

RESOLUTION NO. 27-2011

Adopted March 15, 2011

AUTHORIZING A LOAN AGREEMENT WITH THE SAN FRANCISCO HOUSING DEVELOPMENT CORPORATION, A NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$250,000, FOR TENANT AND FAÇADE IMPROVEMENTS FOR A FULL-SERVICE RESTAURANT ON THE GROUND FLOOR COMMERCIAL SPACE AT 4800 THIRD STREET, AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; BAYVIEW HUNTERS POINT REVOLVING LOAN PROGRAM; BAYVIEW HUNTERS POINT 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 Redevelopment Agency of the City and County of San Francisco (the “Agency”) undertakes programs for the reconstruction and rehabilitation of blighted areas in the City and County of San Francisco (the “City”).
2. San Francisco Housing Development Corporation’s, a California nonprofit public benefit corporation (“SFHDC” or the “Borrower”), mission is to provide safe, decent and affordable housing primarily to households in the City’s Bayview Hunters Point and Western Addition communities.
3. In November 2001, SFHDC entered into a contract to purchase a blighted property with a 1,584-square-foot building along with 10 surface parking spaces at 4800 Third Street (the “Site”) in the Bayview Hunters Point Redevelopment Project Area (the “Project Area”), for the purpose of developing a mix of affordable housing and ground floor commercial space.
4. The Agency acquired the Site on December 14, 2001, pursuant to an Assignment and Assumption Agreement between the Agency and SFHDC for the Purchase and Sale Agreement between SFHDC and the former owner of the Site.
5. On May 16, 2006, by Ordinance No. 113-06, the Board of Supervisors of the City adopted the Project Area in order to undertake a variety of projects and activities to alleviate blighting conditions.
6. On April 15, 2008, by Resolution No. 36-2008, the Agency Commission authorized the Executive Director to enter into a Disposition and Development Agreement (the “DDA”) with Green Blended Communities, LLC, a California limited liability company (“Green Blended” or the “Developer”), an affiliate of the Borrower to develop 18 units of homeownership housing and 2,200 square feet of commercial space (the “Project”).


7. The San Francisco Planning Department (the "Planning Department") published a preliminary Mitigated Negative Declaration ("MND") for the Project on April 24, 2004 pursuant to the California Environmental Quality Act ("CEQA"), and issued a final amended MND for the Project on May 17, 2004. On December 8, 2005, the Planning Department issued an Addendum to the MND ("Addendum"). On December 15, 2005, the Planning Commission adopted Motion No. 17163, approving a Conditional Use Application and the Mitigation Monitoring Program for the mitigation measures contained in the MND.
8. On April 15, 2008, the Agency Commission adopted Resolution No. 36-2008 based on its independent review of the MND and Addendum and finding the Project to be consistent with the project description contained in the MND and Addendum, and that it would not result in any significant impacts not identified in the MND or any impact identified in the MND that would be substantially more severe.
9. On September 7, 2010, the Planning Department issued a Note to File that included assessment of the change from the Project analyzed in the Addendum, which included two ground floor retail spaces with a total of 2,253 square feet, to a single full-service restaurant space with a total of 2,180 square feet. The Planning Department concluded in the Note to File that the revised project would not result in any new environmental impacts, and that the potential impacts have been assessed in the MND and the Project would not have a significant environmental impact with the implementation of mitigation measures contained in the MND. Accordingly, the Planning Department determined that no additional environmental review was required.
10. Agency staff has considered and reviewed the MND, Addendum, and Note to File and has determined that the proposed full-service restaurant is within the scope of the Project analyzed in the MND, Addendum and Note to File, consistent with CEQA Guidelines Sections 15162 and 15164.
11. The MND, Addendum, Note to File, 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.
12. The environmental findings adopted in accordance with CEQA by the Agency Commission in Resolution No. 36-2008 were and remain adequate, accurate and objective and are incorporated herein by reference as applicable to the current proposal.
13. On April 15, 2008, by Resolution No. 37-2008, the Agency Commission approved an Amended and Restated Tax Increment Loan Agreement (the "Loan Agreement") with the Developer for a total aggregate amount not to exceed \$8,465,829, which amount includes the initial acquisition costs of \$800,000, to construct the Project.

14. On July 3, 2008, the Agency transferred the Site to the Developer, pursuant to the DDA dated June 27, 2008. In October 2009, the Developer completed construction of the Project including the 2,200 square foot commercial shell as described in the DDA.
15. On April 20, 2010, by Resolution No. 37-2010, the Agency Commission authorized a Third Amendment to the Amended and Restated Tax Increment Loan Agreement, and a Second Amendment to the DDA to provide additional funds in the amount of \$330,000, for a total not to exceed \$8,795,829 for marketing and outreach, a broker referral program, and carrying costs, and to modify associated terms and conditions of the agreement related to the sale of the units.
16. On March 15, 2011, the Agency Commission approved the Bayview Hunters Point Revolving Loan Program (the "Loan Program") to attract new businesses and revitalize existing businesses as part of the Agency's economic development efforts along the Third Street Corridor in the Project Area.
17. SFHDC has requested funds from the Loan Program to build out the commercial space at 4800 Third Street for a full-service restaurant operation and is requesting a loan of \$250,000 to complete the interior tenant improvements, install all major equipment, and lease the space to a full-service food operator.
18. The Agency and SFHDC desire to enter into a loan agreement in an amount not to exceed \$250,000 to build out the commercial space.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that: (1) the Agency has reviewed and considered the Mitigated Negative Declaration, Addendum, and Note to File and hereby adopts the CEQA findings set forth above and in Resolution No. 36-2008 incorporated herein; and (2) the Executive Director is authorized to execute a Loan Agreement with the San Francisco Housing Development Corporation, a nonprofit public benefit corporation, in an amount not to exceed \$250,000, for tenant and façade improvements for a full-service restaurant operation on the ground floor commercial space at 4800 Third Street; Bayview Hunters Point Revolving Loan Program; Bayview Hunters Point Redevelopment Project Area.

APPROVED AS TO FORM:


James B. Morales
Agency General Counsel