

RESOLUTION NO. 38-2011

Adopted March 29, 2011

AUTHORIZING A PREDEVELOPMENT LOAN AGREEMENT WITH DOUBLE ROCK VENTURES, LLC, A DELAWARE LIMITED LIABILITY COMPANY, IN THE AMOUNT OF \$3,000,000, FOR MASTER PLANNING AND PREDEVELOPMENT ACTIVITIES RELATED TO THE CONSTRUCTION OF 256 PUBLIC HOUSING UNITS, A ONE-FOR-ONE REPLACEMENT, AND THE CONSTRUCTION OF 248 ADDITIONAL UNITS OF LOW-INCOME FAMILY RENTAL HOUSING; ALICE GRIFFITH PUBLIC HOUSING SITE, 211 CAMERON WAY, AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; 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 and for the purpose of increasing, improving, and preserving San Francisco's supply of affordable housing.
2. On March 23, 2007, the HOPE SF Task Force recommended to the Mayor and Board of Supervisors of the City and County of San Francisco (the "City") that the City pursue the rebuilding of San Francisco's most distressed public housing sites, including the Alice Griffith Housing Development ("Alice Griffith"), while increasing affordable housing and ownership opportunities, improving the quality of life for existing residents, and bringing together in one community new housing units of different income levels and building types.
3. On June 3, 2008, the voters of the City and County of San Francisco adopted Proposition G, the Jobs Parks and Housing Initiative ("Proposition G"), for revitalization of Candlestick Point and Phase II of Hunters Point Shipyard through the development of a mixed-use project (the "Project"). Proposition G encouraged the rebuilding of Alice Griffith as part of the Project, consistent with the objectives set forth in Proposition G and subject to consultation with the residents of Alice Griffith and approval by all applicable governmental agencies. The voters also encouraged the City, the Agency, and other public agencies with applicable jurisdiction to proceed as expeditiously as possible to implement Proposition G.

4. On June 3, 2010, the Agency Commission and the San Francisco Planning Commission, acting together as co-lead agencies for conducting environmental review for the Project, adopted Resolution No. 58-2010 and Motion No. 18096, respectively; Resolution No. 58-2010 and Motion No. 18096 certified a Final Environmental Impact Report (the "Phase II Final EIR") for development of Phase II of the Shipyard and Candlestick Point as adequate, accurate, and objective and in compliance with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.) ("CEQA") and the CEQA Guidelines (14 California Code of Regulations Sections 15000 et seq.). Also on June 3, 2010, by Resolution No. 59-2010, the Agency Commission adopted CEQA findings, a Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Program for the Project.
5. The Phase II Final EIR is a project EIR under State CEQA Guidelines Section 15161 and a redevelopment plan EIR under State CEQA Guidelines Section 15180.
6. The Agency Commission then adopted Resolution No. 69-2010 on June 3, 2010, and authorized the Agency Executive Director to execute a Disposition and Development Agreement (the "DDA") with CP Development Co., LP, for the Project, including a proposed plan for the rebuilding of Alice Griffith. The Agency Commission based its action on the CEQA findings set forth in Resolution No. 59-2010.
7. On July 6, 2010, by Resolution No. 93-2010, the Agency Commission authorized the Agency Executive Director to execute a Memorandum of Understanding between the Agency, the San Francisco Housing Authority ("Housing Authority"), the Mayor's Office of Housing, and the San Francisco Office of Economic and Workforce Development ("MOU"), which memorializes the parties' interest in revitalizing Alice Griffith and sets forth their roles and responsibilities required to advance this goal, in conformance with the principles and goals of HOPE SF, Proposition G, and the DDA.
8. On October 14, 2010, the San Francisco Housing Authority Commissioners authorized the Housing Authority's Executive Director to execute an Exclusive Negotiating Rights Agreement for the Alice Griffith Revitalization ("ENRA") with CP Development Co., LP and McCormack Baron Salazar (comprising, together, the Double Rock Ventures, LLC development entity; the "Developer"), which sets for the procedures and standards by which the Housing Authority and the Developer shall proceed with the revitalization program.
9. In order to implement the objectives of the MOU and the provisions of the DDA and ENRA, the Developer seeks a predevelopment loan from the Agency in the amount of Three Million Dollars (\$3,000,000). Predevelopment work funded by the loan shall include master planning, federal environmental review, architectural design for the project's early phases, production of documents required by the

Housing Authority and the U.S. Department of Housing and Urban Development, legal work, and social services planning and delivery.

10. Terms for the predevelopment loan shall comply with the requirements of the DDA.
11. Agency staff, in reviewing the proposed Predevelopment Loan Agreement (the "Predevelopment Loan Agreement") has determined it to be an Implementing Action of the Project, has considered and reviewed the Phase II Final EIR, and has determined the current proposed action as furtherance of the implementation of the Project, consistent with State CEQA Guidelines Sections 15180 and 15161.
12. The Phase II Final EIR and related documents are available for review by the Agency Commission and the public and are part of the record before the Agency Commission.
13. No substantial changes have occurred with respect to the Project analyzed in the Phase II Final EIR that would require a new EIR or amendment to the Phase II Final EIR.
14. The environmental findings adopted in accordance with CEQA by the Agency Commission in Resolution No. 59-2010 were and remain adequate, accurate and objective and are incorporated herein by reference as applicable to the current Implementing Action.
15. In accordance with the DDA, Agency staff has reviewed the Predevelopment Loan Agreement, the Phase II Final EIR, and other information contained in the Agency's files, and finds the Predevelopment Loan Agreement to be acceptable and recommends approval of the Predevelopment Loan Agreement.

FINDINGS

The Agency finds and determines that the Predevelopment Loan Agreement (i) is an Implementing Action within the scope of both the DDA and the Project analyzed in the Phase II Final EIR and (ii) requires no additional environmental review pursuant to Sections 15180, 15161, 15162 and 15163 of State CEQA Guidelines. The Agency makes the above findings based on the following:

- A. The Implementing Action does not incorporate substantial changes into the Project analyzed in the Phase II Final EIR, and will not require any further revisions to the Phase II Final EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.

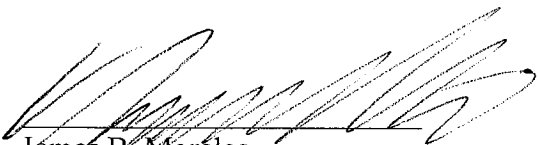
- B. No substantial changes have occurred with respect to the circumstances under which the Project analyzed in the Phase II Final EIR was or will be undertaken that would require further revisions to the Phase II Final EIR due to the involvement of new significant environmental effects, or a substantial increase in the severity of effects identified in the Phase II Final EIR.

- C. No new information of substantial importance to the Project analyzed in the Phase II Final EIR has become available, which would indicate any of the following: (i) the Implementing Action will have significant effects not discussed in the Phase II Final EIR; (ii) significant environmental effects will be substantially more severe; (iii) mitigation measures or alternatives found not feasible that would reduce one or more significant effects have become feasible; or (iv) mitigation measures or alternatives that are considerably different from those in the Phase II Final EIR 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 (1) that it has reviewed and considered the Phase II Final EIR and any additional environmental documentation in the Agency's files and hereby adopts the CEQA findings set forth in Resolution No. 59-2010 and those findings set forth above; and (2) that the Executive Director is authorized to execute, substantially in the form lodged with the Agency General Counsel, the Predevelopment Loan Agreement for master planning and predevelopment work related to the revitalization of the Alice Griffith Housing Development, and to enter into any and all ancillary documents or take any additional actions necessary to consummate the transaction.

APPROVED AS TO FORM:

for 
James B. Morales
Agency General Counsel