

COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

RESOLUTION NO. 48-2017

**CONDITIONALLY APPROVING THE SCHEMATIC DESIGN FOR AN
AFFORDABLE HOUSING AND RETAIL MIXED-USE BUILDING AT CANDLESTICK
POINT NORTH BLOCK 10A, CONSISTING OF APPROXIMATELY
156 AFFORDABLE FAMILY RENTAL UNITS, INCLUDING 35 UNITS SET ASIDE
FOR FORMERLY HOMELESS FAMILIES; AND ADOPTING ENVIRONMENTAL
REVIEW FINDINGS PURSUANT TO CEQA; BAYVIEW HUNTERS POINT
REDEVELOPMENT 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; and,

WHEREAS, In accordance with the CRL, the City, acting through its Board of Supervisors, approved a Redevelopment Plan for the Bayview Hunters Point Redevelopment Project Area (the “Project Area”) by Ordinance No.113-06, adopted on May 16, 2006. The Redevelopment Plan is referred to as the “Bayview Hunters Point Redevelopment Plan.” In cooperation with the City, the Former Agency was responsible for implementing the Bayview Hunters Point Redevelopment Plan; and,

WHEREAS, Pursuant to California Health and Safety Code §§ 34170 et seq. (the “Redevelopment Dissolution Law”), the Former Agency was dissolved as of February 1, 2012; and,

WHEREAS, The Successor Agency to the Redevelopment Agency of the City and County of San Francisco (commonly known as the Office of Community Investment and Infrastructure herein, “OCII”) is completing the enforceable obligations of the Former Agency in the Project Area, under the authority of the CRL as amended by the Redevelopment Dissolution Law, and under 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); and,

WHEREAS, The Candlestick Point and Hunters Point Shipyard Phase 2 Disposition and Development Agreement (the “Phase 2 DDA”) between CP Development Co., LP and the Former Agency provides for the development of approximately 700 acres that includes the second phase of the Shipyard and the entire Candlestick Point area (“Phase 2 Project”). The Phase 2 DDA calls for 10,500 new housing units, 32% of which will be below market rate; and,

- WHEREAS, On December 14, 2012, the California Department of Finance (“DOF”) determined “finally and conclusively” that the Phase 2 DDA and tax allocation pledge agreements, including the affordable housing programs are enforceable obligations under the Dissolution Law; and,
- WHEREAS, On February 18, 2016, OCII issued a Housing Development Request for Proposals (the “RFP”), which RFP is incorporated herein by this reference, for the development and management of up to 140 units of affordable rental housing for low income and formerly homeless families (“Candlestick Point North 10a Project” or “CPN 10a” or “Project”) on Lot 26 of that certain Final Transfer Map No. 7879-8583, recorded on August 16, 2016 and filed on pages 73-74 in Book GG of the County’s Survey Maps (the “Site”); and,
- WHEREAS, OCII received four submittals in response to the RFP, and determined that the applicant team consisting of Tenderloin Neighborhood Development Center (“TNDC”) & Young Community Developers “YCD”) (together, the “Developer”), and the architecture firm Herman Coliver Locus Architecture was well-suited to develop the Site; and,
- WHEREAS, The RFP required the inclusion of three (3) four-bedroom units and one (1) five-bedroom unit within the overall unit mix. These units were specified in order to comply with the CRL’s requirement that an exact unit mix be replicated within a neighborhood undergoing redevelopment; the four- and five- bedroom units at CPN10a will serve as replacement units for Phase 4 Block 5 of the Alice Griffith HOPESF project, which required a higher number of one- and two-bedroom units, versus four- and five-bedroom units, in order to be financially feasible; and,
- WHEREAS, On August 16, 2016 the OCII Commission approved the selection of the Developer as the CPN10a Project Development Team through Resolution No. 39-2016 and at that time the Commission was apprised that OCII staff would be requesting authorization to enter into an Exclusive Negotiations Agreement and Predevelopment Loan with the Developer in the coming months; and,
- WHEREAS, The Citywide Affordable Housing Loan Committee (the “Loan Committee”) reviewed OCII staff’s evaluation of the request for funding at its meeting on November 4, 2016, and recommended to the OCII Commission that it authorize OCII to provide the Developer with a predevelopment loan in an amount not to exceed \$3,500,000 (the “Funds”) subject to certain terms and conditions (the “Loan”); and,
- WHEREAS, Under Ordinance No. 215-12 and the Redevelopment Dissolution Law, OCII has the obligation and authority to provide the funds for the Phase 2 Project; and,
- WHEREAS, On January 25, 2016 under Resolution No. 1-2016, the Oversight Board of the City and County of San Francisco approved an expenditure for funding including CPN 10a through Item No. 403 of the Recognized Obligation Payment Schedule for the period of July 1, 2016 through June 30, 2017 (“ROPS 16-17”). The California Department of Finance provided final approval of the expenditure for Item No. 219 HPS Phase 2 – CP Affordable Housing Obligation through its letter dated December 14, 2012; and,

- WHEREAS, For purposes of implementation and to ensure consistency with the City's overall affordable housing goals and priorities, OCII has engaged the Mayor's Office of Housing and Community Development (MOHCD) to provide additional services, including construction monitoring and design review, and loan disbursement review and processing. Upon completion of the CPN 10a Project, OCII intends, and is obligated, to transfer the affordable housing loan obligation, asset, and ground lease to MOHCD as the designated Successor Housing Agency of the City and County of San Francisco under Board Resolution No. 11-12, as required by Redevelopment Dissolution Law; and,
- WHEREAS, On December 6, 2016 through Resolution 52-16, Commission approved an Exclusive Negotiations Agreement and associated Option to Ground Lease as well as Predevelopment Loan Documents, which provided funding in an amount not to exceed \$3,500,000 for predevelopment work associated with the construction of the CPN 10a Project; and,
- WHEREAS, In accordance with the Design Review and Document Approval Procedure ("DRDAP") the Phase 2 Project, the Developer has submitted a Schematic Design for CPN 10a ("CPN 10a Schematic Design"); and,
- WHEREAS, In accordance with the DRDAP, OCII staff has determined that the CPN 10a Schematic Design submission, subject to the satisfaction of the conditions of approval attached to this Resolution as Exhibit A (and incorporated herein by reference) (the "Conditions of Approval"), is consistent with the DDA, the Bayview Hunters Point Redevelopment Plan and the Candlestick Design for Development Documents ("D for D"); and,
- WHEREAS, OCII staff informed the Mayor's Hunters Point Shipyard Citizens Advisory Committee ("CAC") of the details of the CPN 10a Schematic Design during its meetings in September and November 2017. At the CAC's November meeting, the CAC recommended Commission approval of the CPN 10a Schematic Design; and,
- WHEREAS, On June 3, 2010, the SFRA Commission by Resolution No. 58-2010 and the San Francisco Planning Commission by Motion No. 18096, certified the Final Environmental Impact Report ("FEIR") for the Candlestick Point-Hunters Point Shipyard Phase 2 Project, a program environmental impact report that analyzed the Project, the DDA, the Project Documents, and the Redevelopment Plans, and made findings determining the FEIR to be 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.); the Board of Supervisors affirmed the Planning Commission's certification of the FEIR by Motion No. 10-110 on July 14, 2010; and,
- WHEREAS, As part of its approval of the Project on June 3, 2010, in addition to certifying the FEIR, the SFRA Commission, by Resolution No. 59-2010 adopted findings pursuant to CEQA, regarding the alternatives, mitigation measures, and significant environmental effects analyzed in the FEIR, including a Mitigation Monitoring and Reporting Program and a Statement of Overriding Considerations for the Project, which findings are incorporated into this Resolution by this reference; and,

- WHEREAS, Subsequent to the certification of the FEIR, the Planning Department, at the request of OCII, issued Addendum No. 1 to the FEIR (“Addendum No. 1”) (dated December 11, 2013) to the FEIR as part of the 2014 Major Phase 1 CP and Streetscape Plan; and,
- WHEREAS, Addendum No. 1 addressed changes to the phasing schedule for the Project and corresponding changes to the schedules for implementation of related transportation system improvements in the Transportation Plan, including the Transit Operating Plan, the Infrastructure Plan and other public benefits; and minor proposed revisions in two adopted mitigations measures, Mitigation Measure TR-16 Widen Harney Way, and Mitigation Measure UT-2 Auxiliary Water Supply System; and,
- WHEREAS, OCII as the lead agency, prepared, in consultation with the San Francisco Planning Department, Addendum No. 4 to the FEIR, (“Addendum No. 4”) which OCII staff issued on February 22, 2016. (Addenda Nos. 2 and 3 analyzed proposed changes to the Project, which are no longer being pursued.) Addendum No. 4 evaluated amendments to the D for D, Streetscape Plan and Major Phase 1 Application for Candlestick Point and the amendment of two adopted mitigation measures, that were, Mitigation Measure TR-16 to divide the Harney Way improvements into two phases and Mitigation Measure TR-23 to modify the cross-section design of Gilman Avenue; and,
- WHEREAS, Copies of the FEIR, addenda, and supporting documentation are on file with the Commission Secretary and are incorporated in this Resolution by this reference; and,
- WHEREAS, The approval of CPN 10a Schematic Design is an undertaking pursuant to and in furtherance of the Project in conformance with CEQA Section 21166 and the CEQA Guidelines Sections 15180, 15162, 15163, and 15164; and,
- WHEREAS, The FEIR and the CEQA Findings adopted by the SFRA Commission by Resolution No. 59-2010 on June 3, 2010, reflected the independent judgment and analysis of the SFRA Commission, remain adequate, accurate and objective, and were prepared and adopted following the procedures required by CEQA, and the findings in such resolution are incorporated by this reference as applicable to the approval of the ENA and Loan; and,
- WHEREAS, OCII staff has reviewed the CPN 10a Schematic Design and recommends approval of the CPN 10a Schematic Design as conditioned by the Conditions of Approval; now, therefore, be it
- RESOLVED, The Commission finds and determines that the CPN 10a Schematic Design, as recommended for approval, is consistent with the Phase 2 Project as analyzed in the FEIR and require no additional environmental review beyond the FEIR and addenda pursuant to CEQA Section 21166 and the CEQA Guidelines Sections 15180, 15162, 15163, and 15164; for the following reasons:

(1) Implementation of the Candlestick Point North 10a Project does not require major revisions to the FEIR 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 FEIR will be undertaken that would require major revisions to the FEIR due to the involvement of new significant environmental effects, or a substantial increase in the severity of effects identified in the FEIR; and,

(3) No new information of substantial importance to the project analysis in the FEIR has become available, which would indicate that (i) the Candlestick Point North 10a Project will have significant effects not discussed in the FEIR; (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 FEIR, will substantially reduce one or more significant effects on the environment that would change the conclusions set forth in the FEIR; and, be it further

RESOLVED, That the Commission finds that the CPN 10a Schematic Design submission is Complete pursuant to the DRDAP, and subject to satisfaction of the Conditions of Approval is consistent with the DDA including the Schedule of Performance, the Plan, and the D for D; and, be it further

RESOLVED, That the Commission conditionally approves the CPN 10a Schematic Design submission, a copy of which is on file with the Secretary of the Commission, subject to resolution of the Conditions of Approval being resolved to the satisfaction of the Executive Director and any changes included in subsequent design stages, beginning with the Design Development phase; and be it further

RESOLVED, That the Commission authorizes the Executive Director to approve subsequent design documents related to this CPN 10a Schematic Design 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 the Phase 2 Project under the DDA, and the Major Phase as applicable, and further the goals of the Plan and the 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 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 December 5, 2017.

Commission Secretary

Exhibit A: Conditions of Approval for Candlestick Point North 10a

EXHIBIT A

CONDITIONS OF APPROVAL FOR CANDLESTICK POINT NORTH 10a

The 48-2017 Resolution to which these Conditions of Approval are attached conditionally approves Schematic Design submission for the CPN 10a housing project within the Bayview Hunters Point Redevelopment Plan Area. The Schematic Designs are approved subject to satisfaction of the following Conditions:

1. **Materials.** Continue to develop and refine the building materials palette, including wall systems, glazing, screening and other materials, in coordination with OCII staff. Materials palette must demonstrate durability, quality, color, variety, and visual interest, especially at the ground floor. 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.
2. **Architectural Mock-Up Scope.** During Construction Document phase 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.
3. **Mid-Block Break Design.** If relevant, provide Schematic Designs for the Sub-Phase CP-03 mid-block break for review and approval by OCII staff.
4. **PV Canopy Structure**
 - a. If the PV Canopy is eliminated from the design, or is changed as a cost reduction measure after Schematic Design approval, OCII staff must approve the parapet geometry, roofline articulation, rooftop plan and any mechanical screening, or the altered PV canopy as they differ from the approved Schematic Design. The roofline should be articulated to reinforce its role as the top of the building and should form an integral part of the overall building composition. Expressive and sculptural roof forms that will be seen from a distance are encouraged. Wherever possible, roof mechanical exhaust vent and equipment projections should be clustered and set back from the edge of buildings that are visible from the street or points above.
 - b. If the PV canopy is eliminated from the design, the project shall provide 'solar ready' infrastructure per the D for D.
5. **Partial 7th Story.** Please further study the efficiency of this partial floor. OCII staff will have final approval over changes to this story and any resultant changes to the interior floorplans to incorporate the existing units currently programmed for the partial 7th story.
6. **Retail kinetic steel awnings**
 - a. Please study a low-iron glass for the retail storefront.

- b. Installation and maintenance of awnings to be paid for and maintained by retail tenants during Tenant Improvement phase.
 - c. Increase vertical clearance to be greater than 9 feet where proposed – while this complies with the minimum projection clearance, the ground-floor height along Ingerson should feature a consistent floorline datum and maximize visibility into retail spaces.
- 7. **Landscape Plan.** Provide a detailed landscape plan, including plans for all setback zones and common open spaces. The setback zone shall be used either to create high quality, usable open space for street-facing units, or in the case of building entrances, to create a transition zone between private use and the public realm. Permitted uses within the setback zone include street-facing stairs, stoops, porches, patios, landscaping, driveways and entry plazas. The setback zone shall be landscaped with high quality materials from the building edge to the public sidewalk.
- 8. **Lighting Plan.** Provide a detailed lighting plan. Lighting should be subtle and reinforce the overall façade design.
- 9. **Utility Room Doors.** Further develop the screening, materiality and architectural treatment of the M-Street utility room door and gas meters screens. Doors and screens should screen mechanical uses while providing visual interest and high-quality materials to the public realm.
- 10. **Average Unit Size.** Increase the average square footage of the 2-bedroom units to 800 sq ft. Also ensure that the 3-, 4- and 5-bedroom units are adequately configured.
- 11. **Stained wood Parklex cladding at lobby entrance.** Consider a more durable material, such as a cement pedestal, at the ground-level impact zone (up to 16 inches from grade), as the lobby entrance will be a high-traffic space, and the ongoing replacement cost may offset the higher up-front cost.
- 12. **Corrugated metal at ground-floor.** Please study using glass fiber reinforced concrete (GFRC) in place of corrugated metal at ground floor for better durability. If corrugated metal is central to the design intent, study the durability and confirm gauge of corrugated metal located on the ground-floor façade of Earl Street and M Street.
- 13. **Graffiti treatment.** Confirm how each material type will be protected from or replaced in the case of graffiti—especially those materials located on ground-floor facades.
- 14. **Interior courtyard elevations.** Further develop interior building elevation materials and façade articulation, especially those areas visible from the podium courtyard.
- 15. **Interior Courtyard Planting.** Confirm that tree species shown in landscape drawings can be planted and will survive on a podium structure.
- 16. **Residential Lobby Stair and Angled Wall.** Remove the slight angle from the lobby stairwell and adjacent walls; the angle is too slight to serve any design intent and will only increase costs.
- 17. **Stormwater Treatment.** Confirm stormwater treatment areas, if any, on podium courtyard and roof.

18. Rooftop mechanical screening. Further develop any needed rooftop mechanical equipment screening. Rooftop mechanical equipment, with the exception of the PV canopy, shall be screened from view of neighboring unit. Mechanical screens shall form part of the building top composition and consist of materials consistent with the overall building color and material palette. The maximum permitted coverage by mechanical equipment is 30% of the roof top area for all buildings.

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

- 1. Architectural Mock-Up.** Construct physical material mock-up to allow for OCII and contractor review of material durability, texture, color and detail installation.
- 2. Retail Storefronts.** Ensure modifications of retail storefront design and materiality continue to be in compliance with the CP D for D. Storefronts shall promote pedestrian interest at the ground level, provide visual connection to the store interior, and meet all glazing and transparency requirements.