RESOLUTION NO. 153-2005

Adopted October 4, 2005

CONDITIONALLY APPROVING A SCHEMATIC DESIGN AND MAKING FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT FOR MERCY HOUSING CALIFORNIA'S, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, 9TH AND JESSIE SENIOR HOUSING PROJECT, LOCATED AT 9TH AND JESSIE STREETS, BLOCK 3508, LOT 51; MID-MARKET REDEVELOPMENT SURVEY AREA

BASIS FOR RESOLUTION

1. Mercy Housing California, a California nonprofit public benefit corporation (the “Developer” or “MHC”), and Mercy Housing California XIV, a California limited partnership (“MHC XIV”), intend to develop the underutilized real property located at 10th and Mission and 9th and Jessie Streets, Block 3508, Lots 51, 26 and 27, in San Francisco (the “Site”) in the Mid-Market Redevelopment Survey Area. The Redevelopment Agency of the City and County of San Francisco (the “Agency”) owns the Site pursuant to the assignment and assumption of a ground lease with an option to purchase the Site between the MHC XIV, together with Mercy Housing, Inc., a Nebraska not for profit corporation, and the previous owner of the Site, VILO Properties, Inc., a California corporation, and Victor Honig and Lorraine Honig, as Trustees of the Honig 1986 Family Trust (collectively, the “Previous Owner”).

2. On March 16, 2004, pursuant to Resolution Nos. 36-2004 and 37-2004, the Commission approved a loan in an amount not to exceed SEVEN MILLION EIGHT HUNDRED SIXTY-FIVE THOUSAND NINE HUNDRED FIFTY-FIVE and NO/100 DOLLARS ($7,865,955.00) under the Tax Increment Affordable Housing Fund (the “Loan”) to MHC XIV and a grant in an amount not to exceed THREE MILLION FIVE HUNDRED SEVENTY-TWO THOUSAND TWO HUNDRED FOURTEEN and NO/100 DOLLARS ($3,572,214.00) (the “Grant”) to the Developer, for the holding costs and acquisition of the Site, and predevelopment activities related to the development of a family affordable housing project on a portion of the Site (the “Family Parcel”) and a senior affordable housing project on the remaining portion of the Site (the “Senior Parcel”).

3. The Loan is for the acquisition, holding and predevelopment of 134 units of affordable family housing for very low-income families who are at or below 50 percent of Area Median Income, and a manager’s unit on the Family Parcel (the “Project”). The Grant is for the acquisition, holding costs and predevelopment of 107 affordable housing units for very low-income seniors (62 years or older) who are at or below 50 percent of Area Median Income, per the U.S. Department of Housing and Urban Development Section 202 project guidelines and one manager’s unit on Senior Parcel.
4. On January 18, 2005, by Resolution No. 1-2005, the Commission approved a First Amendment to the Loan Agreement with a revised Schedule of Performance to reflect a redesign process for the Project that the Developer completed with input from Agency and the City and County of San Francisco (the “City”) Planning Department staff.

5. The Developer requested that the Agency take ownership of the Site earlier than originally anticipated, and the Agency agreed to take ownership. On March 15, 2005, by Resolution Nos. 51-2005 and 52-2005, the Commission approved the acquisition of the Site directly from the Previous Owner, Options to Ground Lease the Family Project site and the Senior Project site, Ground Leases for the Family Parcel and the Senior Parcel, and a Management Agreement with MHC for management of the Site, including the Senior Project site, and a Second Amendment to the Loan Agreement reducing the Loan amount to ONE MILLION FIVE HUNDRED SIXTY-FIVE THOUSAND NINE HUNDRED FIFTY-FIVE and NO/100 DOLLARS ($1,565,955.00) and a Second Amendment to the Grant reducing the Grant amount to EIGHT HUNDRED SEVENTY-TWO THOUSAND TWO HUNDRED FOURTEEN and NO/100 DOLLARS ($872,214.00) to reflect the Agency’s acquisition of the Family Parcel and the Senior Parcel. The Agency acquired the Site on March 31, 2005.

6. The Developer has selected Kaplan McLaughlin Diaz and Kodama Diseno as architects for the Project. The architects developed the Schematic Design for the Project.

7. Agency staff recommends approval of the Schematic Design, subject to a satisfactory resolution of the following design concerns during the next phase of work:

   - The proposed art element on the south facing wall at 9th Street needs further study to successfully achieving visual interest;
   - Provision of a color scheme for the building for Agency review and approval;
   - The corner element at 9th and Jessie Streets is a curved form. The architects should conduct design studies to determine the appropriate radius and to incorporate a covered pedestrian entry for the building;
   - The architects have articulated the Jessie Street façade and the interior courtyard façade with window patterns and variations of the building mass. Agency staff finds this design approach acceptable. Agency staff conditionally approves the design of these two facades subject to the architects submission of coordinated floor plans and elevations;
   - Glass fiber reinforced concrete has been considered as the primary building material. Further discussions between the architects, Developer and Agency staff is necessary to finalize the choice of building materials;
Further study of the garage and terrace elements is necessary regarding possible public art opportunity on the Jessie Street elevation;

For ventilation purposes, study different screening options for the Jessie Street garage entrances and garage walls; and,

Finalize the landscape design for the terraces including further study of the planting screens facing Jessie Street.

8. Based on the analysis contained in the Mitigated Negative Declaration for the Project, as approved by the City’s Planning Commission on June 10, 2004, pursuant to Motion No. 16813, Agency staff requests that the Commission adopt a finding in accordance with the California Environmental Quality Act that the Project will not have a significant effect on the environment, provided that the mitigation measures specified in the Mitigated Negative Declaration are implemented. Agency staff will incorporate those mitigation measures from the Mitigated Negative Declaration into the Grant Agreement, which mitigation measures the Developer will implement as a condition of the Grant Agreement.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Schematic Design for the project proposed by Mercy Housing California, a California nonprofit public benefit corporation, for the development on Block 3508, Lot 51 bounded by 9th and Jessie Streets in the Mid-Market Redevelopment Survey Area is conditionally approved in the form submitted by the Developer, subject to findings under the California Environmental Quality Act, and subject to the resolution of the conditions of approval set forth above and in the Commission memorandum dated October 4, 2005, to the satisfaction of the Agency during the next phase of work and provided that such refinements do not alter the Schematic Design.

APPROVED AS TO FORM:

James B. Morales
Agency General Counsel