

RESOLUTION NO. 114-2009

Adopted October 20, 2009

AUTHORIZING A SECOND AMENDED AND RESTATED LOAN AGREEMENT WITH HUNTERS VIEW ASSOCIATES, L.P., A CALIFORNIA LIMITED PARTNERSHIP, TO REALLOCATE FUNDS AND MODIFY THE BUDGET FOR PHASE I CONSTRUCTION COSTS FOR THE HUNTERS VIEW HOUSING DEVELOPMENT AT MIDDLE POINT AND WEST POINT ROADS, FOR AN AGGREGATE LOAN AMOUNT NOT TO EXCEED \$9,817,252, AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. The Redevelopment Agency of the City and County of San Francisco (the "Agency") is authorized by the California Community Redevelopment Law (Health and Safety Code, Section 33000 et seq.), to distribute monies from its Tax Increment Affordable Housing Fund to developers for the specific purpose of increasing and maintaining the housing stock in the City and County of San Francisco affordable by very low-, low-, and moderate-income households.
2. The Hunters View site is an approximately 21 acre site currently improved with 267 housing units generally known as 227-229 West Point Road (Block 4624, Lots 3, 4 & 9 and Block 4720, Lot 27, collectively referred to as the "Site"), which is located in Areas A and B of the Bayview Hunters Point Redevelopment Project Area, and is owned and operated by the San Francisco Housing Authority ("SFHA"). A portion of the Site, consisting of an approximately 1.65 acre parcel (Block 4720, Lot 27, hereafter the "Agency Parcel"), is owned by the Agency.
3. In 2003, SFHA (owner and operator of the 267 existing Hunters View rental units) issued a Request for Qualifications for a developer to redevelop the Site, a severely distressed site that could not feasibly be rehabilitated.
4. In August 2005, SFHA selected the development team known as the Hunters View Community Partners, the predecessor-in-interest to Hunters View Associates, L.P., a California limited partnership (the "Borrower").
5. The Borrower's general partners are the managing general partner, The John Stewart Company, a California corporation, and two co-general partners: Devine and Gong, Inc., a California corporation, and Hunters Point Affordable Housing, Inc., a California nonprofit public benefit corporation, which is a wholly owned subsidiary of the Ridge Point Non-Profit Housing Corporation, a California nonprofit public benefit corporation.

6. The Borrower will demolish the existing 267 housing units and develop the Site in three phases. Upon completion, the Site will contain the following potential unit mix: (a) 267 housing units that will replace all of the existing 267 housing units and will be rented to low-income households; (b) approximately 83 units constructed for rent to low-income tenants; (c) approximately 58 units constructed for sale to first-time homebuyers in accordance with the Agency's Limited Equity Homeownership Program; and (d) approximately 17-20 units that may be constructed by Habitat for Humanity San Francisco, (collectively the "Project"). Borrower also intends to construct approximately 315 new housing units to be sold at market rates, which are not considered to be part of the Project for the purpose of the predevelopment loan requested by Borrower.
7. Borrower intends to work with SFHA to subdivide the Site into numerous lots for transfer of the lots in fee or by ground lease to facilitate the financing and development of the residential components described in Recital 6 above.
8. If authorized by the Agency, the Agency Parcel will be conveyed to either SFHA for conveyance to the Borrower or directly to the Borrower for development in connection with the Project, subject to the Borrower's successful completion of conditions precedent to such disposition to be hereafter specified by the Agency.
9. Borrower has previously obtained a loan pursuant to the Loan Agreement (City and County of San Francisco Home Program) between the Borrower and the City and County of San Francisco dated as of March 8, 2007, in the amount of Five Hundred Ninety-Seven Thousand Nine Hundred Dollars (\$597,900) for certain Project predevelopment costs, including the conceptual design and engineering studies for the Project and Borrower has also secured a recoverable grant from the Local Initiatives Support Coalition in the amount of Fifty Thousand Dollars (\$50,000) for the Project.
10. On September 18, 2007, pursuant to Resolution No. 100-2007, the Agency Commission authorized a predevelopment loan in the amount of \$1,500,000 (the "Predevelopment Loan Agreement" or the "Phase I Rental Loan Agreement") to undertake design development, environmental, entitlements and construction activities related to Master Planning of the Project, to be repaid when permanent financing is obtained for any portion of the Project.
11. On December 7, 2007, the Citywide Loan Committee, as part of the HOPE SF Program, approved a predevelopment loan in the amount of \$1,500,000 for Master Planning of the Project.
12. On May 6, 2008, pursuant to Resolution No. 42-2008, the Agency Commission authorized the First Amendment to the Predevelopment Loan Agreement for an amount not to exceed \$1,904,679 for costs associated with Predevelopment tasks for Phase I.


13. On September 16, 2008, pursuant to Resolution No. 112-2009, the Agency Commission authorized execution of a Moderate Income Homeownership Loan Agreement, which terms included the allocation of \$374,931 of the Phase I Predevelopment Loan amount to the Moderate Income Homeownership Loan Agreement. This allocation resulted in a remaining balance of the Phase I Rental Loan of \$1,529,747.
14. Also on September 16, 2008, pursuant to Resolution No. 111-2008, the Agency Commission authorized an Amended and Restated Tax Increment Loan Agreement to allocate \$500,000 of the Master Planning Loan amount to the Phase I Rental Loan Agreement and to increase to the Rental Loan by an amount not to exceed \$8,647,231 for an aggregate loan amount of \$10,676,978. This allocation resulted in a remaining balance of the Master Planning Loan amount of \$1,000,000.
15. In furtherance of the Project, Borrower wishes to enter into a Second Amended and Restated Loan Agreement to reduce the total Phase I Rental loan amount by \$859,728, for a total aggregate loan amount of \$9,817,252 and to modify the Phase I Rental budget and schedule of performance to reflect the current Project.
16. Based on the analysis contained in the Final Environmental Impact Report for the Hunters View Redevelopment Project ("FEIR"), and the findings pursuant to the California Environmental Quality Act ("CEQA") adopted by the San Francisco Planning Commission ("Planning Commission") on June 12, 2008, in Motion No. 17618, and in Motion No. 17617 certifying the FEIR, and in Motion No. 17621 approving the conditional use authorization for the Project and establishing a Mitigation Monitoring Program that attaches mitigation measures identified in the FEIR to the conditional use authorization, The Agency Commission adopted Resolution No. 111-2008 on September 16, 2008, adopting findings in accordance with CEQA that the Amended and Restated Loan Agreement for Phase I Predevelopment and Construction of the Very Low-Income Rental Units is an Implementing Action for the construction of the Project, pursuant to the approvals granted by the Planning Commission.
17. Agency staff has considered and reviewed the FEIR and has determined that the Second Amended and Restated Loan Agreement for Phase I Rental Units is another Implementing Action for the construction of the Project, pursuant to the approvals granted by the Planning Commission. Staff in making the necessary findings for the Implementing Action contemplated herein, considered and reviewed the FEIR. Documents related to the Implementing Action
18. The FEIR and related documents have been and continue to be available for review by the Agency Commission and the public and are part of the record before the Agency Commission.
19. The environmental findings adopted in accordance with CEQA by the Agency Commission in Resolution No. 111-2008 were and remain adequate, accurate and

objective and are incorporated herein by reference as applicable to the current proposed action.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that (1) it has reviewed and considered the Final Environmental Impact Report and hereby adopts the CEQA findings set forth in Agency Resolution No. 111-2008, dated September 16, 2008, and (2) the Executive Director is authorized to execute a Second Amended and Restated Loan Agreement with Hunters View Associates, L.P., a California limited partnership, substantially in the form lodged with the Agency General Counsel, to reallocate funds and modify the budget for Phase I construction costs for the Hunters View Housing development at Middle Point and West Point Roads, for an aggregate loan amount not to exceed \$9,817,252; Bayview Hunters Point Redevelopment Project Area (Areas A and B).

APPROVED AS TO FORM:


James B. Morales
Agency General Counsel