MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Tiffany Bohee, Executive Director

SUBJECT: Adopting environmental review findings pursuant to the California Environmental Quality Act, and conditionally approving Schematic Designs for the Alice Griffith Housing Development Blocks 2 and 4 pursuant to the Candlestick Point and Hunters Point Shipyard Phase 2 Disposition and Development Agreement with CP Development Co., LP; Bayview Hunters Point Redevelopment Project Area

EXECUTIVE SUMMARY

Alice Griffith (“AG” or the “Project”) is a public housing asset owned by the San Francisco Housing Authority (“SFHA” or “Housing Authority”) located within the Candlestick portion of the Hunters Point Shipyard (“Shipyard”) Phase 2 / Candlestick Point Project (“Phase 2”) within the Bayview Hunters Point Redevelopment Area. AG’s rebuild is an important community benefit that has been included in the Shipyard Phase 2 Development and Disposition Agreement’s (“DDA”) Below-Market Rate (“BMR”) Housing Plan and is part of the Project’s first Major Phase. The overall plan for the rebuilding of the Project is to provide new buildings that will include 1-for-1 rebuilding of all 256 AG units in an integrated development that will also include an additional 248 new affordable units for families earning up to 50 percent area median income (“AMI”) (part of the OCII Affordable Units required under the BMR Housing Plan), for a total of 504 units, in order to both retain affordability and establish a mix of incomes.

The developer of the Project, McCormack Baron Salazar (“MBS”), is now seeking schematic design approval of AG Phases 1 and 2, which are comprised of Blocks 4 and 2 respectively. The AG Schematic Designs application generally follows the Phase 2 Design Review and Document Approval Process (“DRDAP”) with the exception that AG Schematic Designs approval will precede approval of the Sub-phase of the surrounding property. Because of the tight schedule, which is driven by a $30.5 million grant awarded by the United States Department of Housing and Urban Development (“HUD”), the Executive Director of the Office of Community Investment and Infrastructure (“OCII”) will approve Sub-phase CP-01 after Commission consideration of AG Schematic Designs.

Staff recommends adopting environmental review findings pursuant to the California Environmental Quality Act, and conditionally approving Schematic Designs for Alice Griffith Blocks 2 and 4.
DISCUSSION

Hunters Point Shipyard and Candlestick Point Overview and Summary

The Hunters Point Shipyard and Candlestick Point areas (together the “Shipyard Project”) are comprised of approximately 780 acres along the long-neglected waterfront lands of southeastern San Francisco. The Shipyard Project will be developed in two phases and transform the land into productive areas for jobs, parks, and housing, including affordable housing.

The Shipyard Project will deliver over 12,000 new homes, approximately 32 percent of which will be below market rate and will include the rebuilding of the AG public housing development consistent with the City’s HOPE SF public housing revitalization program, up to 3 million square feet of research and development space, and more than 350 acres of new parks in the southeast portion of San Francisco. In total, the Shipyard Project will generate over $6 billion of new economic activity to the City, more than 12,000 permanent jobs, hundreds of new construction jobs each year, new community facilities, new transit infrastructure, and provide approximately $90 million in community benefits. The Shipyard Project’s full build out will occur over 20 to 30 years, but nearly 1,500 units of housing and 26 acres of parks will be completed over the next five years in the first phases on the Hilltop and Candlestick Point sites.

Phase 2 Major Phases

The Phase 2 DDA reflects a “horizontal” land development model, wherein the OCII assembles and conveys land to a competitively selected developer, in this case CP Development Co., LP, a partnership formed for the specific purpose of developing the Candlestick Point and Shipyard Phase 2 project and led by Lennar Corporation (“Lennar” or “the Developer”), together with other land acquired by the Developer, who in turn must build horizontal infrastructure improvements, together with the provision of various community amenities and other public benefits. In return, the Developer receives the right to sell land for vertical development. For vertical construction of new housing and commercial space, the DDA contemplates that the Developer may choose to build vertical projects itself or with affiliates, or alternatively to convey finished lots to other developers for construction.

The DDA’s DRDAP outlines the process by which horizontal and vertical designs are reviewed and permitted and prescribes a process for the Developer to receive development approvals for each Major Phase through a “Major Phase Application” that require Commission approval and subsequent Sub-Phases which are approved by OCII’s Executive Director. Following a Sub-Phase Approval, vertical developers may seek approval of vertical improvements within that Sub-Phase.

The AG Schematic Design application generally follows the Phase 2 DRDAP with the exception that AG Schematic Designs will be reviewed and considered before the approval of the Sub-phase of the surrounding property. Because of the tight schedule, which is driven by a federal grant, the Executive Director of the OCII will approve Sub-phase CP-01 after Commission consideration of AG Schematic Designs. Because there is no material change in the street grid layout or the location of the parcels, as set forth in the CP 1 Major Phase Approval, the approval of the AG Schematic Designs before approval of the Sub-phase will still be consistent with the infrastructure improvements provided for in the CP-01 Sub-phase.
Phase 2 Affordable Housing Program

The BMR Housing Plan stipulates that 31.36 percent or 3,345 units of 10,500 units be below-market rate units, including a one-for-one replacement of the existing public housing units ("Alice Griffith Replacement Units"), OCII Affordable Units, Inclusionary Units and Workforce Units. Three primary groups of providers will develop the BMR units: (1) qualified housing developers selected by OCII will develop the 1,140 OCII Affordable Units on the OCII Lots; (2) MBS will develop 256 AG replacement units and 248 OCII Affordable Units on the AG lots; and (3) Vertical Developers, including Lennar and its affiliates, will develop 809 Inclusionary Units and 892 Workforce Units in accordance with the BMR Housing Plan.

AG Overview

AG currently consists of 256 units of multi-family public housing and community services including the Alice Griffith Opportunity Center1, Hunters Point Family2 and a community garden as well as play space for an adjacent child care facility. The Project is located on Candlestick Point along Aurelius Walker Drive between Carroll Avenue and Gilman Avenue. The housing itself is in severe disrepair and must be replaced to preserve the health and safety of AG residents. Through the City’s HOPE SF program, the project site will be reconfigured to provide existing residents with completely new, high-quality housing that is both environmentally sound and equipped with modern amenities and will include new affordable housing units available to other low-income households.

Lennar selected, and OCII approved MBS to act as the developer for the Alice Griffith Replacement Units. MBS has extensive experience in affordable/mixed-income housing and public housing revitalization throughout the United States and has partnered with Urban Strategies, a non-profit organization coordinating community support services for AG residents to ensure that residents are engaged in both the physical and social aspects of the revitalization.

All of the 256 units will be replaced and integrated into newly constructed buildings developed by MBS and will include 248 new affordable units. The first phases of new homes will be built on vacant land adjacent to the Project site, meaning that existing residents will have the opportunity to move directly from their existing homes into new homes without leaving their community or risking displacement.

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1 The Alice Griffith Opportunity Center, the current services and community hub for AG residents, is operated by Urban Strategies ("US"). US is a non-profit partner of MBS, and has worked successfully with MBS on multiple public housing revitalization projects across the country. US brings expertise in the areas of case management, family support, education, economic development, and job training. US employs a team of service connectors and outreach workers who execute health, education, employment and public safety strategies. The consistent emphasis on community building and resident engagement supports the successful implementation of services.

2 Hunters Point Family ("HPF") operates the community garden at AG and has supportive services space on site at AG where they provide services to AG residents and the greater community. HPF specifically targets youth who are at "high-risk" for participating in violence, illegal acts, unsafe sex, drug abuse, school truancy, and other destructive activities. HPF’s Peacekeepers program is a crisis and violence prevention, intervention, and response program that provides services to youth (10-22) and their families.
Choice Neighborhoods Grant

In 2011, the AG public housing site was one of five projects selected nationwide for $30.5 million grants from HUD through its Choice Neighborhoods Initiative ("CNI"). The CNI program supports locally driven strategies to address struggling neighborhoods with distressed public or HUD-assisted housing through a comprehensive approach to neighborhood transformation. The CNI funding comes with a variety of deadlines and deliverables, the most important of which is a statutory obligation that grant funds must be expended by September 20, 2016 and units utilizing these funds must obtain temporary certificates of occupancy by September 20, 2016. In order to maintain the CNI schedule, MBS submitted Schematic Designs for the first two blocks of the new Alice Griffith development for OCII and City departmental review in October 2013 and to the Commission for its consideration on January 7, 2014.

After the 256 AG and 248 OCII Affordable units have been completed by MBS, Lennar and third party builders will develop on the remaining AG site market-rate and additional affordable units, as follows: approximately 382 market-rate units; 43 inclusionary units for households earning up to 120 percent AMI, and; 281 workforce units for households earning between 120 percent and 160 percent AMI, to be priced below-market. The 1,210 total units will serve households at all income levels. The table below provides further detail about the schedule and amounts of different types of units being constructed on the AG site:

### Alice Griffith Site: 1,210 Units

<table>
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<th>Phase</th>
<th>Block(s)</th>
<th>Construction Start (Est.)</th>
<th>Public Housing Replacement Units</th>
<th>OCII Affordable Units</th>
<th>Workforce Housing Units</th>
<th>Inclusionary Affordable Units</th>
<th>Market Rate Units</th>
<th>Total</th>
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<tr>
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<tr>
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<td>248</td>
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AG Development

The DDA originally contemplated that the Alice Griffith Replacement Units would be distributed throughout the AG site. The DDA provides for flexibility in determining the final AG lot placement. A panel reconfiguration, developed with community input, allows for the initial replacement units to be built on existing vacant land, reducing the potential for AG tenants required to move temporarily to an on-site unit before moving to a permanent unit, or "interim moves". The total number of units and the total number of blocks assigned with each affordable housing category remains the same. These changes, which accelerate the AG revitalization and maximize leverage of the CNI grant funds, are included in Major Phase 1 CP that was presented to the Commission in a workshop on November 5, 2013. The new lot configuration strategically...
locates the replacement affordable housing on seven blocks, the majority of which front a new central park (See Attachment 1, Site Map at Page 3).

The current plan is to rebuild AG in five construction phases. Estimated vertical construction commencement dates for each of AG’s five construction phases are provided below. Phases 1 and 2 are being developed concurrently and consists of blocks 2 and 4 respectively and are the subject of this Schematic Design approval request. Together, Phases 1 and 2 include 114 public housing replacement units and 70 OCII Affordable Units for a total of 184 units, and are scheduled to start construction in January 2015. Phase 3 of the Project will be on Block 1 and is scheduled to begin construction in August 2015. The last two phases of AG development are scheduled to begin construction in December 2016 and be complete by May 2018 in concert with Lennar’s infrastructure schedule.

The first three building phases will be located on vacant portions of land currently owned by the San Francisco Housing Authority, OCII, and the State of California through its State Park Commission (“State Parks”) (See Attachment 1, Site Map). The approximately 2.8 acre State Parks portion will be conveyed to OCII in June 2014. In accordance with the DDA, these completed blocks will subsequently be transferred to the San Francisco Housing Authority, which will hold the land with a long-term lease back to MBS who will manage the property. As each of the new buildings is completed, AG tenants will move into the new units, leaving vacated buildings that can then be demolished for additional new structures. MBS is in the process of retaining a relocation consultant to develop the relocation plan required by HUD and a replacement housing plan as required by California Community Redevelopment Law (“CRL”). The replacement housing plan will be considered by the Commission in association with the predevelopment funding request later in January of this year.

The remaining market-rate and workforce lots will be developed by third party developers, including Lennar affiliates, as provided in the DDA. Lennar has completed the schematic designs for infrastructure related to AG, and is on schedule to begin that work in spring of 2014. MBS has completed a site planning process for the entire development (with extensive community involvement) and will now design and develop the AG buildings in phases.

**AG Design Summary (see attached Schematic Design Submittal)**

**Architectural Overview**

Located at the eastern perimeter of AG, Blocks 2 and 4 serve as the gateway to the new neighborhood, connecting the higher density affordable housing with the proposed mixed-income, mixed use community within the existing fabric of single family homes.

The densities on Block 2 and Block 4 are 76 and 73 units/acre, respectively, and include a mix of housing types – flats and townhomes – reflecting the need to accommodate both large and small families. The 184 total units included in the two blocks are allocated between one-, two-, three-, and four-bedroom units further described in the below table; five-bedroom units will be built in subsequent phases:
Both blocks have a near-identical configuration: a single structure sitting atop a podium and wrapped around a podium-level central courtyard. The massing is articulated to create the appearance of two separate buildings: one larger building with double loaded corridors, rising five stories at its highest and wrapping three sides of the block with a lobby along Aurelius Walker Drive, administrative uses along the street level on Egbert Ave, and street accessible residential units along the outside frontage – Donner Ave for Block 2 and Fitzgerald Ave for Block 4; and one low-rise building rising three stories along G Street with walk-up units accessible from the street allowing for three- and four-bedroom units for large families with direct access to the outside without passing through common areas, corridors or elevators.

A private, secured parking garage with 51 car spaces and 36 bicycle spaces on Block 2 and 35 bicycle spaces on Block 4 is located on the ground level with access situated on Donner Ave and Fitzgerald Ave on Blocks 2 and 4, respectively. A podium-level central courtyard is accessible from a stairway along Egbert Avenue and the outer, parallel street; it is these courtyard entrances, situated directly opposite from each other, that create the appearance of two buildings per block. The courtyards are intended as community gathering space for residents, extending the community space from indoor to outdoor.

The units are designed for comfort and efficiency, with a separation of private and public uses, well-defined dining areas and spacious living rooms for family activity. All ground floor units are elevated between two feet and four feet above the street for privacy. Unit sizes are consistently larger and more efficient than the existing public housing units that they replace.

**Accessibility and Sustainability**

Unless otherwise indicated by the pending tenant survey, the Project will conform to the OCII standard practice regarding accessibility: 10 percent accessible units and a maximum number of adaptable units. MBS and the Project architect have met with representatives from the Mayor’s Office of Disability twice regarding feedback on the master plan and initial designs for phases 1 and 2, and current designs are consistent with ADA standards and guidelines.

The buildings will be highly energy and resource efficient in order to meet or exceed LEED for Homes Mid-Rise Silver Certification. The Project is designed to exceed Title 24 Energy requirements by 15 percent.
**Building Form and Materials**

Blocks 2 and 4 are located at the intersection of Arelious Walker Drive and Egbert Avenue, which is the most visibly prominent intersection of the Project. Therefore the building massing is broken into a corner signature element that reinforces the statement of a gateway and two 5-story volumes with 3-story bay windows to create a strong sense of identity. The landscaped courtyard at the podium level and the central park along Egbert is connected visually and physically by a grand staircase in both Block 2 and Block 4. Along Egbert, Donner and Fitzgerald, building massing scales down from 5-story to 4-story and 3-story to respond appropriately to the street hierarchy. The west side facade along G Street creates a 3-story row-house expression. Unique identity amongst units is created using differentiations in projections and material color. The ground floor features residential stoops, landscaped front yards, and tall windows, engaging the pedestrian-level walk. The exterior building material palette includes stucco, fiber cement board panels and siding, board formed concrete, and concrete masonry units as a base with a small portion of corrugated and perforated metal panel which punctuates the design and adds to the distinct, pedestrian-oriented character of the residential neighborhood.

**Landscaping**

The landscape design is consistent throughout both blocks, with a second level courtyard as the primary exterior living space for residents in each block. The courtyard is divided into a series of outdoor rooms that support a variety of activities which include: outdoor kitchens, contemplative zones, view terraces, and children’s play areas.

The courtyard design theme is inspired by nature with curvilinear forms crating wave patterns or fallen leaf patterns and is consistent with the landscaping elements for the surrounding Major Phase. Each courtyard connects to Egbert Avenue through a grand staircase.

**Design Review and Approval Process**

The Candlestick Point Design for Development ("D for D") provides land use controls and design guidelines necessary to implement the Project, which includes the construction of infrastructure, parks, and housing. The D for D acts as the zoning for the site, including controls for height, bulk, setbacks and lot sizes, but also establishes more detailed standards and guidelines to ensure that the ongoing physical planning and design of the development results in a highly desirable urban environment.

The Phase 2 DRDAP outlines the necessary documents, schedule, and procedures for the review and approval of design submittals. Under the DRDAP, a series of increasingly detailed design documents are required in the design process. They are, 1) Schematic Design, 2) Design Development, and 3) Construction Documents. The DRDAP requires the first design submittal to be presented to the Commission for review and approval.

Approval of vertical improvements follows a Major Phase and Sub-Phase approval under the DRDAP. The AG development is part of Major Phase 1-CP which will be considered by the Commission on January 7, 2014. The AG Schematic Design submittal is deviating from the standard DRDAP as Schematic Designs are being considered ahead of a CP-01 Sub-phase approval, but as noted above, staff does not view this deviation as material in this instance because the street layout and parcelization of the applicable lots has not changed. The CP-01 Sub-phase application was submitted to OCII on September 19, 2013 and is currently under
review. No major design concerns have been raised in this process and OCII Executive Director approval is anticipated in late January 2014. Approving the AG Schematic Designs for Blocks 2 and 4 before the Sub-phase approval is necessary in order to meet the CNI Grant schedule.

For the AG Schematic Designs application, OCII staff has also agreed to eliminate or postpone certain elements that would otherwise be required as provided in the DRDAP, for a Schematic Design submittal in order to maximize scheduling efficiencies, but which are inconsequential to the thoroughness or quality of the design review. OCII staff has determined that: (a) no model is required, but the design team instead will focus on perspective renderings and street views, and (b) no axonometric drawings are required because the high quality of perspective renderings eliminates the need for this type of three-dimensional technical drawings.

**Schematic Design Conditions of Approval**

As is typical, there are a few remaining design issues to be resolved in subsequent design stages, including the Design Development phase. OCII staff recommends approval of the AG Blocks 2 and 4 Schematic Designs subject to the following conditions:

1. Illustrate in further detail wall sections that clearly show the combinations of materials referenced in the Schematic Designs as well as the proposed volumes of each material in relation to one another.
2. Eliminate exterior materials that are sparsely used in order to simplify the material palette.
3. Provide materials, colors, finishes, and architectural detailing samples for review and approval by staff during the design development and construction phase in order to ensure that the quality and diversity shown in the Schematic Design is achieved and prepare constructed mock-ups of the exterior during an early phase of construction.
4. Propose alternatives to vinyl windows that allow for a recessed installation.
5. Relocate or modify the configuration of the transformer rooms in order to create secondary access from Donner or Fitzgerald Avenues to the podium courtyards, or provide justification for not creating this access.
6. Increase size of stoops that lead up to ground floor units, or provide justification for not making the change.
7. Use different techniques including but not limited to strategically-placed planters, scoring, and variations in finishing colors and textures, to visually expand the residential units and maximize the usable open space within the courtyards without creating physical barriers or separation.

**Small Businesses and Local Workforce**

The Phase 2 DDA requires MBS to follow an equal opportunity program, which consists of: 1) the Bayview Hunters Point Employment and Contracting Policy ("BVHP ECP"), 2) the Small Business Enterprise Policy ("SBE"), 3) the Nondiscrimination in Contracts and Equal Benefits Policy, 4) the Minimum Compensation Policy, 5) the Health Care Accountability Policy, 6) the Prevailing Wage Policy, and 7) the Card Check Neutrality Policy.
Under the BVHP ECP, developers must make good faith efforts to award 50 percent of the contracting opportunities to SBE consultants and contractors with first consideration for businesses with addresses in the BVHP Area (defined as zip codes 94124, 94134, and 94107). The BVHP ECP also requires developers to make good faith efforts to achieve 50 percent local workforce participation, with First Consideration to BVHP Area residents, in construction workforce hiring, permanent/temporary workforce hiring, and trainee program.

In addition, the HUD-funded project is subject to Section 3 of the HUD Act of 1968, which requires that “recipients of certain HUD financial assistance, to the greatest extent feasible, provide job training, employment, and contracting opportunities for low- or very-low income residents in connection with projects and activities in their neighborhoods.” Following federal guidelines 20 percent of contracts must go to qualified Minority and Women Business Enterprises that provide opportunities for qualified neighborhood residents and grant recipients are further encouraged to have Section 3 residents make up at least 30 percent of their permanent, full-time staff.

To date, the developer has achieved 54 percent SBE participation for professional consultant services. 50.4 percent of consultants are San Francisco-based SBEs, 32.3 percent are from minority-owned firms and over 12.1 percent are from women-owned firms.

Attached are MBS’s projections for construction hiring for Blocks 2 and 4 and the SBE professional services summary (see Workforce Jobs Projection and Professional Services Consultant Summary, Attachments 4 and 5).

**Design Team Selection**

Torti Gallas and Partners served as the architect for the master plan as well as for the buildings on AG Blocks 2 and 4. They were selected through a competitive, public procurement process in accordance with OCII requirements. Shortlisted firms were interviewed by a panel that included members of the development team, Lennar and OCII before a final selection was made.

**Community Outreach**

The proposed AG Schematic Designs underwent an extensive community process that included a week-long design charrette and additional public meetings with AG tenants and at the Hunters Point Shipyard Citizens Advisory Committee (“CAC”). The community process is summarized in the attached Design Charrette Summary. The inclusion of community design feedback is further described in the Charrette Results section on page 2 of the Design Charrette Summary (Attachment 3). OCII staff conducted a review of the proposed development and facilitated discussion on the designs at various CAC meetings in September, October, and November of 2013. At their December 9, 2013 meeting the CAC recommended approval of the AG Blocks 2 and 4 Schematic Designs.

**CALIFORNIA ENVIRONMENTAL QUALITY ACT**

On June 3, 2010, the San Francisco Redevelopment Commission certified the Final Environmental Impact Report (“FEIR”) for the Project as adequate, accurate, and objective and in compliance with CEQA Guidelines. As part of its actions on June 3, 2010, the Commission adopted findings pursuant to CEQA, including a Mitigation Monitoring and Reporting Program
and a Statement of Overriding Considerations for the Project, which findings are incorporated into the Resolution being considered alongside this memo.

OCII staff has determined that the AG Schematic Designs as submitted are consistent with the Project as analyzed in the Phase 2 EIR, and recommends that the Commission require no additional environmental review beyond the FEIR and Addendum No. 1 pursuant to State CEQA Guidelines Sections 15180, 15162, 15163, and 15164.

(Originated by Amabel Akwa-Asare, Assistant Project Manager, Hunters Point Shipyard)

Tiffany Bolje
Executive Director

Attachment 1: AG site plan
Attachment 2: Schematic Design Application
Attachment 3: Summary of Community Design Charette
Attachment 4: Consultant List
Attachment 5: Workforce projections