

COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

RESOLUTION NO. 12-2021

CONDITIONALLY APPROVING THE COMBINED BASIC CONCEPT AND SCHEMATIC DESIGN FOR DEVELOPMENT OF THE AGENCY HOUSING PARCEL AT 11 INNES COURT, BLOCK 56 OF HUNTERS POINT SHIPYARD PHASE 1, WHICH CONSISTS OF 72 AFFORDABLE RENTAL HOUSING UNITS AND ONE MANAGER’S UNIT; APPROVING A DENSITY BONUS ALLOWING ADDITIONAL HEIGHT, MAXIMUM DIAGONAL DIMENSION AND DENSITY; PROVIDING NOTICE THAT THIS APPROVAL IS WITHIN THE SCOPE OF THE HUNTERS POINT SHIPYARD PHASE 1 REUSE FINAL ENVIRONMENTAL IMPACT REPORT, A PROGRAM EIR; AND ADOPTING ENVIRONMENTAL 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 reconstruction and construction of blighted areas in the City and County of San Francisco (“City”), including within the Hunters Point Shipyard (“HPS”) Redevelopment Project Area; and,

WHEREAS, In accordance with the CRL, the City and County of San Francisco (“City”) acting through its Board of Supervisors approved a Redevelopment Plan for the HPS Redevelopment Project Area by Ordinance No. 285-97 adopted on July 14, 1997 (as currently amended, the “Redevelopment Plan”); and,

WHEREAS, On December 2, 2003, the Former Agency Commission authorized, by Resolution No. 03-179, the execution of a Disposition and Development Agreement for Hunters Point Shipyard Phase 1 with Lennar/BVHP, LLC (succeeded by HPS Development Co, LP, the “Master Developer”), which as amended by the First through Sixth Amendments thereto is referred to herein as the “Phase 1 DDA”). The Phase 1 DDA together with the related binding agreements attached to or referenced in the text of the DDA establish a comprehensive set of contractual obligations that collectively govern the implementation of the first phase of redevelopment under the Redevelopment Plan, referred to as “HPS Phase 1”; 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”) (Dec 2, 2003, as currently amended by the First through Seventh Amendments thereto, 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 and related agreements 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 “finished lots” (i.e., subdivided land improved with streets, sidewalks, parks, open space and utilities) to be sold to various Vertical Developers for residential or commercial use, 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 affordable at 80 percent of Area Median Income (“AMI”); and,
- WHEREAS, In addition to Vertical Developers’ affordable housing obligation, OCII intends provide financing to construct at least 218 affordable housing units within Phase 1 (“Agency Affordable Housing Units”), bringing the overall percentage of all of the affordable housing within HPS Phase 1 to a minimum of 27 percent; and,
- WHEREAS, At the Commission’s public hearing on September 18, 2019 the OCII Executive Director and Staff presented a Housing Development Request for Proposals (the “RFP”) to develop and operate affordable rental housing units for families on Hunters Point Shipyard Phase 1 Block 56 (“Block 56 Project”). After review and discussion of the RFP, the Commission did not object to its issuance and subsequently, on September 20, 2019, OCII issued the RFP; and,
- WHEREAS, On March 7, 2019 an evaluation panel selected the team including Mercy Housing California (“MHC”) and San Francisco Housing Development Corporation (“SFHDC”) as co-developers with design by Van Meter Williams Pollack and Mercy Housing Management as Property Manager. The evaluation panel members consisted of a representative from the Hunters Point Shipyard Citizens Advisory Committee, representatives from the Mayor’s Office of Housing and Community Development (MOHCD), OCII housing staff, one member of the OCII design team and project management staff for the Hunters Point Shipyard Project Area. A representative from OCII’s contract compliance team was present to monitor the process and provided analysis for scoring the Workforce and Contracting Action Plan sections of each submittal. The selected respondents submitted an application that was responsive to the RFP. In selecting the respondents, OCII relied on, among other things, their agreement to comply with all of OCII’s policies, including but not limited to insurance and indemnification requirements found in the RFP; and,
- WHEREAS, On January 28, 2019 under Resolution No. 1-2019, as amended by Oversight Board Resolution No. 3-2019 (September 23, 2019), the Oversight Board of the City and County of San Francisco approved an expenditure for funding including the Block 56 Project through Item No. 420 of the Recognized Obligation Payment Schedule for the period of July 1, 2019 through June 30, 2020 (“ROPS 19-20”). The California Department of Finance provided final approval of the expenditure for Item No. 420 through its letter dated December 12, 2019; and,

WHEREAS, On April 7, 2020, The Commission adopted Resolution No. 3-2020 authorizing the OCII Executive Director to enter into an exclusive negotiations agreement and predevelopment loan agreement with Hunters Point Block 56, L.P., a California limited partnership (the development entity formed by MHC and SFHDC for the Site, and herein the “Developer”) consistent with the funding estimates included in ROPS 19-20 line item number 420; and,

WHEREAS, In accordance with the Hunters Point Shipyard Phase 1 Design Review and Document Approval Procedure ("DRDAP"), the Developer has submitted the Combined Basic Concept and Schematic Designs for the Project (“Schematic Designs”); and,

WHEREAS The Schematic Designs submittal includes a request for density bonus to exceed certain development standards established by the Hunters Point Shipyard Phase 1 Design for Development ("D4D"). Generally, a density bonus is a tool that enables planning jurisdictions to permit additional density or intensity of residential use beyond what would otherwise be permitted if the proposal provides certain specified benefits; and,

WHEREAS, Section II.F of the HPS Redevelopment Plan provides that “[u]nder State law, the Agency may grant, as a form of local public subsidy, residential density bonuses. These bonuses, if granted, shall insure that additional low- or moderate-income Dwelling Units will actually be produced within the Project Area [provided that the Developer has] utilized its best effort to provide such low- or moderate-income Dwelling Units.” Section IV (Density Bonus) of the D4D elaborates on OCII’s authority to approve density bonuses, permitting such bouses in an amount up to 25 percent above the density that would otherwise be permitted under its land use controls; and,

WHEREAS, As discussed in the staff recommendation, OCII staff has reviewed the Developer’s request and has determined that the Project meets the standards established in the Redevelopment Plan and D4D, to provide additional affordable housing within the Project Area using best efforts to maximize affordable units, and not exceed maximum additional density of 25%. In this case, the requested density bonus permit an additional 15 deed-restricted affordable housing units, a total density increase of 16%. The requested density bonus would allow building methods, such as efficient stacking, double-loaded corridors and consolidation of vertical and horizontal circulation and egress access with single building massing, that would lower the cost of construction per unit, demonstrating Developer's best efforts to provide affordable housing in the Project. Thus, Developer has met the Plan and D4D standards for granting the requested density bonus. Furthermore, the requested density bonus would be harmonious with the goals and objectives of the Redevelopment Plan, including (a) to provide housing for a range of incomes within the Project area (b) to encourage density to promote environmental sustainability; (c) as a 100% affordable development, the Project will strengthen the OCII and City-wide goal of maximizing affordable units, and would not be materially detrimental to the public welfare or materially injurious to neighboring property or improvements; and,

WHEREAS Therefore including said density bonus, staff has determined that, in accordance with the DRDAP, the Schematic Designs submission is consistent with the HPS Redevelopment Plan, the D4D and the DDA and Project Documents; and,

WHEREAS, The Former Agency Commission and the San Francisco Planning Commission (“Planning Commission”) certified the Hunters Point Shipyard Phase 1 Reuse Final Environmental Impact Report (“FEIR”) including HPS Phase 1, 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 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 HPS 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 HPS Phase 1 Project previously identified in the Phase 1 EIR; and,

WHEREAS, OCII staff has reviewed the Schematic Designs including the additional density, height and bulk requested under the density bonus and has found them to be within the scope of the project analyzed in the Phase 1 EIR and its subsequent addenda; and,

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

RESOLVED, That the Commission finds that the Schematic Design, including the density bonus, is 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 require no additional environmental review pursuant to CEQA Guidelines Sections 15180, 15162, 15163, and 15164 for the following reasons:

- (1) implementation of the Schematic Design, including the density bonus, does not require major revisions to the Phase 1 EIR and the Phase 2 EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant impacts; and,

- (2) no substantial changes have occurred with respect to the circumstances under which the project analyzed in the Phase 1 EIR and Phase 2 EIR will be undertaken that would require major revisions to the Phase 1 EIR and Phase 2 EIR due to the involvement of new significant environmental effects, or a substantial increase in the severity of effects identified in the Phase 1 EIR and Phase 2 EIR; and,
- (3) no new information of substantial importance to the project analyzed in the Phase 1 EIR and Phase 2 EIR has become available, which would indicate that (i) implementation of the Schematic Design, including the density bonus, will have significant effects not discussed in the Phase 1 EIR and Phase 2 EIR; (ii) significant environmental effects will be substantially more severe; (iii) mitigation measures or alternatives found not feasible, which would reduce one or more significant effects, have become feasible; or (iv) mitigation measures or alternatives, which are considerably different from those in the Phase 1 EIR and Phase 2 EIR, will substantially reduce one or more significant effects on the environment that would change the conclusions set forth in the Phase 1 EIR and Phase 2 EIR; and be it further

RESOLVED, That the Commission has reviewed the Schematic Designs submission and the OCII staff recommendation (incorporated herein by this reference), and finds that the Developer has demonstrated sufficient grounds for its requested density bonus; and subject to satisfaction of the conditions below, the Schematic Designs submission is consistent with the HPS Redevelopment Plan, the D4D and the DDA and Project Documents; and, be it further

RESOLVED, That the Commission conditionally approves the Schematic 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 as follows:

Beginning in Design Development the Developer shall:

1. **Lot R Maintenance Agreement:** Developer will cooperate with OCII in negotiating a potential maintenance agreement with adjoining property owners.
2. **Building Color, Materials and Planting Palette:** Continue to develop and refine the building color, and materials, including wall systems, glazing, canopies, and other materials, in coordination with OCII Staff. Explore 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.
 - a. **Residential Stoops at Innes Court:** Continue to develop the design of stoop railing and stoop support structure at ground floor residential units, by lowering the side metal screening to parapet height. The stoop design should provide a consistent with and add to the harmonious pedestrian experience along Innes Court.

- b. **Garage Door:** Provide materiality and character image of garage door, that is consistent with the overall building façade. If perforated panels are used, include percentage transparency.
 - c. **Material Samples:** Provide samples of all proposed materials to verify their color, pattern, and texture to aid in the determination of their quality, stability, and durability.
 - d. **Building Exterior Color:** Continue to refine the building's exterior color template for harmony with the context of existing neighborhood.
- 3. **Screening:** Further develop the materiality and architectural treatment of the screening, in coordination with OCII Staff.
 - a. Provide enlarged plans and section at the roof parapet and wall below to show the relationship of screening system at the garage façade.
 - b. Any mechanical equipment and/or utilities facilities, including connections and meters on the rooftop and ground floor shall be architecturally screened from the roof and street level respectively.
- 4. **Landscape Plans:** Continue to develop and refine the building planting palette, in coordination with OCII Staff.
 - a. Provide design and materiality of pergola and other covered structures on the podium.
 - b. Provide detailed landscape plans, including plans for all setback zones, and common open spaces.
 - c. Provide detailed irrigation plans that will ensure that the vines on the screen structure on the garage walls shall be maintained throughout the year.
- 5. **Existing Streetscape.** Maintain the existing sidewalk paving, concrete and number of street trees within all public right-of-ways in the Project Area. If any streetscape elements must be relocated to accommodate new utility infrastructure, submit revised infrastructure plans.
- 6. **Construction Cost Estimates and Value-Engineering.** In the event that design elements have to be reconsidered post-Schematic Design approval due to changes in construction cost estimates, the Developer shall engage OCII staff early on in the value-engineering process and all value-engineering decisions shall be subject to review and approval by OCII.
- 7. **Lighting Plan.** Provide a detailed building lighting plan. Lighting should be subtle and reinforce the overall façade design.
- 8. **Trash and Recycling.** The design of the trash and recycling areas shall be subject to further review and approval by OCII staff to ensure that such

areas allow for internal pick-up by the solid waste collector to avoid on-street location of trash and recycling receptacles.

9. **Graffiti Treatment.** Submit materials specifications identifying how each material type will be protected from or replaced in the case of graffiti—especially those materials located on ground-floor facades.
10. **Signage.** All building signage shall be subject to further OCII staff review and approval. The Sponsors shall submit a signage plan prior to or concurrent with the Design Development submittal.

In advance of Construction Documents submittal, the Sponsor shall provide:

1. **Architectural Mock-Up Scope.** Prior to Construction Document submittal and in advance of building materials purchasing, provide scope and plans for 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.

In advance of the start of construction and before procurement of materials, the Sponsor shall provide:

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.** Prior to procuring façade materials, construct a physical material performance mock-up to allow for OCII, design team, and contractor review of material durability, texture, color and detail installation.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of April 20, 2021.

Commission Secretary