

RESOLUTION NO. 53-2011

Adopted May 3, 2011

AUTHORIZING AN APPLICATION TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR CHOICE NEIGHBORHOODS INITIATIVE GRANT FUNDS IN AN AMOUNT NOT TO EXCEED \$30,500,000 AND ACCEPTANCE OF SUCH FUNDS IN CONJUNCTION WITH THE REPLACEMENT OF 256 PUBLIC HOUSING UNITS AND THE CONSTRUCTION OF 248 VERY LOW-INCOME RENTAL UNITS AT THE ALICE GRIFFITH PUBLIC HOUSING SITE, 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. 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 CEQA Guidelines Section 15161 and a redevelopment plan EIR under 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 (“CP Development”), for the Project, including a proposed plan for the rebuilding of Alice Griffith within a new, mixed-income community (“Alice Griffith Plan”). The Agency Commission based its action on the CEQA findings set forth in Resolution No. 59-2010. In order to implement its responsibilities regarding Alice Griffith under the DDA, CP Development entered into a joint venture development agreement with McCormack Baron Salazar, Inc. (“MBS”), in recognition of MBS’s experience and expertise in public housing replacement projects.
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 Housing Authority Commissioners authorized the Housing Authority’s Executive Director to execute an Exclusive Negotiating Rights Agreement for the Alice Griffith Plan (“ENRA”) with CP Development and MBS (together, the “Developer”), which sets forth 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, substantial financial resources are required. The Agency has committed to providing a portion of this funding in the DDA, but non-Agency and non-City funds are required. On October 5, 2010, staff provided the Commission with an Informational Memorandum advising that the Agency, Housing Authority, MBS, CP Development, and other Alice Griffith stakeholders would be submitting a first round application to the United States Department of Housing and Urban Development (“HUD”) for approximately \$30 million in Choice Neighborhoods Initiative Grant funding (“Choice Neighborhoods”) for the

revitalization of Alice Griffith. On March 18, 2011, HUD notified the development team that it had selected the Alice Griffith Plan submission among 42 applicants as a finalist.

10. The Agency and its co-applicants now have the opportunity to submit a Round 2 application for a total of \$30,500,000, in competition with five other finalists. If awarded, the Alice Griffith development team will use this funding to accelerate and commence the revitalization of Alice Griffith, which includes the replacement of all 256 of the existing Alice Griffith public housing units and the construction of another 248 new affordable units.
11. The application deadline is June 1, 2011. HUD has advised that it plans on selecting two to four winners among whom it will divide the fiscal year ("FY") 2010 Choice Neighborhoods allocation, \$61 million, but that it also may divert FY 2011 funding for FY 2010 applicants, creating a strong chance of success for the Alice Griffith Transformation Plan.
12. Agency staff, in reviewing the Choice Neighborhoods Initiative Grant application, has determined that an award of Choice Neighborhoods funds would be an Implementing Action for the Candlestick Shipyard Phase II 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 CEQA Guidelines Sections 15180 and 15161.
13. The application for the Choice Neighborhoods funds itself is an Agency fiscal activity that will not cause any change in the physical environment and is not a "project" as defined in CEQA Guidelines Section 15378(b)(4).
14. At the federal level, HUD will not disburse Choice Neighborhoods funds until it has approved the Project's environmental certification required under 24 CFR Part 58.
15. 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.
16. 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.
17. 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.

FINDINGS

The Agency finds and determines that the Choice Neighborhoods Initiative Grant application (i) is an Implementing Action within the scope of both the DDA and the

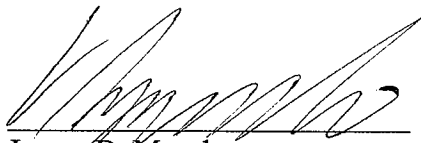
Project analyzed in the Phase II Final EIR and (ii) requires no additional environmental review pursuant to Sections 15180, 15161, 15162 and 15163 of State CEQA Guidelines. The Agency makes the above findings based on the following:

- 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 apply for and, if awarded, accept, Choice Neighborhoods Initiative Grant funds from the U.S. Department of Housing and Urban Development and to enter into any and all ancillary documents or take any additional actions necessary to facilitate the application and accept an award of funds.

APPROVED AS TO FORM:

For 
James B. Morales
Agency General Counsel