RESOLUTION NO. 62-2011

Adopted May 17, 2011

AUTHORIZING A PURCHASE AND SALE AGREEMENT WITH MCCORMACK BARON SALAZAR, INC., A MISSOURI CORPORATION, FOR THE SALE OF REAL PROPERTY LOCATED AT THE SOUTHWEST CORNER OF ARELIous WALKER DRIVE AND CARROLL AVENUE, ASSESSOR’S PARCEL BLOCK 4884, LOT 25, AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. In furtherance of the objectives of the California Community Redevelopment Law (Health and Safety Code, Section 33000 et seq.), the Redevelopment Agency of the City and County of San Francisco (the “Agency”) undertakes programs for the reconstruction and rehabilitation of blighted areas and for the purpose of increasing, improving, and preserving San Francisco’s supply of affordable housing.

2. On March 23, 2007, the HOPE SF Task Force recommended to the Mayor and Board of Supervisors of the City and County of San Francisco (the “City”) that the City pursue the rebuilding of San Francisco’s most distressed public housing sites, including the Alice Griffith Housing Development (“Alice Griffith”), while increasing affordable housing and ownership opportunities, improving the quality of life for existing residents, and bringing together in one community new housing units of different income levels and building types.

3. On June 3, 2008, the voters of the City and County of San Francisco adopted Proposition G, the Jobs Parks and Housing Initiative (“Proposition G”), for revitalization of Candlestick Point and Phase II of Hunters Point Shipyard through the development of a mixed-use project (the “Project”). Proposition G encouraged the rebuilding of Alice Griffith as part of the Project, consistent with the objectives set forth in Proposition G and subject to consultation with the residents of Alice Griffith and approval by all applicable governmental agencies. The voters also encouraged the City, the Agency, and other public agencies with applicable jurisdiction to proceed as expeditiously as possible to implement Proposition G.

4. On June 3, 2010, the Agency Commission and the San Francisco Planning Commission, acting together as co-lead agencies for conducting environmental review for the Project, adopted Resolution No. 58-2010 and Motion No. 18096, respectively. Resolution No. 58-2010 and Motion No. 18096 certified a Final Environmental Impact Report (the “Phase II Final EIR”) for development of Phase II of the Shipyard and Candlestick Point as 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.)). Also on June 3, 2010, by
10. The Alice Griffith Plan requires substantial financial resources. The Agency has committed in the DDA to providing a portion of this funding, but non-Agency and non-City funds are required. On May 3, 2011, the Commission authorized staff, acting as part of a larger team, to participate in the application for $30,500,000 in Choice Neighborhoods Initiative Grant funding ("Choice Neighborhoods") from the United States Department of Housing and Urban Development ("HUD") for the Eastern Bayview/Alice Griffith Public Housing Transformation Plan ("Alice Griffith Plan").

11. A threshold requirement of the Choice Neighborhoods application is that the submission’s "Applicants," as that term is defined by HUD, have site control of all property required for constructing replacement units for the distressed public or assisted housing site at the center of the application’s transformation plan. For Alice Griffith, MBS and the Housing Authority are the only Applicants.

12. The Property is located immediately adjacent to the Alice Griffith Public Housing site and forms a portion of the approximately 27 acres that must be assembled as Alice Griffith Plan parcels. In order to meet the threshold requirements of the Choice Neighborhoods application and to implement the Alice Griffith Plan, the Agency has agreed to enter into a purchase and sale agreement with MBS ("Agreement"). The Agreement allows MBS to acquire the Agency’s rights to the Property after a fee interest in the Property has been transferred to the Agency in accordance with the Public Trust Exchange Agreement and the State Parks Agreement.

13. If HUD does not award Choice Neighborhoods funds for the Alice Griffith Plan, the proposed Agreement is terminable by either party. If the Alice Griffith Plan receives a Choice Neighborhoods award, certain conditions precedent to the Agency’s transfer of the Property to MBS will apply including a requirement that the Property be deed restricted to require that development thereon be in conformance with the requirements for Alice Griffith Replacement Projects as that term is defined in the Below Market-Rate Housing Plan (which is incorporated into the DDA.)

14. The proposed Agreement does not require a cash payment because the Property will be reappraised at the time of the Alice Griffith DDA execution, and factored into a larger financing program that will include low-income housing tax credits, developer subsidy, and Housing Authority land transfers. The total value of the Property will be counted as an Agency contribution to the Alice Griffith Replacement Projects as further set forth in the Memorandum of Understanding for the Proposed Redevelopment of Alice Griffith Public Housing by and among the Agency, the Housing Authority, the Mayor’s Office of Housing and the San Francisco Office of Economic and Workforce Development, dated July 8, 2010.
15. Agency staff, in reviewing the Agreement, has determined that the land transfer under the Agreement would be an Implementing Action for the Candlestick Shipyard Phase II Project, has considered and reviewed the Phase II Final EIR, and has determined the current proposed action as furtherance of the implementation of the Project, consistent with CEQA Guidelines Sections 15180 and 15161.

16. The Phase II Final EIR and related documents are available for review by the Agency Commission and the public and are part of the record before the Agency Commission.

17. No substantial changes have occurred with respect to the Project analyzed in the Phase II Final EIR that would require a new EIR or amendment to the Phase II Final EIR.

18. The environmental findings adopted in accordance with CEQA by the Agency Commission in Resolution No. 59-2010 were and remain adequate, accurate and objective and are incorporated herein by reference as applicable to the current Implementing Action.

FINDINGS

The Agency finds and determines that the Purchase and Sale Agreement between the Agency and McCormack Baron Salazar, Inc.: (i) is an Implementing Action within the scope of both the DDA and the Project analyzed in the Phase II Final EIR and (ii) requires no additional environmental review pursuant to Sections 15180, 15161, 15162 and 15163 of State CEQA Guidelines. The Agency makes the above findings based on the following:

A. As an Implementing Action, approval of the Purchase and Sale Agreement with McCormack Baron Salazar does not incorporate substantial changes into the Project analyzed in the Phase II Final EIR, and will not require any further revisions to the Phase II Final EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.

B. No substantial changes have occurred with respect to the circumstances under which the Project analyzed in the Phase II Final EIR was or will be undertaken that would require further revisions to the Phase II Final EIR due to the involvement of new significant environmental effects, or a substantial increase in the severity of effects identified in the Phase II Final EIR.

C. No new information of substantial importance to the Project analyzed in the Phase II Final EIR has become available, which would indicate any of the following: (i) the Implementing Action will have significant effects not discussed in the Phase II Final EIR; (ii) significant environmental effects will be substantially more severe; (iii) mitigation measures or alternatives found not feasible that would reduce one or more significant effects have become feasible; or (iv) mitigation measures or alternatives that are considerably different from those in the Phase II Final EIR will substantially reduce one or more significant effects on the environment; and
D. The findings set forth in Resolution 59-2010 are applicable to the Purchase and Sale Agreement with McCormack Baron Salazar.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco (1) that it has reviewed and considered the Phase II Final EIR and any additional environmental documentation in the Agency’s files and hereby adopts those findings set forth above; and (2) that the Executive Director is authorized to execute, substantially in the form lodged with the Agency General Counsel, the Purchase and Sale Agreement for the transfer of Assessor’s Block 4884, Lot 25, for the purpose of revitalizing the Alice Griffith Public Housing site, and to enter into any and all ancillary documents or take any additional actions necessary to consummate the transaction.

APPROVED AS TO FORM:

[Signature]

James B. Morales
Agency General Counsel