conditions of the Redevelopment Plan for the period of time that the Redevelopment Plan is in force and effect, and comply with all the provisions of the Owner Participation Agreement according to their terms, duration, and effect.

An Owner Participation Agreement may provide that if the Owner does not comply with the terms of the Agreement, the Agency, in addition to other remedies, may acquire such property or any interest therein by any lawful means, including eminent domain (subject to the limitations described in Section 4.3.2(B) of the Redevelopment Plan), for its fair market value as of the date of the Owner Participation Agreement, and the Agency may thereafter dispose of the property or interest so acquired in accordance with the Redevelopment Plan.

An Owner Participation Agreement shall contain such other terms and conditions which, in the discretion of the Agency, may be necessary to effectuate the purposes of the Redevelopment Plan.

7.0 – LIMITATIONS ON ACQUISITION OF PROPERTY BY THE AGENCY

The Agency shall not acquire real property to be retained and developed by an Owner pursuant to a fully executed Owner Participation Agreement if the Owner fully performs under the Agreement.

The Agency shall not use eminent domain to acquire a property unless one or more of the conditions listed in Section 4.3.2(B) of the Redevelopment Plan exists and (i) the property owner refuses to enter into an Owner Participation Agreement that provides for the redevelopment of the property in accordance with the Redevelopment Plan and these Rules, or (ii) an Owner Participant fails to comply substantially with the responsibilities of an Owner Participation Agreement.

8.0 – PREFERENCE TO BUSINESS OCCUPANTS WITHIN THE PROJECT AREA

Business Occupants who desire to remain within the Project Area shall be extended a reasonable preference to remain or reenter in business within the Project Area if they otherwise meet the requirements prescribed in these rules and the Redevelopment Plan, provided said Business Occupants are able to demonstrate the financial ability to remain or reenter in business within the Project Area.

9.0 – AMENDMENT OF RULES

These Rules may be modified or amended from time to time by the Redevelopment Commission at any regular or duly called special meeting, provided, however, that no such amendment shall retroactively impair the rights of Owners who have previously executed Owner Participation Agreements with the Agency in reliance upon the owner participation rules prior to adoption of an amendment to these Rules.