

Commission on Community Investment and Infrastructure

RESOLUTION NO. 50-2013

Adopted October 15, 2013

ADOPTING ENVIRONMENTAL REVIEW FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, AND CONDITIONALLY APPROVING COMBINED BASIC CONCEPTUAL AND SCHEMATIC DESIGNS FOR BLOCK 49, A 60 UNIT AFFORDABLE HOUSING PROJECT ON PARCEL A PURSUANT TO THE HUNTERS POINT SHIPYARD PHASE 1 DEVELOPMENT AND DISPOSITION AGREEMENT; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA

WHEREAS, Under Chapter 5, Statutes of 2011, ABx1 26, and Assembly Bill No. 1484 (Chapter 26, Statutes of 2011-12, Regular Session) (collectively, the “Dissolution Law”), the San Francisco Redevelopment Agency (“SFRA”) was dissolved and the non-affordable housing obligations of SFRA were transferred to the successor agency, now known as the Office of Community Investment and Infrastructure or “OCII,” the successor to the San Francisco Redevelopment Agency by operation of law; and,

WHEREAS, As required by the Dissolution Law, the City timely established the oversight board for OCII (the “Oversight Board”), which has been meeting since March 2012 to perform its duties under the Dissolution Law; and,

WHEREAS, On October 2, 2012, the Board of Supervisors in its capacity as the legislative body of the Successor Agency adopted Ordinance No. 215-12, acknowledging that OCII is a separate legal entity as a result of AB 1484 and creating the Community Investment and Infrastructure Commission (the “Commission”) as the policy body of OCII to implement three Major Approved Development Projects (1. Hunters Point Shipyard/Candlestick Point, 2. Mission Bay, and 3. Transbay), the Retained Housing Obligations, and other enforceable obligations under the Dissolution Law; and,

WHEREAS, On December 2, 2003 the SFRA Commission authorized the Phase 1 DDA with HPS Development Co., LP, (“Lennar” or the “Master Developer”) for the first phase of the Project’s development. The Phase 1 DDA has been amended six times, as follows: 1) on April 5, 2005, a First Amendment to the DDA; 2) on October 17, 2006, a Second Amendment to the DDA; 3) on August 5, 2008, a Third Amendment to the DDA; 4) on August 19, 2008, a Fourth Amendment to the DDA; 5) on November 30, 2009, a Fifth Amendment to the DDA; and 6) on December 19, 2012, Sixth Amendment to the DDA (the “Sixth Amendment”); and,

WHEREAS, The Phase 1 DDA obligates Lennar to construct the infrastructure necessary to support the vertical development of 1,498 residential units in the Phase 1 development, and 26 acres of open space and parks. At least 10.5 percent of the 1,280 units constructed by Vertical Developers will be affordable at 80 percent of Area Median Income (“AMI”), approximately 60 units will be affordable at 50 percent of AMI on Block 49, and OCII will cause to be constructed 218 units at deeper levels of affordability; and,

WHEREAS, In accordance with the Sixth Amendment, the parties expect Lennar to convey the Block 49 lot to OCII at no cost, together with \$1 million and such gap financing as is required to build 59 affordable housing units and one manager’s unit on Block 49 (removing these units as part of the inclusionary housing requirement for future

Vertical Developers). If the conditions set forth in the Sixth Amendment are not satisfied for the Block 49 housing development, then Lennar will not transfer Block 49 to OCII and instead Vertical Developers will be required to build a specified percentage of housing affordable at 50 percent of AMI; and,

WHEREAS, A joint venture between AMCAL Multi Housing and Young Community Developers Inc. (“AMCAL/YCD” or “Developer”) plans to develop a 60 unit building (with 59 affordable units at 50 percent of AMI and one manager’s unit) on Block 49; and

WHEREAS, Before the proposed Block 49 housing can proceed, certain agreements must be entered into including 1) a Vertical Lease Development and Disposition Agreement between OCII and AMCAL/YCD (the “VLDDA”), 2) a Ground Lease between OCII and AMCAL/YCD and 3) a Conveyance Agreement or deed between OCII and Lennar (the “Transaction Documents”); and,

WHEREAS, The Phase 1 DDA is an enforceable obligation under the Dissolution Law. The VLDDA and Transaction Documents are implementing documents of the Phase 1 DDA, and shown on line HPSY 21 of the Recognized Obligation Payment Schedule for January to June 2013, which was approved by the Oversight Board and the Department of Finance. On December 14, 2012, the California State Department of Finance issued a Final and Conclusive Determination under California Health and Safety Code § 34177.5 (i), that the Phase 1 DDA and the Phase 2 DDA are enforceable obligations that survived the dissolution of the Redevelopment Agency; and,

WHEREAS, Developer has submitted Block 49 Designs; and,

WHEREAS, OCII staff has followed the Shipyard’s Phase 1 Vertical Design Review and Document Approval Procedure (“VDRDAP”) and has determined that the Block 49 Designs submission is consistent with the Phase 1 DDA, the Shipyard Redevelopment Plan (the “Plan”) and the Phase 1 Design for Development (“D for D”); and,

WHEREAS, OCII staff informed the Mayor’s Hunters Point Shipyard Citizens Advisory Committee (“CAC”) of the details of the Block 49 combined basic conceptual and schematic designs (“Block 49 Designs”) during its meetings in August and September 2013. At the CAC’s September meeting the CAC was in support of the Block 49 Designs moving forward; now, therefore, be it

RESOLVED, The SFRA Commission and the San Francisco Planning Commission (“Planning Commission”) adopted California Environmental Quality Act (“CEQA”) findings, a statement of overriding considerations, and certified the Final Environmental Impact Report (“EIR”) for Phase 1 in 2000, and subsequently issued a First and Second Addendum to the EIR in 2003 and 2006, respectively, to address project changes. The Commission received the Phase 1 EIR and the Phase 1 EIR was made available to the public during prior Commission meetings. Additionally, the SFRA Commission and the Planning Commission certified the Final EIR for Phase 2 (“Phase 2 EIR”) in 2010 and adopted findings and a statement of overriding considerations. The Phase 2 EIR updated the transportation analysis and transportation plan, including the transportation system management plan, for Phase 1 and Phase 2 of the Shipyard. The Phase 1 DDA requires the developer of affordable housing projects to submit Schematic Designs in accordance with the Phase 1 DDA, the VDRDAP, and the Phase 1 D for D. The Block 49 Designs, as submitted, are consistent with the Project as analyzed in the Phase 1 EIR and

subsequent addenda as well as the Phase 2 EIR, and the Commission finds therefore that no additional environmental review is required pursuant to State CEQA Guidelines Sections 15180, 15162, 15163, and 15164; and, be it further

RESOLVED, That the Commission finds that the Block 49 Designs submission is complete pursuant to the VDRDAP subject to satisfaction of the conditions below, is consistent with the Phase 1 DDA and the horizontal schedule of performance, the Plan, and the D for D; and, be it further

RESOLVED, That the Commission conditionally approves the Block 49 Designs submission, a copy of which is on file with the Secretary of the Commission, subject to the remaining design issues being resolved to the satisfaction of the Executive Director and any changes included in subsequent design stages, beginning with the Design Development phase as follows:

1. The building and landscaping materials, colors, finishes, architectural detailing shall be subject to further review and approval by staff during the Design Development phase to ensure the quality and diversity shown in the Schematic Design is achieved. Material, color and architectural detail samples shall be provided as part of the review. A material, color and architectural detail mock-up of sufficient size to be built on the construction site during an early phase of construction shall be prepared for OCII staff review and approval to ensure consistency with this Schematic Design.
2. The Developer shall further study the combination of sunshades and bay windows to determine compliance with the dimensional standards for projections and obstructions as stated in the D for D and if needed revise that detail.
3. Developer shall provide a basic description of the use for the level 1 common room facing the pocket park, as well as the level 2-5 common rooms within the landmark element and shall initially equip the common rooms with flexible furniture. Final designation of the use of these common rooms shall be refined upon final occupancy of the building after consultation by the building owner with residents.
4. In a case where building residents raise concerns about uncomfortable conditions (e.g. wind tunnel effect) as a result of the open air corridors, building owner/operator shall notify OCII and the Housing Successor Agency and an alternative design to mitigate such effects shall be developed and implemented.
5. Developer shall further develop the design of the guardrail around the upper portion of the summer garden to incorporate historical narrative/interpretative signage and, be it further.

RESOLVED, That the Commission authorizes the Executive Director to approve subsequent design documents related to this Block 49 Designs submission, beginning with the Design Development phase, that the Executive Director reasonably determines are in OCII's best interest or are necessary or convenient to implement the development of Phase 1 under the Phase 1 DDA, the Vertical DDA, and the Major Phase as applicable, and further the goals of the Hunters Point Shipyard Redevelopment Plan and the Phase 1 DDA, and, be it further

RESOLVED, That the Commission authorizes the Executive Director to take such other actions as may be necessary or appropriate, in consultation with the City Attorney's Office, to effectuate the purpose of the intent of this resolution.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of October 15, 2013.

Natasha Jones
Commission Secretary