

RESOLUTION NO. 77-2007

Adopted July 17, 2007

AUTHORIZING A FIRST AMENDMENT TO THE PREDEVELOPMENT LOAN AGREEMENT WITH BRIDGE REGIONAL PARTNERS, INC., A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO INCREASE THE LOAN AMOUNT BY \$1,230,834, FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$3,681,535 FOR THE PREDEVELOPMENT OF UP TO 131 UNITS OF LOW- AND MODERATE-INCOME FIRST-TIME HOMEOWNERSHIP HOUSING AT 330 BERRY STREET AND 335 BERRY STREET, ALSO KNOWN AS BLOCK N4, PARCEL 2 AND BLOCK N4A, PARCEL 2; MISSION BAY NORTH REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. In furtherance of the objectives of the California Community Redevelopment Law (Health and Safety Code Section 33000 *et seq.*, the "Law"), the Redevelopment Agency of the City and County of San Francisco ("Agency") undertakes programs for the reconstruction and rehabilitation of slums and blighted areas in the City and County of San Francisco ("City").
2. On September 17, 1998, the Agency Commission approved the Mission Bay North and South Redevelopment Plans and Owner Participation Agreements ("OPAs") with Catellus Development Corporation ("Catellus"). The OPAs require that approximately 1,700 of the 6,000 housing units be affordable to low- and moderate-income households. Catellus is obligated to create approximately 255 affordable units as part of its development plans. The remaining 1,445 units will be developed by nonprofit housing developers selected by the Agency on approximately 16 acres of land that Catellus is required to contribute to the Agency. The 16 acres are composed of 3.8 acres in Mission Bay North and 12.2 acres in Mission Bay South. Catellus is generally required to contribute land to the Agency as it proceeds with its own developments.
3. The Agency's Mission Bay Affordable Housing Policy also approved by the Agency Commission on September 17, 1998, states the type of housing to be built on the Agency land and that the Agency will select nonprofit developers for these sites through a Request for Qualifications ("RFQ") process.
4. On August 15, 2000, the Agency Commission approved Catellus' Major Phase Application for Blocks N3-N4a in the Mission Bay North Redevelopment Project Area ("Mission Bay North"). Pursuant to the terms of the Mission Bay North OPA between the Agency and Catellus, the Site then became available for the Agency to select a developer.

5. On January 27, 2005, the Agency issued a RFQ for the combined development of the third and fourth Agency Affordable Housing Parcels in Mission Bay North, seeking nonprofit teams capable of developing affordable homeownership family housing at 330 Berry Street and 335 Berry Street, also known as Block N4, Parcel 2 and Block N4a, Parcel 2 ("Site"). A summary of the RFQ was provided to the Agency Commission in an informational memorandum dated January 18, 2005.
6. The Agency received three submittals, of which only the submittal from BRIDGE Housing Corporation, a California nonprofit public benefit corporation, was timely and responsive. The RFQ sets forth specific qualifications including previous development experience, developer staff capacity, architectural design, building constructability, and financial feasibility.
7. At its meeting of July 19, 2005, per Resolution No. 113-2005, the Agency Commission authorized the Agency Executive Director to enter into an exclusive negotiations agreement with BRIDGE Regional Partners, Inc. ("BRIDGE"), a wholly owned California nonprofit subsidiary of BRIDGE Housing Corporation, to clarify the obligations BRIDGE must fulfill to remain in exclusive negotiations leading to the execution of a Disposition and Development Agreement and the development of the Site.
8. In 1999, the Agency received \$1.4 million from the California Housing Finance Agency ("CalHFA") Housing Enabled Local Partnerships ("HELP") Program for the purpose of creating a revolving loan fund to fund predevelopment and pre-construction costs incurred by developers of the Agency Affordable Housing Parcels in Mission Bay. In 2001, the Agency received an additional \$1.5 million so that a total of \$2.9 million is available. The HELP Funds would be loaned through the end of construction at which time the Agency will substitute other Mission Bay Funds so that the HELP Funds will be available to lend to the next Agency Mission Bay Affordable Housing Parcel.
9. In April 2005, BRIDGE Housing Corporation requested a Mission Bay North Housing Loan to pay for predevelopment and pre-construction costs associated with the Project. The borrower will be BRIDGE.
10. At its meeting of June 6, 2005, the Citywide Affordable Housing Loan Committee recommended approval of a Mission Bay North Housing Loan Agreement for \$2,450,701 subject to the terms and conditions listed in the loan evaluation.

FINDINGS

1. The Agency and the City Planning Department, together acting as co-lead agencies for conducting environmental review for the Mission Bay Redevelopment Project Areas, prepared and certified a Final Subsequent Environmental Impact Report ("FSEIR"). On September 17, 1998, the Agency Commission adopted Resolution No. 182-98 which certified the FSEIR for the Project, and Resolution No. 183-98, which adopted environmental findings (and a

statement of overriding considerations), pursuant to the California Environmental Quality Act ("CEQA") and State Guidelines in connection with the approval of the Mission Bay Redevelopment Plans. The San Francisco Planning Commission ("Planning Commission") certified the FSEIR by Resolution No. 14696 on the same date. On October 19, 1998, the Board of Supervisors adopted Motion No. 98-132 affirming certification of the FSEIR by the Planning Commission and the Agency, and Resolution No. 854-98 adopting environmental findings and a statement of overriding considerations.

2. On August 15, 2000, the Agency Commission adopted Resolution No. 148-2000, which found that the potential environmental impacts of Blocks N3, N3a, N4 and N4a were within the scope of impacts discussed in the FSEIR.
3. On August 1, 2006, the Agency Commission adopted Resolution No. 103-2006, finding that the proposed development of 330 Berry Street (Block N4/Parcel 2) and 335 Berry Street (Block N4a/Parcel 2) is an implementing action ("Implementing Action") within the scope of the Redevelopment Project analyzed in the FSEIR and requires no additional environmental review pursuant to State CEQA Guidelines Sections 15180, 15162 and 15163 for the following reasons:
 - a. The Implementing Action is within the scope of the Project analyzed in the FSEIR and no major revisions are required due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.
 - b. No substantial changes have occurred with respect to the circumstances under which the Project analyzed in the FSEIR was undertaken that would require major revisions to the FSEIR due to the involvement of new significant environmental effects, or a substantial increase in the severity of effects identified in the FSEIR.
 - c. No new information of substantial importance to the Project analyzed in the FSEIR has become available which would indicate that (a) the Implementing Action will have significant effects not discussed in the FSEIR; (b) significant environmental effects will be substantially more severe; (c) mitigation measures or alternatives found not feasible which would reduce one or more significant effects have become feasible; or (d) mitigation measures or alternatives which are considerably different from those in the FSEIR will substantially reduce one or more significant effects on the environment.

RESOLUTION

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

- (1) It has reviewed and considered the FSEIR Findings and statement of overriding considerations and hereby adopts the CEQA Findings set forth in Resolution Nos. 182-98, 183-98 and 103-2006 incorporated herein and set forth above.
- (2) The Executive Director or her designee is authorized to enter into a First Amendment to the Predevelopment Loan Agreement with BRIDGE Regional Partners, Inc., a California nonprofit public benefit corporation, to increase the loan amount by \$1,230,834, for a total aggregate amount not to exceed \$3,681,535 to pay predevelopment and pre-construction expenses associated with for the development of 131 units of affordable homeownership family housing, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:



Sr. James B. Morales 7/11/07
Agency General Counsel