

RESOLUTION NO. 15-2010

Adopted February 16, 2010

AUTHORIZING A REPLACEMENT HOUSING PLAN FOR 113 UNITS PLANNED FOR DEMOLITION IN PHASE I OF THE HUNTERS VIEW REVITALIZATION PROJECT AND ACCEPTANCE OF THE VACATED PORTION OF FAIRFAX STREET, AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, FOR THE HUNTERS VIEW HOUSING DEVELOPMENT; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. The Redevelopment Agency of the City and County of San Francisco (the "Agency") is authorized by the California Community Redevelopment Law (Health and Safety Code, Section 33000 et seq.), to distribute monies from its Tax Increment Affordable Housing Fund to developers for the specific purpose of increasing and maintaining the housing stock in the City and County of San Francisco affordable by very low-, low-, and moderate-income households.
2. The Hunters View site is an approximately 21-acre site currently improved with 267 housing units generally known as 227-229 West Point Road (Block 4624, Lots 3, 4 & 9 and Block 4720, Lot 27, collectively referred to as the "Site"), which is located in Areas A and B of the Bayview Hunters Point Redevelopment Project Area, and is owned and operated by the San Francisco Housing Authority ("SFHA"). A portion of the Site, consisting of an approximately 1.65-acre parcel (Block 4720, Lot 27), is owned by the Agency.
3. In 2003, SFHA (owner and operator of the 267 existing Hunters View rental units) issued a Request for Qualifications for a developer to redevelop the Site, a severely distressed site that could not feasibly be rehabilitated.
4. In August 2005, SFHA selected the development team known as the Hunters View Community Partners, the predecessor-in-interest to Hunters View Associates, L.P., a California limited partnership (the "Borrower").
5. The Borrower's general partners are the managing general partner, The John Stewart Company, a California corporation, and two co-general partners: Devine and Gong, Inc., a California corporation, and Hunters Point Affordable Housing, Inc., a California nonprofit public benefit corporation, which is a wholly owned subsidiary of the Ridge Point Non-Profit Housing Corporation, a California nonprofit public benefit corporation.

6. Over multiple phases, the Borrower will demolish and rebuild the existing 267 public housing units. The redeveloped Site will incorporate 83 new rental units affordable to low-income residents as well as approximately 143 for-sale housing units. Of the for-sale housing units, approximately 36 will be available to first-time homebuyers in accordance with the Agency's Limited Equity Homeownership Program and be affordable to buyers who earn up to 80% of Area Median Income (collectively the "Project").
7. Borrower intends to work with SFHA to subdivide the Site into numerous lots for transfer of the lots in fee or by ground lease to facilitate the financing and development of the affordable residential components described in Recital 6 above.
8. Borrower has obtained loans pursuant to the Loan Agreement (City and County of San Francisco Home Program) between the Borrower and the City and County of San Francisco dated as of March 8, 2007, in the amount of \$597,900 for predevelopment costs. Borrower has also secured a recoverable grant from the Local Initiatives Support Coalition in the amount of \$50,000 for the Project.
9. On September 18, 2007, pursuant to Resolution No. 100-2007, the Agency Commission authorized a predevelopment loan in the amount of \$1,500,000 (the "Predevelopment Loan Agreement" or the "Phase I Rental Loan Agreement") to undertake design development, environmental, entitlements and construction activities related to Master Planning of the Project, to be repaid when permanent financing is obtained for any portion of the Project.
10. On December 7, 2007, the Citywide Loan Committee, as part of the HOPE SF Program, approved a predevelopment loan in the amount of \$1,500,000 for Master Planning of the Project.
11. On May 6, 2008, pursuant to Resolution No. 42-2008, the Agency Commission authorized the First Amendment to the Predevelopment Loan Agreement for an amount not to exceed \$1,904,679 for costs associated with predevelopment tasks for Phase I.
12. On September 16, 2008, pursuant to Resolution No. 112-2008, the Agency Commission authorized execution of a Moderate Income Homeownership Loan Agreement, which terms included the allocation of \$374,931 of the Phase I Predevelopment Loan amount to the Moderate Income Homeownership Loan Agreement. This allocation resulted in a remaining balance of the Phase I Rental Loan Agreement of \$1,529,747.
13. Also on September 16, 2008, pursuant to Resolution No. 111-2008, the Agency Commission authorized an Amended and Restated Tax Increment Loan Agreement to allocate \$500,000 of the Master Planning Loan amount to the Phase I Rental Loan Agreement and to increase to the Rental Loan by an amount not to exceed \$8,647,231, for an aggregate loan amount of \$10,676,978. This allocation resulted in a remaining balance of the Master Planning Loan Agreement amount of \$1,000,000.


14. On October 20, 2009, pursuant to Resolution Nos. 112-2009 and 113-2009 respectively, the Agency Commission authorized a Second Amended and Restated Loan Agreement to reduce the total Phase I Rental Loan Agreement amount by \$859,728, for a total aggregate loan amount of \$9,817,252 and authorized an Amended and Restated Tax Increment Master Planning Loan Agreement to increase the Master Planning Loan by an amount not to exceed \$441,991, for an aggregate loan amount of \$1,441,991.
15. In furtherance of the Project, Agency staff now seeks Commission approval of the Hunters View Phase I Replacement Housing Plan (the "Replacement Housing Plan") which addresses the replacement of 113 units planned for demolition in Phase I of the Project. This Replacement Housing Plan is required pursuant to Section 33413.5 of the California Health and Safety Code whenever low- or moderate-income units are demolished as part of a redevelopment project that includes Agency funding.
16. Agency staff also now seeks Commission approval to execute a Certificate of Acceptance ("Certificate of Acceptance") to accept a vacated portion of Fairfax Street from the City and County of San Francisco. This vacated portion of Fairfax Street will be incorporated into Phase I of the Hunters View development and will provide a new street connection to the Site.
17. Based on the analysis contained in the Final Environmental Impact Report for the Hunters View Redevelopment Project ("FEIR"), and the findings pursuant to the California Environmental Quality Act ("CEQA") adopted by the San Francisco Planning Commission (the "Planning Commission") on June 12, 2008, in Motion No. 17618, and in Motion No. 17617 certifying the FEIR, and in Motion No. 17621 approving the conditional use authorization for the Project and establishing a Mitigation Monitoring Program that attaches mitigation measures identified in the FEIR to the conditional use authorization, the Agency Commission adopted Resolution No. 111-2008 on September 16, 2008, adopting findings in accordance with CEQA that the Amended and Restated Loan Agreement for Phase I Predevelopment and Construction of the Very Low-Income Rental Units is an Implementing Action for the construction of the Project, pursuant to the approvals granted by the Planning Commission.
18. Agency staff has considered and reviewed the FEIR and has determined that the execution of the Certificate of Acceptance for the vacated portion of Fairfax Street from the City and County of San Francisco is another Implementing Action for the construction of the Project, pursuant to the approvals granted by the Planning Commission. Staff finds that the acceptance of the vacated portion of Fairfax Street will not change the scope of the Project analyzed in the FEIR and no major revisions are required due to the involvement of new significant environmental effects or a substantial increase in the severity of significant effects previously identified in the FEIR, that no substantial changes have occurred with respect to the circumstances under which the Project would be undertaken, that no new information of substantial importance to the project analyzed in the FEIR has become available, and that the environmental findings of Resolution No. 111-2008 remain valid and are applicable to the current Implementing Action.

19. The FEIR and related documents have been and continue to be available for review by the Agency Commission and the public and are part of the record before the Agency Commission.
20. The Replacement Housing Plan is a technical document required pursuant to the California Community Redevelopment Law; however, it is not required for every Agency construction activity. The Replacement Housing Plan describes the low- and moderate-income units that are currently planned for demolition, and the Agency's plan for timely replacement of demolished units. Authorization of this plan would not directly cause any change in the physical environment and is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3).

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 Final Environmental Impact Report and hereby adopts the CEQA findings set forth in Agency Resolution No. 111-2008, dated September 16, 2008, for the Certificate of Acceptance for the vacated portion of Fairfax Street from the City and County of San Francisco, and (2) it approves the Hunters View Phase I Replacement Housing Plan for the Hunters View Housing development at Middle Point and West Point Roads, and the acceptance of the vacated portion of Fairfax Street from the City and County of San Francisco; Bayview Hunters Point Redevelopment Project Area.

APPROVED AS TO FORM:


James B. Morales
Agency General Counsel