

RESOLUTION NO. 131-2009

Adopted November 3, 2009

**AUTHORIZING A LETTER AGREEMENT WITH THE CITY OF
SAN FRANCISCO DEPARTMENT OF PUBLIC WORKS FOR PHASE I
INFRASTRUCTURE TASK FORCE SERVICES FOR THE HUNTERS VIEW
HOUSING DEVELOPMENT AT MIDDLE POINT AND WEST POINT ROADS,
FOR AN AGGREGATE AMOUNT NOT TO EXCEED \$430,000;
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 Commission, 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. 112-2008, 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 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. On October 20, 2009, pursuant to Resolution No. 113-2009, the Agency Commission authorized an Amended and Restated Master Planning Loan Agreement to increase the loan by an amount not to exceed \$441,991, for an aggregate Master Planning Loan amount of \$1,441,991.
16. Also on October 20, 2009, pursuant to Resolution No. 114-2009, the Agency Commission authorized the Second Amended and Restated Phase I Rental Loan Agreement to reduce the loan for an aggregate loan amount not to exceed \$9,817,252.
17. In furtherance of the Project, the Agency now wishes to enter into a Letter Agreement (the "Letter Agreement") with the San Francisco Department of Public Works ("DPW") in an amount not to exceed \$430,000 for provision of services by the DPW Infrastructure Task Force (the "Task Force") to coordinate review, approval, and oversight services related to Phase I infrastructure at the Site.
18. Approval of the Letter Agreement is not a project as defined by the California Environmental Quality Act ("CEQA") Guidelines Section 15378(b)(5), because the activities to be undertaken by the Task Force through the Letter Agreement are Agency administrative activities that will not independently result in a physical change in the environment and are not subject to environmental review under CEQA.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to execute a Letter Agreement with the Department of Public Works of San Francisco in an amount not to exceed \$430,000, substantially in the form lodged with the Agency General Counsel, to provide review, approval, and oversight services for Phase I infrastructure for the Hunters View Housing Development at Middle Point and West Point Roads; Bayview Hunters Point Redevelopment Project Area.

APPROVED AS TO FORM:


James B. Morales
Agency General Counsel