REPLACEMENT HOUSING PLAN
ALICE GRIFFITH REPLACEMENT PROJECTS PHASES I-III

The Successor Agency to the San Francisco Redevelopment Agency (“Agency”) has prepared this Replacement Housing Plan (“Plan”) to comply with the requirements of California Health and Safety Code Section 33413.5 to prepare a replacement plan describing how it will meet its replacement housing obligations of the Alice Griffith Replacement Project (the “Project”). This Plan will reflect the timing and number of units that will be demolished and replaced in the first three phases of development. Also, the number of units (by bedroom size) replaced by Phase, and the timing and number of units (by bedroom size) to be replaced by Phase are included in the Plan. This Plan is not intended to address relocation rights or obligations. The Relocation Plan for the Project, currently in process, responds to these requirements. As background, at least the first three phases of the Project will be built prior to any demolition of existing units. Ultimately, and over the course of multiple phases, the Project will demolish and replace all the 256 existing affordable public housing units with 256 new affordable housing units, plus an additional 243 new affordable units plus five managers’ units for a total of 504 new affordable units in the Bayview Hunters Point Redevelopment Project Area (Area B). The construction of the new units will be undertaken by Double Rock Ventures, LLC a California limited liability company (the “Developer”), under the direction of the Agency, the Mayor’s Office of Housing and Community Development and the San Francisco Housing Authority.

Introduction & Background

The Agency has awarded loan funds to the Developer to assist in the revitalization of the Alice Griffith public housing development. Under Section 33413 of the California Health and Safety Code, this funding decision triggers the Agency’s obligation to replace the housing units removed in the demolition of the Alice Griffith development. Initially, the Alice Griffith development consisted of 256 substandard public housing units owned and operated by the San Francisco Housing Authority. Phases I, II, and III, will be constructed prior to the demolition of any units at the Project. Phases I-III will consist of 306 units; 190 public housing replacement units and 113 units of affordable rental housing which will be affordable to households up to 50% of Area Median Income plus 3 managers’ units. Phases IV and V will consist of 198 units; 66 public housing replacement units and 130 units of affordable rental housing which will be affordable to households up to 50% of Area Median Income plus two managers’ units.

Furthermore, development plans include a mixture of market rate and below market-rate for-sale housing units, to create a mixed-income community similar to the rest of San Francisco. Finally, the 27.5 acre development will also include public open spaces, community and services spaces throughout the development, to serve its residents and the surrounding neighborhood.

The Replacement Housing Plan

The essential features of the Alice Griffith Replacement Housing Plan are:
• Units demolished at Alice Griffith will be replaced by newly constructed units;
• No demolition will occur prior to the completion of first 3 phases of construction;
• Replacement units will be located on the existing site of the Project and two adjacent parcels, in the Bayview Hunters Point Redevelopment Project Area;
• The affordability level of all replacement units will be at or below the affordability level of the units to be demolished; and
• Significantly, the number of new affordable housing units will exceed the number of units required to be replaced under State law.

California Health and Safety Code Section 33413.5 requires that the Agency adopt a replacement housing plan when Agency action leads to the removal of low and/or moderate income units. The replacement housing plan must include: (1) the general location of replacement housing units; (2) an adequate means of financing replacement units; (3) a finding that the replacement housing does not require the approvals of voters pursuant to Article XXXIV of the California Constitution; (4) the number of replacement units and income levels; and (5) a timetable for meeting the replacement housing objectives. The following addresses each of these elements in more detail:

(1) General Location of Replacement Housing

State law allows the Agency to provide replacement housing within the “territorial jurisdiction of the agency.” Cal. Health & Safety Code § 33413 (a). This jurisdiction includes all of San Francisco. Cal. Health & Safety Code § 33120. The current Project site is located at 211 Cameron Way and includes an approximate 22.5 acre site in the Bayview Hunters Point Redevelopment Project Area bordered by Hawes, Carroll and Gilman Streets as shown in the attached Current and Future Parcel Ownership Maps (the “Site”). Over the course of multiple phases, the new units will be built on a portion of the Site and on two 2.5 acre parcels directly adjacent to the Site (the “New Site”). In Phase I, no units will be demolished and 93 units will be built on the New Site as shown in the attached Current and Future Parcel Ownership Maps. Phase II of the Project will involve no demolition of existing affordable units and the construction of approximately 91 affordable units on the New Site. Phase III of the Project will involve no demolition of existing affordable units and the construction of approximately 121 affordable units plus one manager’s unit on the New Site. All 303 units will be available to households in the same or lower income category as the units that are eventually demolished, and thus these newly constructed units all qualify as “replacement dwelling units” under California Health & Safety Code Section 33413. Any unit types that are not replaced in Phases I, II, or III will be replaced in Phases IV and V. A map of the Site indicating Phases I, II, and III is attached as Exhibit A. All of the new replacement units will be located on the Site.

(2) Means of Financing Replacement Units

An adequate means of financing the development of replacement housing units exists. The Agency currently has funds set aside for affordable housing development in, or of benefit to, Phases I through III of the Site in its Recognized Obligation Payment Schedule.
for January to June 2014 (ROPS 13-14B), which has been approved by the Department of Finance (DOF) and will seek DOF approval for additional funds to complete Phase III in its Recognized Obligation Payment Schedule for July to December 2014 (ROPS 14-15A) or January to June 2015 (ROPS 14-15B). Specifically, the Agency will be using prior year bond proceeds, other Low Moderate Income Fund balances, and Redevelopment Property Tax Trust Funds received through ROPS 13-14B to develop the housing in Phases I through III. The Agency’s obligation, under Dissolution Law, is to provide funding and to fulfill obligations under the Hunters Point Shipyard Phase 2 Candlestick Point Disposition and Development Agreement, with respect to the redevelopment of the Alice Griffith Public Housing Project. These funds will assist in leveraging other funds such as federal Low Income Housing Tax Credits, AHP, HUD’s Choice Neighborhood Initiative Implementation funds or other federal, state or local resources, including the potential for Rental Assistance Demonstration funding to replace Annual Contributions Contract funding.

(3) Article XXXIV Requirements

Replacement housing units will be exempt from the requirements of Article XXXIV of the California Constitution, which requires voter approval of certain publicly-funded housing developments. Under Health and Safety Code Section 37001(f) for the purposes of Article XXXIV, the term “low rent housing project” does not include a “development [that] consists of the… replacement of dwelling units of a … project previously or currently occupied by lower income households.” In this case, the replacement units replace existing units that were previously occupied by lower income households, and, therefore, do not require Article XXXIV election approval. The 116 new units do require Article XXXIV. The Developer will seek additional authority for the 116 new units in Phases I-III.

(4) Number of Units and Income Levels

This Replacement Housing Plan addresses the replacement of Public Housing Units in the first three phases of the redevelopment of the Alice Griffith Public Housing project.

The following table shows: 1) the number and type of new replacement units constructed in Phase I; and 2) the number and type of new replacement units planned for construction in Phase II; and 3) the number and type of new replacement units planned for construction in Phase III. While more units will be built in Phases I through III than currently exist on site, there are forty nine 4-bedroom units and eighteen 5-bedroom units that will not be replaced in Phases I through III but will be replaced in Phases IV and V, thus ensuring that all of the original units will be replaced both in terms of the number of units and the unit sizes. All replacement units in all Phases will be affordable to the same or lower income category as the units that will eventually be removed from the Site. The Agency will record a regulatory agreement that ensures the affordability of the replacement units for a minimum fifty-five (55) year period.
(5) Timetable for Meeting Replacement Objectives

The Developer intends to complete construction of the replacement housing units over a number of phases. Construction of replacement units sufficient to meet the needs of most current residents will occur prior to demolition of any existing units, allowing most residents to move only once, from their existing housing to the new replacement housing. Currently, none of the first three phases of construction will include demolition of existing units because there are currently no units on the parcels upon which Phases I, II, and III will be built. Therefore replacement of all units and most unit types, will take place prior to the four-year timetable in Health and Safety Code Section 33413(a), which will not be triggered prior to at least 2016, resulting in a requirement for replacement of 2020. It is anticipated that the 306 units to be constructed in Phases I, II, and III will all come on line by mid-2017. Upon completion of Phase III, the overall number of replacement units will exceed the number of units currently on site, and in terms of unit size, all existing units will have been replaced except for forty nine 4-bedroom and eighteen 5-bedroom units. The existing buildings containing the 4-bedroom units not being replaced in Phases I-III and the 5-bedroom units are not yet scheduled to be demolished. These units will be replaced in Phases IV and V, which are anticipated to be completed by 2018. A Replacement Housing Plan for Phases IV and V, which will identify those 4- and 5-bedroom units by phase, is anticipated to be completed by the end of 2015, prior to the demolition of any units.

Exhibit A: Site Map
Exhibit B: Current and Future Parcel Ownership Maps