

COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

RESOLUTION NO. 7-2018

**SELECTING MCCORMACK BARON SALAZAR AND BAYVIEW HUNTERS POINT
MULTIPURPOSE SENIOR SERVICES FOR THE DEVELOPMENT OF
APPROXIMATELY 100 AFFORDABLE FAMILY RENTAL HOUSING UNITS
(INCLUDING ONE MANAGER’S UNIT) AT HUNTERS POINT SHIPYARD PHASE 1
BLOCKS 52 AND 54; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT
AREA**

- WHEREAS, In furtherance of the objectives of the California Community Redevelopment Law (Health and Safety Code, section 33000 et seq. the “CRL”), the Redevelopment Agency of the City and County of San Francisco (the “Former Agency”) undertook programs for the reconstruction and construction of blighted areas in the City and County of San Francisco (“City”), including the Hunters Point Shipyard (“HPS”) Redevelopment Project; and,
- WHEREAS, Under Chapter 5, Statutes of 2011, ABx1 26, and Assembly Bill No. 1484 (Chapter 26, Statutes of 2011-12, Regular Session), the Former Agency was dissolved and certain obligations of the Former Agency were transferred, by operation of law, to the Successor Agency to the Redevelopment Agency of the City and County of San Francisco, commonly known as the Office of Community Investment and Infrastructure or “OCII.” ABx1 26 and Assembly Bill No. 1484 amended Sections 33500 et seq. of the California Health and Safety Code, which sections, as amended from time to time, shall be referred to herein as the “Dissolution Law;” and,
- WHEREAS, On October 2, 2012, the Board of Supervisors in its capacity as the legislative body of the Successor Agency adopted Ordinance No. 215-12, acknowledging that OCII is a separate legal entity as a result of AB 1484 and creating the Commission on Community Investment and Infrastructure (the “Commission”) as the policy body of OCII to implement remaining Major Approved Development Projects (including the HPS Redevelopment Project), the Retained Housing Obligations, and other enforceable obligations under the Dissolution Law; and,
- WHEREAS, The Hunters Point Shipyard Redevelopment Project is divided into two phases, called HPS Phase 1 and HPS Phase 2, each with a separate disposition and development agreement (“DDA”). The DDAs, together with a number of related binding agreements attached to or referenced in the text of the DDAs, establish a comprehensive set of enforceable obligations that collectively govern the completion of the Project. The DDAs are enforceable obligations under the Dissolution Law, that provide for the transfer of land from OCII to developers, the developers’ and OCII’s rights and obligations relating to the construction of specified improvements, and the financing mechanisms for completing the HPS Redevelopment Project; and,

- WHEREAS, On December 2, 2003, the SFRA Commission approved the HPS Phase 1 DDA with HPS Development Co, LP (“Developer”). The HPS Phase 1 DDA has been amended since its approval in 2003. The SFRA Commission authorized 1) on April 5, 2005, a First Amendment to the HPS Phase 1 DDA; 2) on October 17, 2006, a Second Amendment to the HPS Phase 1 DDA; 3) on August 5, 2008, a Third Amendment to the HPS Phase 1 DDA; 4) on August 19, 2008, a Fourth Amendment to the HPS Phase 1 DDA; 5) on November 30, 2009 a Fifth Amendment to the HPS Phase 1 DDA; and 6), and on December 19, 2012 the Commission approved a Sixth Amendment to the HPS Phase 1 DDA; and,
- WHEREAS On December 14, 2012, the California State Department of Finance issued a Final and Conclusive Determination under California Health and Safety Code § 34177.5 (i), that the HPS Phase 1 DDA is an enforceable obligation that survived the dissolution of the Former Agency; and,
- WHEREAS, The HPS Phase 1 DDA requires the Developer to undertake development of infrastructure in HPS Phase 1 to support 1,600 residential units and 26 acres of open space and parks, and permits the Developer to sell improved land to vertical developers for development of individual projects for residential and other uses. At least 10.5 percent of the units constructed by vertical developers must be affordable at 80 percent of Area Median Income (“AMI”). The HPS Phase 1 DDA also obligates Developer through a community benefits agreement, to provide training, assistance, and contracting opportunities to community residents and organizations, as well as offer opportunities for development of certain Lots to Bayview Hunters Point-based developers and contractors (“Community Builders”); and,
- WHEREAS, In addition to vertical developers’ affordable housing obligation, OCII will provide financing to construct at least 218 affordable housing units within Phase 1 (“Agency Affordable Housing Units”), bringing the overall percentage of all of the affordable housing within HPS Phase 1 to a minimum of 27 percent; and,
- WHEREAS, OCII is completing the enforceable obligations of the Former Agency in the HPS Redevelopment Project Area, including administration of the HPS Phase 1 DDA; and,
- WHEREAS, At the Commission’s public hearing on September 19, 2017 the OCII Executive Director and Staff presented a Housing Development Request for Proposals (the “RFP”) to develop and operate affordable rental housing units for families on Hunters Point Shipyard Phase 1 Blocks 52 and 54 (“Blocks 52/54”). After review and discussion of the RFP, the Commission did not object to its issuance and subsequently, on September 21, 2017, OCII issued the RFP; and,
- WHEREAS, OCII staff made extensive outreach efforts to attract submittals from qualified developers by the November 29, 2017 deadline. The RFP set forth specific submission requirements to be met in order to be fully reviewed by OCII staff; and,

WHEREAS, OCII formed an Evaluation Panel to review proposals for Blocks 52/54. The six-member panel consisted of a representative from the Hunters Point Shipyard Community Advisory Committee, representatives from the Mayor's Office of Housing and Community Development, two OCII housing staff, one member of the OCII design review staff and the Project Manager for the Hunters Point Shipyard and Candlestick Point Project Area (the "Evaluation Panel"). One representative from OCII's Contract Compliance team was present and provided analysis for scoring the Workforce and Contracting Action Plan sections of each submittal; and,

WHEREAS, OCII staff received three submittals that met the RFP's minimum threshold requirements from the following developer teams: BRIDGE Housing Corporation with San Francisco Housing Development Corporation, McCormack Baron Salazar and Bayview Hunters Point Multipurpose Senior Services, and Tenderloin Neighborhood Development Corporation with Young Community Developers. After a thorough review of the submittals and interviews with both teams, the Evaluation Panel determined that the proposal submitted by McCormack Baron Salazar and Bayview Hunters Point Multipurpose Senior Services (the "HPS 52/54 Development Team") had the highest ranking because of the strength of the proposal in responding to the RFP criteria; and,

WHEREAS, The Hunters Point Shipyard Citizens Advisory Committee ("CAC") was informed of this RFP on July 17, 2017, and the recommendation of the Evaluation Panel was presented to the CAC on February 12, 2018; and,

WHEREAS, After adoption of this resolution, OCII staff will negotiate with the HPS 52/54 Development Team and return to the Commission to request authorization to enter into an Exclusive Negotiations Agreement and Predevelopment Loan Agreement in the coming months; and,

WHEREAS, The selection of a developer for HPS 52/54 is an administrative activity that does not constitute a "Project" as defined by the California Environmental Quality Act ("CEQA") Guidelines Section 15378(b)(5), will not independently result in a physical change in the environment, and is not subject to environmental review under CEQA; now therefore, be it,

RESOLVED, That the Commission approves the selection of McCormack Baron Salazar and Bayview Hunters Point Multipurpose Senior Services as the HPS 52/54 Development Team and authorizes the Executive Director to negotiate an Exclusive Negotiations Agreement and Predevelopment Loan Agreement for future review and approval of the Commission.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of March 20, 2018.

Commission Secretary