November 2013

REPLACEMENT HOUSING PLAN
HUNTERS VIEW PUBLIC HOUSING

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 during Phase II of the Hunters View revitalization project (the "Project"). This Plan will reflect the timing and number of units that have been demolished in Phase I, and will be demolished in Phase II. Also, the number of units (by bedroom size) replaced in Phase I, and the timing and number of units (by bedroom size) to be replaced for Phase II are included in the Plan. This Plan is not intended to address relocation rights or obligations. The Relocation Plan for the Project, approved and adopted in January 2009, responds to these requirements.

As background, Phase I of the Project consisted of the demolition of 113 public housing units. Ultimately, and over the course of multiple phases, the Project will demolish and replace all the 267 existing affordable public housing units with 267 new affordable housing units, in the Bayview Hunters Point Redevelopment Project Area (Areas A and B). The construction of the new units will continue to be undertaken by Hunters View Associates, L.P. a California limited partnership (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 Hunters View 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 Hunters View development. Initially, the Hunters View development consisted of 267 substandard public housing units owned and operated by the San Francisco Housing Authority. In Phase I, 113 existing public housing units were demolished, and 107 units of new affordable housing were constructed and are now 100% occupied. The Phase II units are currently vacant and due to health and safety issues, the demolition of the units has begun. The remaining units in the Phase III area are 52% occupied with existing residents who will ultimately move into the new units that will be built in Phase II. Over the course of multiple phases, the Project includes demolition and replacement of all existing 267 public housing units, as well as the incorporation of an additional approximate 83 units of affordable rental housing which will be affordable to households up to 50% of Area Median Income. 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 22 acre development will also include public open spaces, community serving retail if feasible and services spaces throughout the development, to serve its residents and the surrounding neighborhood.

The Replacement Housing Plan

The essential features of the Replacement Housing Plan for Phase I and II are:
Units demolished at Hunters View will be replaced by newly constructed units;
Replacement units will be located on the existing site of the Project, 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 Project site is located at 227-229 West Point Road and includes an approximate 22 acre site including Blocks 4624, Lots 1-8, Parcels A-D and Block 4720, Lot 27, Bayview Hunters Point Redevelopment Project Area (the “Site”). Over the course of multiple phases, the demolished units will be replaced by new units located on the Site. In Phase I, 113 units were demolished and replaced by 107 newly constructed affordable units located on the same Site. Phase II of the Project will involve demolition of 54 existing affordable units and the construction of approximately 182 affordable units on the same Site. All 182 units will be available to households in the same or lower income category as the units that are demolished as part of Phase II, and thus these newly constructed units all qualify as “replacement dwelling units” under California Health & Safety Code Section 33413.
Any units demolished in Phase I and II that are not replaced in Phase I or II will be replaced in Phase III. 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, Blocks 7 and 11 in Phase II of the Site in its Recognized Obligation Payment Schedule for January to June 2014 (ROPS 13-14B), which has been submitted to the Department of Finance (DOF) for approval. Specifically the Agency will be using new Redevelopment Property Tax Trust Fund (SB 2113 funds) for a portion of the new units, and a combination of prior year bond proceeds and other Low Moderate Income Fund balances will be used to redevelop the infrastructure and housing on Blocks 7 and 11. The Agency’s obligation, under Dissolution Law, is to provide funding and to fulfill
obligations under the Phase II-III Loan Agreement, with respect to the replacement units. These funds will assist in leveraging other funds such as HOPE SF, federal Low Income Housing Tax Credits, AHP, MHP, HOME or other federal, state or local resources, including the potential for Rental Assistance Demonstration funding to replace Annual Contributions Contract funding. The Mayor’s Office of Housing and Community Development will provide additional funding to leverage future non-local resources named above to facilitate the development of any units demolished in Phase I and II that are not replaced in Phase I or II will be replaced in Phase III.

(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 83 new units do require Article XXXIV authority and received authority in July 2010 for 27 new units in Phase I. The Developer will seek additional authority for the 27 new units in Phase II, and the remaining 29 new units in Phase III.

(4) Number of Units and Income Levels

This Replacement Housing Plan addresses the demolition and replacement of Phase I and Phase II Public Housing Units.

The following table shows: 1) the number and type of units demolished and the number and type of new replacement units constructed in Phase I; and 2) the number and type of units planned for demolition for Phase II and the number and type of new replacement units planned for construction in Phase II. There are eighteen 4-bedroom units and six 5-bedroom units that will not be replaced in Phases I and II but will be replaced in Phase III, 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 Phase II will be affordable to the same or lower income category as the units removed from the Site during Phase II. The Agency will record a regulatory agreement that ensures the affordability of the replacement units for a minimum fifty-five (55) year period.
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<th>Unit Size by Bedroom</th>
<th>Phase I Removal</th>
<th>Phase I Replacement</th>
<th>Phase II Removal</th>
<th>Phase II Replacement</th>
<th>Total Demolished Phases I &amp; II</th>
<th>Total Replaced Phases I &amp; II</th>
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**5) Timetable for Meeting Replacement Objectives**

The Developer intends to complete construction of the replacement housing units over a number of phases to facilitate the desire of the City to accommodate on-site relocation of the existing Hunters View residents. Currently, each phase will include demolition and construction of new units so that removal and replacement will take place within the four-year timetable in Health and Safety Code Section 33413(a). The removal of the units in Phase II is anticipated to occur at the end of 2013. This would result in the requirement for replacement of these Phase II units to be completed by the end of 2017. It is anticipated that the 182 units to be constructed in Phase II will all come on line in early 2017. Upon completion of Phase II, the overall number of replacement units will exceed the number of units demolished in Phase I and II, and in terms of unit size, all existing units will have been replaced except for eighteen 4-bedroom and six 5-bedroom units, which will be replaced in Phase III, which is anticipated to be completed by 2017.

Exhibit A: Site Map