

RESOLUTION NO. 79-2009

Adopted July 21, 2009

AUTHORIZING THE EXECUTIVE DIRECTOR TO ACCEPT \$10,433,280 IN INFILL INFRASTRUCTURE GRANT PROGRAM FUNDS FROM THE STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR USE IN THE DEVELOPMENT OF 223 AFFORDABLE AND MARKET-RATE RENTAL HOUSING UNITS AT 5800 THIRD STREET, AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. The Redevelopment Agency of the City and County of San Francisco (“Agency”) has certain responsibilities under the California Community Redevelopment Law (Health and Safety Code, Section 33334.2) to maintain its Low and Moderate Income Housing Fund (“LMIHF”) for the purpose of increasing, improving and preserving San Francisco’s supply of housing available at affordable housing cost affordable to extremely low-, very low-, low-, and moderate-income households.
2. The Agency uses the LMIHF to fund, among other things, affordable rental housing that creates permanently affordable units for low- and moderate-income households.
3. To the greatest extent possible, the Agency attempts to leverage its LMIHF resources with other forms of state- and federally-sponsored assistance and private investment.
4. On January 30, 2009, the California Department of Housing and Community Development released a Notice of Funding Availability for Infill Infrastructure Grant Program (the “Program”) under the Proposition 1C, Housing and Emergency Shelter Trust Fund Act of 2006. The Program’s purpose is to promote infill housing development. Under this Program, grants are available to fund infrastructure improvements necessary for specific residential or mixed-use infill development projects.
5. On March 31, 2009, an application was submitted for Infill Infrastructure Grant funding for Phase 2 (Parcels III and IV) of the 5800 Third Street development (the “Site”), which will contain approximately 223 units of market-rate and affordable rental housing (the “Project”). SF Third Street Equity Partners, LLC (the “Developer”) currently owns the Site.

6. On July 1, 2009, the 5800 Third Street project application was awarded conditional funding in an amount not to exceed \$10,433,280. The award will be disbursed to the Developer and the Agency as co-recipients and both entities will manage and oversee the use of the funds consistent with the Program requirements. Further, any future transfers of the Site parcels will be subject to the affordability restrictions and other Program restrictions.
7. The Infill Infrastructure Grant funding awarded to the Site will be used to address significant utility work. Additionally, the award will include funding for the construction of utility infrastructure; surface improvements; landscaping infrastructure; and a multi-story parking garage.
8. A Preliminary Mitigated Negative Declaration (“PMND”) was prepared pursuant to the California Environmental Quality Act (“CEQA”) for the proposed Project by the San Francisco Planning Department (“Department”) and published on April 30, 2005. On May 19, 2005 and May 20, 2005, appeals of the PMND were received by the Department. After conducting a duly noticed public hearing, the San Francisco Planning Commission determined that the proposed Project would not cause significant impacts such that an environmental impact report would be required. A Final Negative Declaration was adopted by the Planning Commission on September 1, 2005.
9. The Final Negative Declaration describes the proposed Project, assesses potential environmental impacts of the proposed Project, and identifies mitigation measures to preclude significant impacts or reduce such impacts to less than significant levels. The proposed mitigation measures in the Final Negative Declaration have also been incorporated into the approval of the Conditional Use Authorization for the Project in Motion No. 17089 adopted by the Planning Commission on September 1, 2005.
10. Based on the Agency’s independent review of the Final Negative Declaration and all available information regarding the Project, the Agency finds that the proposed Project is consistent with the project description contained in the Final Negative Declaration and would not result in any significant impacts not identified in the Final Negative Declaration or any impact identified in the Final Negative Declaration that would be substantially more severe.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco:

1. The Final Negative Declaration for the proposed Project has been reviewed and the Agency finds that the Final Negative Declaration reflects the independent judgment and analysis of the Agency and adopts the Final Negative Declaration

as adequate and having been prepared in accordance with the California Environmental Quality Act; and

2. The Executive Director is authorized to accept \$10,433,280 in Infill Infrastructure Grant Program Funds from the State Department of Housing and Community Development for use in the development of 223 affordable and market-rate rental housing units at 5800 Third Street; Bayview Hunters Point Redevelopment Project Area.

APPROVED AS TO FORM:

James B. Morales
Agency General Counsel