

**RESOLUTION NO. 27-2010**

*Adopted March 17, 2010*

**AUTHORIZING A DISPOSITION AND DEVELOPMENT AGREEMENT WITH HUNTERS VIEW ASSOCIATES, L.P., FOR THE REAL PROPERTY LOCATED AT THE SOUTHEAST CORNER OF FAIRFAX AND KEITH STREETS, ASSESSOR'S BLOCK 4720, LOT 27 (A PORTION), SUBJECT TO A FINAL MCENERNEY JUDGMENT BY THE SAN FRANCISCO SUPERIOR COURT, IN CONJUNCTION WITH THE DEVELOPMENT OF 83 UNITS OF VERY LOW INCOME RENTAL HOUSING, AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA, CITYWIDE TAX INCREMENT HOUSING PROGRAM**

**BASIS FOR RESOLUTION**

1. The Hunters View site is an approximately 21-acre site currently improved with 267 housing units generally known as 227-229 West Point Road (Assessor's Block 4624, Lots 3, 4 & 9 and Assessor's 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 (Assessor's Block 4720, Lot 27), is owned by the Redevelopment Agency of the City and County of San Francisco (the "Agency").
2. 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.
3. 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").
4. 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.
5. 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").

6. The 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 5 above.
7. The 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 which currently total \$13,557,935. The Borrower has also secured a number of grants for the Project.
8. 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.
9. 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.
10. 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.
11. On September 16, 2008, pursuant to Resolution No. 112-2008, the Agency Commission authorized execution of a Moderate Income Homeownership Loan Agreement (the "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.
12. Also on September 16, 2008, pursuant to Resolution No. 111-2008, the Agency Commission authorized an Amended and Restated Tax Increment Loan Agreement (the "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.

13. 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. Currently, the aggregate Agency loans total \$15,645,253.
14. In 1971 and 1972, the Agency acquired fee title to parcels of land located at the intersection of Keith and Fairfax Streets, adjacent to the Hunters View Site. These parcels now comprise a portion of Assessor's Block 4720, Lot 27, also referred to as "Agency Parcel AA-3", and are located within the now expired Bayview Hunters Point Redevelopment Project Area A.
15. Agency staff now seeks Commission authorization of a Disposition and Development Agreement (the "Disposition and Development Agreement") with the Borrower to transfer the Agency's fee title ownership of Parcel AA-3 to the Borrower, which will be incorporated into Phase I of the Hunters View development and will provide a new street connection to the Site. The value of Parcel AA-3 has been appraised at \$600,000, which value shall be considered a contribution (in addition to current and future loan amounts) of the Agency to the Project.
16. Authorization of the Disposition and Development Agreement is conditioned on the issuance by the San Francisco Superior Court of a final McEnerney Judgment ("McEnerney Judgment") to establish the Agency's fee title ownership of a portion of the real property known as Assessor's Block No. 4720, Lot 27. The Superior Court is scheduled to hear the McEnerney Action on March 30, 2010.
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 authorization of the Disposition and Development Agreement with the Borrower for the transfer and subsequent development of Parcel AA-3 is another Implementing Action for the construction of the Project, pursuant to the approvals

granted by the Planning Commission. Staff finds that the authorization of the Disposition and Development Agreement 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.

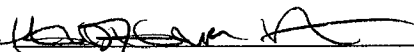
19. The FEIR and related documents have been and continue to be available for review by the Agency Commission and the public and are part of the record before the Agency Commission.

### **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 Disposition and Development Agreement with Hunters View Associates, L.P., for a portion of the real property located at the southeast corner of Fairfax and Keith Streets, Assessor's Block No. 4720, Lot 27, and
- (2) The Executive Director is authorized to execute a Disposition and Development Agreement with Hunters View Associates, L.P., for the real property located at the southeast corner of Fairfax and Keith Streets, Assessor's Block No. 4720, Lot 27, subject to a final McEnerney Judgment by the San Francisco Superior Court to establish the Agency's fee title ownership in a portion of Assessor's Block No. 4720, Lot 27, and in conjunction with the development of 83 units of very low income rental housing.

**APPROVED AS TO FORM:**

  
James B. Morales  
Agency General Counsel