

COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

RESOLUTION NO. 01-2021

CONDITIONALLY APPROVING BASIC CONCEPT AND SCHEMATIC DESIGN DOCUMENTS FOR BLOCK 1 IN HUNTERS POINT SHIPYARD PHASE 1, WHICH PROPOSE 224 RESIDENTIAL UNITS (200 MARKET-RATE UNITS AND 24 INCLUSIONARY UNITS) AND AN AMENDED SCHEDULE OF PERFORMANCE FOR BLOCK 1; AND PROVIDING NOTICE THAT THIS APPROVAL IS WITHIN THE SCOPE OF THE HUNTERS POINT SHIPYARD PHASE 1 REUSE FINAL ENVIRONMENTAL IMPACT REPORT (“FEIR”), A PROGRAM EIR, AND IS ADEQUATELY DESCRIBED IN THE FEIR FOR THE PURPOSES OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; AND, ADOPTING ENVIRONMENTAL REVIEW FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA

WHEREAS, In furtherance of the objectives of the California Community Redevelopment Law (Health and Safety Code, section 33000 *et seq.* the “CRL”), the Redevelopment Agency of the City and County of San Francisco (the “Former Agency”) undertook programs for the redevelopment of blighted areas in the City and County of San Francisco (“City”), including within the Hunters Point Shipyard (“HPS”) Redevelopment Project Area; and,

WHEREAS, The Board of Supervisors of the City and County of San Francisco adopted a Redevelopment Plan for the Hunters Point Shipyard Redevelopment Project Area as most recently amended by Ordinance No. 166-18, dated July 10, 2018 (“HPS Redevelopment Plan”); and,

WHEREAS, Pursuant to California Health and Safety Code §§ 34170 *et seq.* (the “Redevelopment Dissolution Law”) and San Francisco Ordinance No. 215-12 (Oct. 4, 2012) (establishing the Successor Agency Commission (“Commission”) and delegating to it state authority under the Redevelopment Dissolution Law), the Successor Agency to the Redevelopment Agency of the City and County of San Francisco (commonly referred to as the Office of Community Investment and Infrastructure, or “OCII”) is responsible for implementing the HPS Redevelopment Project and fulfilling the enforceable obligations under the Hunters Point Shipyard Phase 1 Disposition and Development Agreement between the Former Agency and HPS Development Co, LP (the “Master Developer”) (dated Dec 2, 2003, and as currently amended by the First through Seventh Amendments thereto, the “Phase 1 DDA”); and,

WHEREAS, Together with the HPS Phase 1 Design for Development as most recently amended by the Commission by Resolution 33-2013 on July 2, 2013 (“Design for Development”), the Phase 1 DDA and its attachments, including the Design Review and Document Approval Procedure, Affordable Housing Program, Transportation Management Plan, Infrastructure Plan, Community Ownership, Financing and Benefits Policies and Procedures, Design for Development

Documents, and other documents (together, “Project Documents”), establishes a comprehensive set of enforceable obligations and procedures that collectively govern implementation of development of HPS Phase 1 under the Phase 1 DDA; and,

WHEREAS, On December 14, 2012, the California State Department of Finance issued a Final and Conclusive Determination under California Health and Safety Code § 34177.5, that the Phase 1 DDA is an enforceable obligation that survived the dissolution of the Former Agency; and,

WHEREAS, The Phase 1 DDA requires the Master Developer to undertake development of infrastructure in HPS Phase 1 to support 1,428 residential units and 26 acres of open space and parks, and to deliver Lots (i.e., subdivided land improved with streets, sidewalks, parks, open space and utilities) to be sold to various vertical developers (including third-party Community Developers) pursuant to vertical disposition and development agreements with OCII governing residential or commercial development, or retained by OCII for the development of affordable housing. At least 10.5 percent of the residential units constructed by vertical developers must be Inclusionary Units affordable at 80 percent of Area Median Income (“AMI”); and,

WHEREAS, The Phase 1 DDA also identifies several Lots as Community Builder Lots to be developed in accordance with the Phase 1 Community Builder Program, designed to facilitate the participation of Qualified Community Builders in the vertical development of Phase 1; and,

WHEREAS, To date, the Master Developer has delivered nine of the ten market-rate Lots within HPS Phase 1 to vertical developers for development under vertical disposition and development agreements with OCII, including Block 1, a Community Builder Lot; and,

WHEREAS, In 2005, after a competitive selection process pursuant to Section 4 of the Phase 1 DDA’s Community Benefits Agreement, the Former Agency and the Master Developer selected Tabernacle Affiliated Developers and Amanco Development Association, LLC (“TAD/AMANCO”), a San Francisco community-based developer partnership, as the Community Developer for Block 1; and,

WHEREAS, In 2017, the Master Developer conveyed its interests in Block 1 to a third-party, Forbix Financial, who then entered into a partnership agreement with Tad/Amanco to form Palmilia By The Bay, LLC (“Block 1 Developer”), and in 2018 executed a Vertical Disposition and Development Agreement (Hunters Point Shipyard Phase 1 – Block 1) (the “VDDA”) with OCII governing development of 224 Residential Units (including 24 Affordable units) and approximately 20,000 square feet of Neighborhood Retail Sales and Services (“retail”) space on Block 1; and,

WHEREAS, In accordance with the Vertical Design Review and Document Approval Procedure (“VDRDAP”) included as Attachment M to the VDDA, Block 1 Developer has submitted a combined Basic Concept and Schematic Design Documents package for Block 1 (herein the “Schematic Design”). The Schematic Design proposes two

buildings, referred to as Project A and Project B, with a total of 224 residential units (including 24 Inclusionary Units), 19,800 square feet of retail space, and associated improvements as shown on the Schematic Design submission; and,

WHEREAS, The Inclusionary Units in the Project account for 10.7% of the total Residential Units in the Project (24 of 224 total units), and are affordable to households earning 80% AMI, and will be of the type and distribution referenced on Exhibit 1 hereto; and,

WHEREAS, While the Block 1 Developer intends to subdivide the Project so that all Residential Units are separately alienable condominium units, the Block 1 Developer proposes to initially retain and offer all 174 Residential Units (including 19 Affordable units) within the Project A building as Rental units, and to offer all 48 Residential Units (including 5 Affordable units) within Project B as For-Sale units. Section 2.2 of the Block 1 Affordable Housing Plan allows the Block 1 Developer to propose a mix of Rental and For-Sale Residential Units prior to commencement of construction. The proposed ratio of Inclusionary Rental to Inclusionary For-Sale Units is consistent with the Mayor's Office of Housing and Community Development ("MOHCD") policies on mixed-ownership Inclusionary residential projects; and,

WHEREAS, Over time, Block 1 Developer states that it intends to convert some or all of the Rental Units in the Project, at which time they would likely become owner-occupied homeownership units. Section 2.2 of the Block 1 Affordable Housing Plan allows the Block 1 Developer to make changes or conversions to the mix of Rental and For-Sale Units after completion of construction at the reasonable discretion of the OCII Executive Director; and,

WHEREAS, Block 1 Developer has agreed, as conditions to this approval, that in the event of sale/conversion of Rental Units in Project A, and in addition to any reasonable approval then made by the OCII Executive Director, that Block 1 Developer will place certain restrictions on Rental Residential Units in Project A as follows, to ensure fair treatment and access to competitive mortgage lending terms and rates for Inclusionary unit occupants: (1) requiring that the owner of the Rental units Project A will have executed sales contracts for at least 51% of the all formerly market-rate Rental units in Project A prior to converting/marketing Rental Inclusionary Units as for-sale Inclusionary Units; and (2) requiring that renters leasing Inclusionary Units at the time of conversion to homeownership shall have a right of first refusal to purchase their Rental unit generally in accordance with then-existing applicable requirements for such sales in the Inclusionary Affordable Housing Manual then published by MOHCD; and,

WHEREAS, Block 1 Developer has agreed, as a condition of approval of the Temporary Certificate for Occupancy ('TCO'), to record a Notice of Special Restriction ('NSR') (format to be approved by OCII), that shall ensure public access of the privately-owned mews located within the Block 1 development; and,

WHEREAS, The VDRDAP outlines the necessary documents, schedule, and procedures for the review and approval of design submittals. Under the VDRDAP, a series of increasingly detailed design documents are required in the design process, which are: 1) Basic Concept 2) Schematic Design, 3) Design Development, and 4) Construction Documents. The VDRDAP requires the Schematic Design submittal to be presented to the Commission for review and approval; and,

WHEREAS, In accordance with the VDRDAP, OCII staff has determined that the Schematic Design submission, subject to the satisfaction of the conditions of approval set out in this Resolution (and incorporated herein by reference) (the “Conditions of Approval”), is consistent with the Project Documents; and,

WHEREAS, Developer presented the Schematic Design to the Mayor’s Hunters Point Shipyard Citizens Advisory Committee (“CAC”) Housing Sub-Committee on June 25, 2020 and September 3, 2020, and to the Full CAC at its meeting on October 19, 2020. At their October 19, 2020 meeting, the CAC recommended approval of the Schematic Design; and,

WHEREAS, The Block 1 Schedule of Performance ("SOP"), included as Attachment C to the VDDA, establishes Estimated and Outside Dates for the Commencement and Completion of Construction of the Project. The current Estimated Date and Outside Date for Commencement of Construction are September 2019 and May 2020, respectively. Delays related to additional radiological scanning at HPS Phase 1 and the workplace and market disruptions caused by the COVID-19 pandemic have resulted in a greater delay to the Project than otherwise contemplated by the VDDA. OCII staff estimates that these events have caused approximately 12-months' delay in the Project Schedule, and likely will result in further delays in processing Construction Documents for the Project. Therefore, to align the SOP with the current Project timeline, OCII staff propose to amend the SOP to make February 2022 and October 2022 the Estimated and Outside Dates for Commencement of Construction, and February 2024 the Estimated Date for Completion of Construction. Block 1 Developer acknowledges that in exchange for this requested SOP extension, it relinquishes the right to request extensions under Section 6.2 of the VDDA, which will no longer be available to Block 1 Developer in light of the timeframe extension provided by the requested SOP amendment; and,

WHEREAS, The Former Agency Commission and the San Francisco Planning Commission (“Planning Commission”) certified the Hunters Point Shipyard Reuse Final Environmental Impact Report (“FEIR”), and adopted California Environmental Quality Act (“CEQA”) findings, a mitigation monitoring and reporting program and statement of overriding considerations (collectively “CEQA Findings”) in 2000, and subsequently issued a First and Second Addendum to the Final EIR in 2003 and 2006, respectively, to address project changes (collectively, the FEIR and the CEQA Findings as updated by the First and Second Addenda are referred to as the “Phase 1 EIR”). The Commission has received the Phase 1 EIR and the Phase 1 EIR was made available to the public during prior Commission meetings. Additionally, the Former Agency Commission and the Planning Commission certified the Candlestick Point/Hunters Point Shipyard Phase 2 Final Environmental Impact Report in 2010 and adopted CEQA findings, a mitigation

monitoring and reporting program and statement of overriding considerations (collectively, “Phase 2 CEQA Findings”), and subsequently issued four addenda, in 2014, 2016, 2018 and 2019, respectively, to address project changes (collectively, the Phase 2 FEIR and Phase 2 CEQA Findings as updated by the four addenda are referred to as the “Phase 2 EIR”). The Phase 2 EIR updated the transportation analysis and transportation plan (including the transportation system management plan) for Phase 1, but the Phase 2 EIR did not identify any new significant environmental effects or an increase in the severity of significant impacts of the Phase 1 Project previously identified in the Phase 1 EIR; and,

WHEREAS, OCII staff has reviewed the Schematic Design and has found it to be within the scope of the project analyzed in the Phase 1 EIR and its subsequent addenda and the Phase 2 EIR and its subsequent addenda; and,

WHEREAS, Copies of the Phase 1 EIR, the Phase 2 EIR, and supporting documentation, are on file with the Commission Secretary and are incorporated in this Resolution by this reference; now, therefore be it

RESOLVED, That since the Phase 1 EIR was finalized, there have been no substantial project changes and no substantial changes in project circumstances that would require major revisions to the Phase 1 EIR due to the involvement of new significant environmental effects or an increase in the severity of previously identified significant impacts, and there is no new information of substantial importance that would change the conclusions set forth in the Phase 1 EIR, as confirmed by the analysis provided in the Phase 2 EIR; and, be it further

RESOLVED, That the Commission has reviewed the Schematic Design submission and the OCII staff recommendation and related materials (incorporated herein by this reference) and finds that the Schematic Design submission is complete pursuant to the DRDAP, and subject to satisfaction of the conditions below, is consistent with the HPS Redevelopment Plan, the Design for Development, the Phase 1 DDA and the VDDA; and, be it further

RESOLVED, That the Commission conditionally approves the Project’s Schematic Design submission, a copy of which is on file with the Secretary of the Commission, subject to the inclusion of the final Affordable Unit distribution reflected as Exhibit 1 to this Resolution and to the remaining issues being resolved to the satisfaction of the Executive Director and any design changes included in subsequent design stages, beginning with the Design Development phase, as follows:

Beginning in Design Development the Developer shall:

1. **Materials and Colors.** Continue to develop and refine the building materials palette, wall systems, glazing, screening and other materials, in coordination with OCII staff. Materials palette must demonstrate durability, quality, color, variety, graffiti-resistance, and visual interest, especially at the ground floor. The use of stucco as an exterior façade material shall be limited to the finish areas indicated in the BC-SD building elevations. Explore additional opportunities to incorporate locally sourced materials to establish a palette that works with

climate, light, neighborhood context, history, and culture. Sustainable and recycled materials are highly encouraged. Physical material and color samples shall be provided to OCII in advance of mock-up design and construction.

2. **Architectural Mock-Up Scope.** Prior to Construction Document submittal and in advance of building materials purchasing, provide scope and plans for a physical design mock-up, including primary building materials, color palette, wall systems, glazing and detail installation. OCII staff shall approve a) mock-up plans prior to mock-up construction, and of b) mock-up materials, as per Construction Documents, and their application, after OCII's staff mock-up observations and prior to materials purchases and shipping.
3. **Landscape Plans.** Provide detailed landscape plans, including plans for the East-West and North-South Mews, common residential courtyards, all building setback zones, patios and stoops and mechanical and utility screening. The setback zone shall be used to create a transition zone between private use and the public realm. The setback zone shall be landscaped with high quality materials from the building edge to the public sidewalk. Landscaping shall mitigate all ground-floor blank wall areas adjacent to public rights-of-way, Northside Park and the internal pedestrian mews. All landscape plans are subject to further review and approval by OCII.
4. **Palm Tree Retention and/or Relocation.** The Developer shall make a concerted effort to retain the existing palm trees on the development site. Palm tree retention is subject to the health of the trees and their ability to survive relocation as necessary. Relocation may be required to accommodate building, infrastructure and ADA codes. The final palm tree location is subject to further review and approval by City Agencies, including MOHCD, DPW, BUF and OCII.
5. **Value-Engineering and Substantive Design Changes.** In the event that substantive exterior architectural design elements are reconsidered post-Schematic Design approval, the Developer shall engage OCII staff early on in the value-engineering process and all exterior architectural value-engineering decisions shall be subject to further review and approval by OCII.
6. **Glazing and Transparency.** Aside from potential opaque glazing necessary to screen mechanical and loading uses, clear, un-tinted low-reflectivity glass shall be used to reduce glare and allow maximum visual interaction between exterior and interior of the building. Maintain the approved proportion of glazed surface façade area on all building elevations, as shown in the Basic Concept-Schematic Design submittal.
7. **Utility Room and Parking Screening.** Refine the screening, materiality and architectural treatment of all ground-floor utility rooms and parking garage doors. Doors should screen mechanical uses while providing visual interest to the public realm through design features such as high-quality materials, textures and artistic expression.
8. **Utility and Mechanical Infrastructure.** All mechanical equipment, aside from the indicated gas meters in the setback area on Innes Avenue and Donahue Street, shall be located within the building footprint, below pedestrian grade or on the roof, per the approved Basic Concept-Schematic Design. No additional meters or mechanical equipment shall be located within setback zones or within the pedestrian mews, unless required by a utility provider. In such case, utility provider requirements must be documented and proposed mechanical locations and screening will be subject to further OCII review and approval.

9. **Innes Avenue Transformer.** Due to the prominent location of the existing utility transformer on Innes Avenue (located partially on a portion of the Block 1 property at the primary entrance to the Shipyard and conflicting with the future Northside Park entrance), the Developer shall continue to work with OCII and the San Francisco Public Utilities Commission (PUC) to study the feasibility of screening or relocating this utility from view of the public realm.
10. **Ground-Floor and Retail Facades.** Design of the ground-floor facades shall be subject to further design review to ensure that the frontage (1) activates the pedestrian realm and maintains a pedestrian scale (2) provides an equivalent proportion of transparent frontage as shown in the approved Basic Concept-Schematic Design, and (3) integrates with the overall building design. The retail facades should be compatible with the proportions and design features of the commercial facades above.
11. **Retail Exhaust.** All retail kitchen exhaust shall vent through the roof any noise or odor impacts adjacent to the public realm or pedestrian Mews shall be fully mitigated.
12. **Residential Soundproofing.** Ensure sufficient soundproofing in residential units that are adjacent to common amenity spaces, such as the gym, commercial spaces and common courtyards.
13. **Landscaped/Living Walls.** Provide a detailed maintenance plan for ongoing treatment and servicing of all proposed landscaped green walls on building facades. Include a maintenance schedule and budget adequate to ensure the continued growth and attractiveness of the material planted, pruning and pest control. A maintenance contract with a recognized –local landscape maintenance firm and incorporating this schedule shall be submitted to OCII at completion of the project.
14. **Lighting Plan.** Provide a detailed building lighting plan. Lighting should be subtle and reinforce the overall façade design.
15. **Roofscape**
 - a. Roof design should utilize non-reflective, low intensity colors.
 - b. Further develop any rooftop mechanical equipment screening. Rooftop mechanical equipment, with the exception of solar PV infrastructure, shall be screened from view from the public realm. Mechanical screens shall form part of the building top composition and consist of materials consistent with the overall building color and material palette.
16. **Signage.** All building signage shall be subject to further OCII staff review and approval. Developer shall submit a signage plan prior to or concurrent with the Design Development submittal.
17. **Fire Access Ramp and Pedestrian Circulation.** Developer shall study options for redesigning the fire access ramp slope and/or width at the East-West Mews to improve pedestrian circulation and access from the North-South Mews to Northside Park. OCII shall work with the Developer to negotiate potential ramp improvements with the San Francisco Fire Department.

In advance of the start of construction, Building Permit and before procurement and Tenant Improvements (“TI”), the Developer shall:

1. **Noise.** Prior to the start of construction, the Developer and its general contractor shall meet with OCII staff to discuss noise regulations and hours of construction operation to ensure that they understand the existing regulations and do not work outside the allowed hours of operations. During construction, the Developer shall designate a single point of contact to address all construction-related concerns from OCII, the City, residents of Hunters Point Shipyard and other stakeholders.
2. **Architectural Mock-Up Construction.** Prior to procuring façade materials, construct a physical material mock-up to allow for OCII, design team, and contractor review of material durability, texture, color and detail installation.

Prior to Temporary Certificate of Occupancy (“TCO”) for the first rental unit within Project A, Developer shall:

1. **Declaration of Restrictions.** Prior to obtaining TCO, Developer shall execute a declaration of restrictions for rental units within Project A, in a form acceptable to OCII requiring that the then-owner will have executed sales contracts for at least 51% of the formerly market-rate rental units in Project A prior to converting/marketing rental Inclusionary Units as for-sale Inclusionary Units, to ensure that the 19 for-rent Inclusionary Units retain access to high-quality and competitive mortgage lending terms and rates.
2. **Declaration of Restrictions.** Prior to obtaining TCO, Developer shall execute a declaration of restrictions for rental units within Project a, in a form acceptable to OCII requiring that renters leasing Inclusionary Units at the time of conversion from rental to homeownership shall have a right of first refusal to purchase their rental unit generally in accordance with then-existing applicable requirements for such sales in the Inclusionary Affordable Housing Manual then published by the Mayor’s Office of Housing and Community Development ("MOHCD").

Prior to Temporary Certificate of Occupancy (“TCO”) for the first residential unit in the project, Developer shall:

1. **Declaration of Special Restrictions for Public Access and Maintenance.** Prior to obtaining TCO for the first residential unit in the Project, Developer shall execute a declaration of restrictions, in a form acceptable to OCII, for Public Access and Maintenance. Such restrictions shall ensure access and maintenance for all publicly accessible open spaces in the Project, including the entrance to Northside Park from Innes Avenue and the full extents of the North-South and East West Mews.

RESOLVED, That the Commission authorizes the Executive Director (or her designee) to approve subsequent design and related documents for the Project (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 the Project under the DDA, the Design for Development and the Major Phase as applicable, and further the goals of the HPS Redevelopment Plan and the DDA; and, be it further

RESOLVED, That the Commission hereby adopts a revised Schedule of Performance for the Project as recited herein, and be it further

RESOLVED That the Commission hereby authorizes the Executive Director to take such other actions as may be necessary or appropriate, in consultation with OCII counsel, 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 January 19, 2021.

Commission Secretary

Exhibit 1: Hunter Point Shipyard Block 1 Inclusionary Units Distribution

EXHIBIT 1

UNIT MIX AND IDENTIFICATION OF AFFORDABLE HOUSING UNITS¹

HUNTERS POINT SHIPYARD – BLOCK 1

INITIAL RENTAL UNITS

UNIT #	TYPE	BEDROOMS	BATH	UNIT SF	FLOOR
A101	A3	2	2	1,375	1
A202	A3	2	2	854	2
A303	A3	2	2	854	3
A408	A1	1	1	638	4
A410	A3	2	2	902	4
A414	A1	1	1	682	4
A423	A6	2	2.5	1,219	4&5
A430	A3	2	2	963	4
A506	A2	1	1	792	5
A517	A4	1	1	836	5
A522	A1	1	1	583	5
A533	A5	3	2	1,705	5
A536	A3	2	2	902	5
A540	A3	2	2	902	5
A605	A3	2	2	902	6
A625	A3	2	2	902	6
A708	A3	2	2	902	7
A718	A3	2	2	902	7
A814	A3	2	2	1,243	8

HOMEOWNERSHIP UNITS

B109	B3	3	3	1,661	1&2
B202	B1	1	1	968	2
B309	B1	1	1	935	3
B409	B2	2	2	1,045	4
B508	B2	2	2	1,430	5

¹ Unit numbers correspond to those depicted on page XX of the Schematic Design package, dated YYYYYY, and supersede anything shown elsewhere in the Schematic Designs.