

HOPE SF POTRERO
Development Agreement Summary
October 25, 2016

HOPE SF POTRERO:

Since its inception in 2008, HOPE SF has been a City sponsored anti-poverty initiative seeking to transform the lives and environment of the residents living in San Francisco's most distressed public housing sites through a major redevelopment effort to create a vibrant and thriving mixed income community. This Development Agreement ("DA") is an essential entitlement tool to grant the Developer vested rights to undertake the revitalization of the Potrero Terrace and Annex ("Potrero") HOPE SF public housing site.

The proposed development agreement between the City and County of San Francisco (the "City"), the non-profit developer Bridge Housing ("Developer"), and landowner San Francisco Housing Authority ("SFHA"), will allow for the redevelopment of the 38-acre Potrero public housing site. The site is located on the south slope of Potrero Hill bounded generally by Potrero Recreation Center to the north, Wisconsin Street to the west, 25th and 26th Streets to the south, and Texas Street to the east. The site is currently home to about 600 public housing households and is owned and operated by the San Francisco Housing Authority. The site is in a state of disrepair and has limited access to services, poor connectivity with the adjacent neighborhood, and no formal open spaces. It is the goal of the City and the Developer to realize the City's HOPE SF vision, which seeks to transform HOPE SF Potrero from its current condition into a vibrant mixed-income community that is well-served by City infrastructure and well-connected to City resources and opportunities.

DEVELOPMENT AGREEMENT:

The City and SFHA selected the Developer through a public request for proposals process in 2007 to lead revitalization of the site, and to own and manage the new affordable housing. The project's Environmental Impact Report/Environmental Impact Statement was certified by the Planning Commission on December 10, 2015. The City and the Developer are entering into this Development Agreement and associated Special Use District in order to secure long-term commitment to the important goals of HOPE SF. The Development Agreement reflects the unique nature of the site – a large, underdeveloped, and underinvested tract of public land that has the potential to become a thriving, mixed-use, accessible neighborhood for both existing and new residents. The DA memorializes increased development density and secures a significant package of public benefits beginning with the demolition and reconstruction of 619 public housing units, and including the construction of additional affordable housing, new market rate housing,

roadway, utility, and transportation improvements, and new neighborhood open space and social services.

The City and the Developer's commitment to this plan is memorialized in the Potrero Development Agreement, which must be recommended for approval by the Planning Commission and endorsed by the Recreation and Parks Commission, Department of Public Works Director, and San Francisco Municipal Transit Agency Board, before seeking final approval from the Board of Supervisors. Separately, the Developer and the City will enter into a Master Development Agreement ("MDA") with the property owner, the San Francisco Housing Authority, which will explicate rights and requirements related to land transfers and state and federal guidelines for public housing replacement.

SPECIAL USE DISTRICT AND DESIGN CONTROLS:

The DA is part of a larger regulatory approvals package that also includes a Planning Code text amendment creating a Special Use District ("SUD") for the Project Site, a companion Design Standards and Guidelines Document ("DSG"), a Planning Code map amendment, and a General Plan amendment. These design controls have been developed through lengthy discussions with Planning Department staff and community members to ensure that the urban, architectural, and landscape design of the buildings, public realm, and community improvements will be of high quality and appropriate scale, include sufficient open space, and promote public health, safety, and general welfare.

VESTED DEVELOPMENT PROGRAM:

The DA gives the Developer the vested right to develop the site during the DA's term. Vested elements consist of: locations and numbers of buildings; land uses and height and bulk limits; permitted uses; provisions for vehicular access and parking; and provision for new open spaces and public improvements. The housing development plan is divided into affordable parcels, which contain public housing replacement units and new affordable tax-credit units that will be constructed, owned and managed by the Developer, and market rate parcels, which are intended to be sold to independent private developers for the development of market rate units. As part of this vesting, development impact fees will not be assessed on the affordable parcels (which is consistent with existing Planning Code regulations), while market rate parcels will pay development impact fees in recognition of the large neighborhood investments being made.

Specifically, the Developer will have a vested right to develop **up to 1,700 new residential units**, which includes a required **minimum of 774 affordable and public housing units**, and an **anticipated 800 market rate units; 32,000 gross square feet of new**

community-serving uses including retail; 3.2 acres of publicly accessible open space; approximately **1,055 parking spaces** (primarily within underground or structured parking); and **approximately 839 bicycles spaces**. These rights will remain vested during the term of the DA.

PUBLIC BENEFITS:

The revitalization of this isolated, obsolete public housing site into a thriving vibrant mixed income community represents significant public benefit. In return for providing the Developer with the zoning changes and vested development program described above to achieve the revitalization vision, the City will receive a comprehensive package of public benefits. These benefits will be provided predominately in-kind through the construction of new roadways, utilities, community services, open spaces, and most critically through the provision of new housing for existing public housing households and additional affordable units for low-income qualifying households.

A. AFFORDABLE HOUSING PROGRAM

The Developer is required to construct affordable housing units equal to at least 125% of the existing units on site, or a minimum of 774 affordable units. This includes a 1-for-1 replacement of the existing 619 public housing units and the addition of new low-income units. A mixture of both types of affordable units will be contained within each new affordable housing building.

- i. Public Housing Replacement Units: Replacement public housing units will be supported with Project-Based Section 8 rent subsidies or Rental Demonstration Program (RAD) rent subsidies and offered to existing Potrero public housing residents in good standing. The provisions for design, delivery, tenanting, and operations and maintenance of the replacement public housing units must be in accordance with applicable U.S. Department of Housing and Urban Development (“HUD”) and SFHA regulations, HUD Section 18 application and award, and must comply with the terms of the MDA (including an approved relocation plan and conformance with the City’s Right to Return Ordinance), and any other funding requirements.
- ii. Low-Income Units: New tax credit units will be available to qualifying low-income households at up to 60% of AMI. Households will be selected per the policies and procedures of the Mayor’s Office of Housing and Community Development and will increase the City’s affordable housing stock.

B. PUBLIC INFRASTRUCTURE IMPROVEMENTS

The Developer will be responsible for designing, developing, and installing all Public Infrastructure Improvements including roadways, sidewalks, stormwater

management improvements in the public right-of-way, public utilities such as combined sewer, water, and power lines, bicycle paths in the public right of way, and transportation improvements. The City agrees to accept the project's completed Public Infrastructure Improvements, so long as those improvements have been designed and built to conform to all applicable City standards and the project's design controls.

C. OPEN SPACE

The Developer will be responsible for designing, developing, and installing the 3.2 acres of open space outlined in the project's DSG document. The project includes a main neighborhood park located at 24th and Connecticut Streets, adjacent to the neighborhood's concentration of new retail and community facilities on 24th Street. Additional open spaces include pocket parks, a community garden, and landscaped terraces. The project also plans for improved connections to the existing Potrero Recreation Center operated by the San Francisco Recreation and Parks Department ("RPD"). The Developer or its successors will be responsible for the maintenance and operation of the privately owned public open spaces, unless certain open spaces are dedicated to the City and are operated by RPD pursuant to mutual agreement of the parties (and as further outlined in the DA).

D. COMMUNITY AND CHILDCARE FACILITIES

The Developer will provide new childcare and community facilities in excess of today's existing site services. These facilities include a dedicated childcare center, an indoor recreation center, and community space for a number of social service organizations. The project's SUD and design controls allow for new neighborhood-serving retail space concentrated along 24th Street.

E. WORKFORCE DEVELOPMENT PROGRAM

The Developer will enter into a Memorandum of Understanding with the City's Office of Economic and Workforce Development ("OEWD") and the SFHA that outlines a specific workforce development program for the project. In keeping with SFHA regulations and HOPE SF Initiative goals, the workforce program places particular emphasis on hiring qualifying public housing residents seeking employment (at least 25% of total workforce hours). Working through OEWD's Citybuild program, these residents will have the opportunity to attend job readiness training and training academies for specific trades. In addition, the Developer will participate in the City's Small Business Enterprise program, which sets a percentage goal to hire qualified small businesses for construction and professional services, and in SFHA Resolution 2444, which outlines a goal of 20% aggregate involvement of Minority Business Enterprises/Women Business Enterprises in construction

contracts and procurement activities. The Developer will pay prevailing wages in connection with all construction activities.

F. MARKET RATE PARCELS

The Developer will prepare each designated market rate parcel for development, including rough grading and utility hook-ups. These parcels will then be sold to independent market-rate developers with the Development Agreement’s vested rights retained on these parcels. Regulations and process for these land transfers are to be specified in the MDA. Market rate parcels are not required to include affordable units, however the City reserves the right to include deed-restricted moderate income units in these developments through the provision of gap funding for such units. The proceeds from sale of these market rate parcels will provide a critical source of funding for the implementation of the Project. Market rate developments will pay the standard impact fees as outlined in the City’s Planning Code.

PROJECT DEVELOPMENT PHASING AND FUNDING:

The City has emphasized the provision of affordable housing in the Development Agreement’s Project Phasing Plan, which outlines the timing and scope of each development phase. The Project’s public benefits shall be constructed proportionate to the development of the affordable housing. The Developer and the City have retained flexibility in the order and scope of each phase in order to be responsive to relocation needs and changes in funding for the Project. The exact timing and scope of each development phase will be based on funding availability. The City and the Developer will work collaboratively to secure state and federal subsidies for the affordable units, procure City funding appropriations for the construction of the new infrastructure and open spaces, and enable the provision of affordable housing through MOHCD “gap” financing. Each phase will have separate funding and loan agreements between the Developer and MOHCD that outline specific funding terms and responsibilities.

Rebuild Potrero



CURRENT



FUTURE

In 2008, BRIDGE Housing was selected to lead the redevelopment effort of Potrero Terrace and Annex public housing sites as part of the City of San Francisco’s HOPE SF Initiative.

“Rebuild Potrero” is a comprehensive revitalization effort to rebuild 619 units of distressed public housing and create another 1,000 new homes with a range of affordability, community facilities, retail, open space, and neighborhood programs and services to improve the lives of current and future generations in the South Potrero neighborhood of San Francisco. Rebuild Potrero will be constructed in phases and current residents will be relocated within the property to the greatest extent possible to allow demolition and rebuilding of the site a portion at a time. The project will also be built to Leadership in Energy and Environmental Design for Neighborhood Development (LEED-ND) standards.

When complete, Rebuild Potrero will transform the Potrero Terrace and Annex public housing sites into a diverse, integrated new neighborhood; connect the South slope of Potrero Hill into the greater Potrero Hill and San Francisco community; and improve social outcomes for public housing residents and families.

Through an extensive community master planning and design process, a Rebuild Potrero Master Plan was developed in 2010 that meets the vision established by the community and accomplishes the following goals:

- Rationalize the street grid and create more north/south and east/west connections that will bind the neighborhood together physically and socially.
- Economically integrate the neighborhood.
- Generate economic opportunities for public housing residents.
- Create a new main street hub and heart of the community with opportunities for informal interaction between neighbors.
- Link low-income families to the services they need.

PROPOSED USES	CURRENT	PROPOSED
RESIDENTIAL UNITS	619	Approx. 1600
Public Housing	619	619
Affordable (40-60% AMI)	0	Approx. 200
Market Rate	0	Approx. 800
BUILDING HEIGHTS	30' - 40'	30' - 65'
OFF-STREET PARKING	Approx. 300	Approx. 1,100
BICYCLE SPACES	0	415
RETAIL SPACE	0	15,000
COMMUNITY CENTER	0	25,000 - 35,000
DAY CARE SPACES	50	125 est.
PUBLIC OPEN SPACE	0	Approx. 3.5 acres

The Importance of Building Community



An essential component of Rebuild Potrero is to not only transform the physical environment but to also improve social outcomes for current and future families of South Potrero.

Rebuild Potrero includes the implementation of a Trauma Informed Community Building Model¹ to ensure ongoing resident involvement in all aspects of the change process as well as a plan for comprehensive programs and services to meet the complex needs of public housing families. The Community Building Initiative, which was launched in 2009, provides daily community-building activities that are free and open to the entire community. These activities include:

- **Potrero Healthy Living Program:** Activities include a Walking Club, Zumba classes at the Potrero Hill Neighborhood House (NABE), healthy cooking workshops, meditation classes and a New Beginnings support group.
- **Potrero Garden Program:** Two community gardens with family garden workdays, an apprentice jobs program, children workdays and adult gardening classes.
- **Healthy Generations Project:** A peer-to-peer program focused on protecting the developmental health of children ages 0-5 by providing parent workshops, parent/child activities, and daily walking school buses to Starr King Elementary School and Daniel Webster Elementary School. The Healthy Generation Project aims to help children build resiliency to Adverse Childhood Experiences.
- **Rebuild Potrero Community Building Group:** Every month, residents, community members, and Potrero stakeholders come together at the NABE to share in a meal, celebrate community building successes and provide input into the Rebuild Potrero process. The group helps bridge the divide between the two Potrero slopes.
- **Unite Potrero Community-Wide Events:** Several times a year, community-wide events are held to bring the diverse communities of Potrero together for shared positive experiences and to build a sense of understanding and social cohesion. The community events are organized and implemented by event committees consisting of public housing residents, South and North Potrero community members and other Potrero stakeholders.

TIMELINE TO DATE	
2008	BRIDGE selected
2008 - 10	Community Vision & Design Process
2009 - Ongoing	Community Building Initiative
2010	Final Master Plan
2010 - 15	EIR and Land Use Approval Process
2012	Choice Neighborhood Planning Grant
2013 - 14	MTA & SFCTA transportation grants
2013 - 14	PARADISE Plan (Program and Service Delivery Plan)
2016 - 17	Construction commences

¹Trauma Informed Community Building available for free download: <http://bridgehousing.com/PDFs/TICB.Paper5.14.pdf>

SITE PLAN



REBUILD POTRERO | SITE PLAN DIAGRAMS

SAN FRANCISCO, CA | AUGUST 2013

