

1 [Purchase and Sale Agreement - Redevelopment Agency for the Revitalization of the Alice  
2 Griffith Public Housing Site - East Side of Arelious Walker Drive at Gilman Avenue]

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4 **Resolution approving and authorizing the Redevelopment Agency of the City and**  
5 **County of San Francisco to sell land on the east side of Arelious Walker Drive, at**  
6 **Gilman Avenue, adjacent to the Alice Griffith Public Housing Site, Assessor’s Block No.**  
7 **4884, Lot No. 27, to McCormack Baron Salazar, Inc., a Missouri corporation, for the sole**  
8 **purpose of performing predevelopment and development work at the property for the**  
9 **revitalization of the Alice Griffith Public Housing Site, a HOPE SF development program**  
10 **that will provide one-for-one replacement of all Alice Griffith public housing units**  
11 **within a larger mixed-income community.**

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13 WHEREAS, The Redevelopment Agency of the City and County of San Francisco  
14 (“Agency”) and the City desire to increase the City’s supply of affordable housing, encourage  
15 affordable housing development through financial and other forms of assistance, and promote  
16 the redevelopment of the City’s most distressed public housing sites consistent with the  
17 principles of HOPE SF, as directed by Board of Supervisors Resolution No. 556-07; and,

18 WHEREAS, The transformation of severely distressed public housing developments,  
19 such as the Alice Griffith Public Housing Site (“Alice Griffith”), into thriving, mixed-income  
20 communities is one of five priority goals of the City and County of San Francisco’s 2010-2014  
21 Five Year Consolidated Plan (“Consolidated Plan”); and,

22 WHEREAS, The Agency owns certain vacant land on the east side of Arelious Walker  
23 Drive, at Gilman Avenue, known as Assessor’s Block 4884, Lot 27 (the “Property”), consisting  
24 of approximately 2.348 acres and immediately adjacent to Alice Griffith; and,

1           WHEREAS, The Property forms a section of the approximately 27 acres of Candlestick  
2 Point land that is to be assembled for the redevelopment of Alice Griffith into a new, mixed-  
3 income community, including the one-for-one replacement of all 256 existing Alice Griffith  
4 public housing units and the creation of 248 new affordable family rental units, as well as  
5 additional market-rate and below market-rate housing, a new park and open space, and other  
6 community facilities (“Alice Griffith Plan”); and,

7           WHEREAS, The Alice Griffith Plan is further described in the Below Market-Rate  
8 Housing Plan (“Housing Plan”) attached to the Disposition and Development Agreement for  
9 Candlestick Point – Hunters Point Shipyard Phase 2 Project (“CP-HPS2 DDA”) between the  
10 Agency and CP Development Co., LP (“CP Development”), as approved by the Agency  
11 Commission on June 3, 2010 by Resolution No. 69-2010; and,

12           WHEREAS, CP Development, in order to implement its responsibilities related to the  
13 Housing Plan and Alice Griffith Plan, entered into a joint-venture development agreement with  
14 McCormack Baron Salazar, Inc. (“MBS”), in recognition of MBS’s demonstrated expertise and  
15 experience in public housing replacement projects; and,

16           WHEREAS, On July 8, 2010 the Agency, the San Francisco Housing Authority  
17 (“Housing Authority”), the Mayor’s Office of Housing, and the Mayor’s Office of Economic and  
18 Workforce Development executed a Memorandum of Understanding (“MOU”) memorializing  
19 the parties’ interests, roles, and responsibilities in revitalizing Alice Griffith in conformance with  
20 the principles and goals of HOPE SF; and,

21           WHEREAS, On October 14, 2010, the Housing Authority authorized an Exclusive  
22 Negotiating Rights Agreement for the Alice Griffith Plan with CP Development and MBS,  
23 setting forth the procedures and standards by which the parties shall proceed with the Alice  
24 Griffith Plan; and,

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1           WHEREAS, In addition to requiring the conveyance of adjacent parcels,  
2           implementation of the Alice Griffith Plan requires significant financial investment, a portion of  
3           which the Agency has previously committed to in the Housing Plan, and a portion of which  
4           must be secured from non-City sources of funding, such as tax credit equity and federal  
5           funding opportunities like the Choice Neighborhoods Initiative Grant program (“Choice  
6           Neighborhoods”) created by the U.S. Department of Housing and Urban Development  
7           (“HUD”); and,

8           WHEREAS, The Alice Griffith transformation plan was selected by HUD among 42  
9           entries nationwide to compete as a Choice Neighborhoods finalist for approximately \$30  
10          million in construction, services and community facilities grant monies, funding which would  
11          substantially assist the Alice Griffith revitalization effort; and,

12          WHEREAS, In order to meet the threshold requirements of Choice Neighborhoods and  
13          to implement the Alice Griffith Plan detailed in the Housing Plan, the Agency wishes to enter  
14          into a purchase and sale agreement with MBS for the Property, a copy of which is on file with  
15          the Clerk of the Board of Supervisors in File No. 110512 (the “Agreement”); and,

16          WHEREAS, If the Choice Neighborhoods award is made, further conditions to closing  
17          the purchase and sale transaction will apply, principally that certain portions, or, potentially,  
18          all, of the Property has been designated as a lot specifically devoted to Alice Griffith  
19          replacement units and new affordable family rental units (“Alice Griffith Replacement Lot”);  
20          and,

21          WHEREAS, The Alice Griffith Replacement Lot will ultimately transfer to MBS (or its  
22          Agency-approved affiliate) or the Housing Authority in connection with a future disposition and  
23          development agreement and master development agreement approved by HUD and the  
24          Housing Authority (“Alice Griffith DDA”), which further conforms with the Alice Griffith Plan and  
25          CP-HPS2 DDA; and,

1           WHEREAS, If the Choice Neighborhoods award is not made, the Agreement between  
2 the Agency and MBS will be terminable by the Agency; and,

3           WHEREAS, Ownership of any portion of the Property not designated as an Alice  
4 Griffith Lot will be retained by the Agency for use and disposition in accordance with the CP-  
5 HPS2 DDA; and,

6           WHEREAS, Though the Agency is currently undergoing an appraisal to determine the  
7 value of the Property , the Agency will not require a cash payment as part of the Agreement  
8 because (i) the Alice Griffith Lot must eventually be deeded to the Housing Authority as  
9 required by the CP-HPS2 DDA and the Alice Griffith Lot will not be transferred until such time  
10 as there is an agreement with the Housing Authority for such transfer, or the Housing  
11 Authority agrees to accept the Alice Griffith Lot in place of MBS; (ii) the Alice Griffith Lot will be  
12 reappraised at the time of the Alice Griffith DDA execution, and (iii) the value of the Alice  
13 Griffith Lot will be assigned as an Agency contribution to the Alice Griffith Plan, as part of a  
14 larger financing program that will include low-income housing tax credits, developer subsidy,  
15 and Housing Authority and private land transfers at the time it is transferred to the Housing  
16 Authority; and,

17           WHEREAS, Because the Property was purchased with tax increment, Section 33433 of  
18 the California Community Redevelopment Law, Health and Safety Code Sections 33000 et  
19 seq. ("Community Redevelopment Law") requires the Board of Supervisors to conduct a  
20 public hearing and approve of the Agency's sale or lease of the Property; and,

21           WHEREAS, Pursuant to Section 33433 of the Community Redevelopment Law, on  
22 May 17, 2011, the Board of Supervisors held a duly noticed public hearing on the Agreement.  
23 The hearing has been closed. Notice of such hearing was published in accordance with  
24 Sections 33433 of the Community Redevelopment Law; and,

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1           WHEREAS, The Agency has prepared and submitted a report in accordance with the  
2 requirements of Section 33433 of the Community Redevelopment Law, including a copy of the  
3 Agreement, and a summary of the transaction describing the cost of the Agreement to the  
4 Agency, the value of the property interest to be conveyed, and other information. This report  
5 was made available for public inspection and is on file with the Clerk of the Board of  
6 Supervisors in File No. 110512 and incorporated herein by reference as though fully set forth;  
7 and,

8           WHEREAS, On July 27, 2010 the Board of Supervisors adopted Resolution No. 347-  
9 10, adopting findings under the California Environmental Quality Act (California Public  
10 Resources Code Sections 21000 et seq.), including the adoption of a mitigation monitoring  
11 and reporting program and a statement of overriding considerations in connection with the  
12 development of the Candlestick Point-Hunters Point Shipyard Phase 2 Project, of which the  
13 revitalization of Alice Griffith is a key component, which resolution is on file with the Clerk of  
14 the Board of Supervisors in File No. 100572; now, therefore, be it

15           RESOLVED, That the Board of Supervisors finds that since the adoption of Resolution  
16 No. 347-10, there have been no substantial project changes or changes in circumstances that  
17 would require revisions to the environmental analysis or findings, and no new information of  
18 substantial importance that would change the conclusions set forth in the environmental  
19 analysis; and be it

20           RESOLVED, That the Board of Supervisors does hereby find and determine that the  
21 Agreement between the Agency and MBS: (1) will provide housing for very low-income  
22 households; (2) is consistent with the Agency's citywide Tax Increment Affordable Housing  
23 Program, pursuant to Section 33342.2 et. seq. of the Community Redevelopment Law; (3) is  
24 consistent with the Bayview Hunters Point Redevelopment Plan; (4) carries terms and  
25 conditions to closing that are necessary to alleviate the severe distress and functional

1    obsolescence of Alice Griffith Public Housing, pursuant to the Consolidated Plan and the  
2    principles and objectives of HOPE SF; and (5) the consideration to be received by the Agency  
3    is not less than the fair reuse value at the use and with the covenants and conditions and  
4    development costs authorized by the Agreement; and, be it

5            FURTHER RESOLVED, That the Board of Supervisors hereby approves and  
6    authorizes the Agency to execute the Agreement between the Agency and MBS, substantially  
7    in the form on file with the Clerk of the Board of Supervisors in File No. 110512, and make  
8    such revisions to the Agreement as do not materially increase the obligations or liabilities of  
9    the agency or materially decrease the benefits to the Agency, as determined by the Agency's  
10   Executive Director, and to take any such further actions as may be necessary or appropriate  
11   to implement the Agreement.

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