

RESOLUTION NO. 109-2010

Adopted August 17, 2010

AUTHORIZING A LOAN AGREEMENT WITH HUNTERS VIEW ASSOCIATES, L.P., A CALIFORNIA LIMITED PARTNERSHIP, IN AN AMOUNT NOT TO EXCEED \$3,000,000 FOR THE PHASE IB HORIZONTAL PREDEVELOPMENT AND CONSTRUCTION COSTS ASSOCIATED WITH THE REPLACEMENT OF THE HUNTERS VIEW HOUSING DEVELOPMENT LOCATED AT MIDDLE POINT AND WEST POINT ROADS (BLOCK 4624, LOTS 3, 4 & 9 AND BLOCK 4720, LOT 27), AND MAKING 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 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, hereafter the "Agency Parcel"), is owned by the Agency and is the subject of a Disposition and Development Agreement approved by the Agency Commission pursuant to Resolution No. 27-2010 and executed on March 16, 2010.
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" or the "Developer").

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. Developer will demolish the existing Hunters View improvements in approximately three phases and construct up to 740 new residential units currently envisioned to include the following components: (i) 267 replacement public housing rental units (the "Replacement Units"), (ii) approximately 83 new rental units affordable to very low-income households earning no more than 50% percent of Area Median Income adjusted solely for household size, and (iii) approximately 59 new below market for-sale units to be sold to first-time homebuyers, with an average affordability of 80% of Area Median Income (collectively the "Project").
7. Market rate for-sale units will also be constructed on the Site. The sale of the land associated with these units is intended to provide a partial subsidy to defray a portion of the cost of developing the Replacement Units.
8. Developer intends to work with SFHA to subdivide the Housing Authority Site into numerous lots for transfer of lots in fee or by ground lease to facilitate the financing and development of the residential components described in Recitals 6 and 7 above.
9. On March 16, 2010 and pursuant to Resolution No. 27-2010, the Borrower executed a Disposition and Development Agreement on the Agency Parcel to facilitate the development of Phase I of the Project.
10. Developer has previously obtained loans pursuant to the Loan Agreement (City and County of San Francisco Home Program) between the Borrower and the City dated as of March 8, 2007, and amended from time to time in a current aggregate amount of \$4,351,245 for the Project.
11. 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.
12. 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.

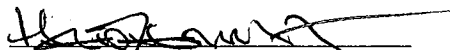
13. On September 16, 2008, pursuant to Resolution No. 112-2008, the Agency Commission authorized execution of a Moderate Income Homeownership Loan Agreement, which terms included the allocation of \$374,931 of the Phase I Predevelopment Loan amount to the Moderate Income Homeownership Loan Agreement. This allocation resulted in a remaining balance of the Phase I Rental Loan of \$1,529,747.
14. 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 amount of \$1,000,000.
15. On October 20, 2009, pursuant to Resolution No. 114-2009, the Agency Commission authorized a Second Amended and Restated Loan Agreement to reduce the total Phase I Rental Loan amount by \$859,728, for a total aggregate loan amount of \$9,817,252, and to modify the Phase I Rental budget and schedule of performance to reflect the current Project.
16. The Borrower now wishes to execute a Loan Agreement in an amount not to exceed \$3,000,000 for costs associated with the predevelopment and construction of infrastructure related to the infrastructure for Phase Ib of the Project.
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 ("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 Phase Ib Infrastructure Loan Agreement is another Implementing Action for the construction of the Project, pursuant to the approvals granted by the Planning Commission. Staff in making the necessary findings for the Implementing Action contemplated herein, considered and reviewed the FEIR and documents related to the 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 environmental findings adopted in accordance with CEQA by the Agency Commission in Resolution No. 111-2008 were and remain adequate, accurate and objective and are incorporated herein by reference as applicable to the current proposed action.

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, and (2) the Executive Director is authorized to execute a Phase Ib Infrastructure Loan Agreement with Hunters View Associates, L.P., a California limited partnership, substantially in the form lodged with the Agency General Counsel, in an amount not to exceed \$3,000,000, for Phase Ib Predevelopment and Construction Costs associated with the Hunters View Housing development at Middle Point and West Point Roads; Bayview Hunters Point Redevelopment Project Area.

APPROVED AS TO FORM:


James B. Morales
Agency General Counsel