

1 [Below-Market Rate Housing Plan Amendment - Candlestick Point-Hunters Point Shipyard
2 Phase 2 Project]

3 **Resolution of the Board of Supervisors, acting in its capacity as the Successor Agency**
4 **to the former Redevelopment Agency of the City and County of San Francisco,**
5 **approving an amendment to the Below-Market Rate Housing Plan for the Candlestick**
6 **Point-Hunters Point Shipyard Phase 2 Project in the Hunters Point Shipyard**
7 **Redevelopment Project Area and Bayview Hunters Point Redevelopment Project Area,**
8 **subject to Oversight Board and California Department of Finance approval; and making**
9 **environmental findings under the California Environmental Quality Act.**

10
11 WHEREAS, On July 14, 1997, by Ordinance No. 285-97, the Board of Supervisors
12 approved and adopted the Hunters Point Shipyard Redevelopment Plan ("HPS Plan"), which
13 establishes basic policies for development of the Hunters Point Shipyard Redevelopment
14 Project Area ("HPS Project Area"), pursuant to the Military Base Conversion Chapter of the
15 California Community Redevelopment Law (California Health and Safety Code, Sections
16 33492 et seq.); and

17 WHEREAS, On May 23, 2006, by Ordinance No. 113-06, the Board of Supervisors
18 approved and adopted the Redevelopment Plan for the Bayview Hunters Point
19 Redevelopment Project ("BVHP Plan"), which establishes basic policies for development of
20 the Bayview Hunters Point Redevelopment Project Area ("BVHP Project Area"); and

21 WHEREAS, On August 3, 2010, by Ordinance Nos. 0210-10 and 0211-10, the Board of
22 Supervisors approved and adopted amendments to the BVHP Plan and the HPS Plan,
23 respectively, in connection with development of the proposed Candlestick Point-Hunters Point
24 Shipyard Phase 2 Project (the "Project"); and
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1 WHEREAS, To implement the Project, the former Redevelopment Agency of the City
2 and County of San Francisco (the "Redevelopment Agency") and CP Development Co., LP, a
3 Delaware limited partnership ("Developer") entered into various agreements, including a
4 Disposition and Development Agreement (Candlestick Point and Phase 2 of the Hunters Point
5 Shipyard), dated as of June 3, 2010, which the parties previously have amended on two
6 occasions (the "DDA"); and

7 WHEREAS, The DDA proposed a cohesive, overall plan for development of Phase 2 of
8 the HPS Project Area (which excludes previously authorized development in the Hunters
9 Point Hill Residential District, referred to as "HPS Phase 1"), and development of Zone 1 of
10 the BVHP Project Area B (known as "Candlestick Point"); and

11 WHEREAS, The DDA includes a Below-Market Rate Housing Plan ("BMR Plan") that
12 establishes the parties' obligations to develop affordable housing, and requires that
13 approximately 32% of all housing built within the Project be affordable at several levels of
14 income(the "CP/HPS2 housing ladder" of affordability); and

15 WHEREAS, On July 13, 2010, the Board of Supervisors approved Motion No. 10-110,
16 affirming the Planning Commission's certification of the final environmental impact report for
17 the Candlestick Point-Hunters Point Shipyard Phase 2 Project ("FEIR") in compliance with the
18 California Environmental Quality Act ("CEQA") (California Public Resources Code, Sections
19 21000 et seq.); and

20 WHEREAS, A copy of this Motion is on file with the Clerk of the Board of Supervisors in
21 File No. 100862 and available on the Board's website, and is incorporated herein by reference
22 as though fully set forth; and

23 WHEREAS, Together with approval actions taken in 2010, this Board adopted
24 Resolution No. 347-10, making findings in relation to the Project pursuant to CEQA, including
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1 a statement of overriding considerations and a mitigation monitoring and reporting program
2 (“CEQA Findings”); and

3 WHEREAS, Copies of this Resolution and supporting materials are in the Clerk of the
4 Board of Supervisors File No. 100572 and available on the Board’s website, and the
5 Resolution and supporting materials are incorporated herein by reference as though fully set
6 forth; and

7 WHEREAS, On February 1, 2012, the State of California dissolved all redevelopment
8 agencies in the state and established successor agencies to assume certain rights and
9 obligations of the former agencies, as set forth in California Health & Safety Code, Sections
10 34170 et seq. (the “Redevelopment Dissolution Law”); and

11 WHEREAS, On October 2, 2012, by Ordinance No. 215-12, this Board (i) delegated its
12 state authority under the Redevelopment Dissolution Law to the Successor Agency to the
13 former Redevelopment Agency of the City and County of San Francisco (the “Successor
14 Agency”); (ii) established the Commission on Community Investment and Infrastructure
15 (“CCII”), to implement and complete the Major Approved Development Projects and Retained
16 Housing Obligations as those terms are defined in Ordinance No. 215-12, including
17 implementation of the Project in accordance with the DDA; and (iii) acknowledged that the
18 Successor Agency held all transferred assets and obligations of the dissolved Redevelopment
19 Agency under the Redevelopment Dissolution Law; and

20 WHEREAS, On December 4, 2012, the California Department of Finance determined
21 that the DDA and related agreements were enforceable obligations of the Successor Agency;
22 and

23 WHEREAS, In delegating its rights to the Successor Agency, this Board required that
24 the CCII obtain the approval of the Board of Supervisors of any modifications to the Major
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1 Approved Development Projects or Retained Housing Obligations that would materially
2 change the Successor Agency's obligations to provide affordable housing; and

3 WHEREAS, On April 17, 2018, after holding a duly noticed public hearing and
4 consistent with its authority under Redevelopment Dissolution Law and Ordinance
5 No. 215-12, CCII conditionally approved, by Resolution No. 16-2018, a third amendment to
6 the DDA ("DDA Third Amendment"), including an amendment to the BMR Plan ("BMR Plan
7 Amendment"), which authorizes the following: (i) construction, at Developer's discretion, of
8 a 105-unit residential project (104 BMR units plus one manager's unit) for residents aged 62
9 and over at 60% area median income ("AMI") and below, to be located within Sub-Phase
10 CP-02 in Candlestick Point (the "Senior BMR Project"); (ii) the relocation of approximately 172
11 residential units from HPS Phase 1, requiring 10.5% of those units (a total of 18 units) to be
12 affordable at 80% AMI; and (iii) priority in assignment of parking spaces to Certificate of
13 Preference holders who occupy affordable housing units in residential projects with less than
14 1 parking space for every unit; and

15 WHEREAS, The Senior BMR Project would fulfill affordable housing requirements for
16 several market-rate residential projects within the Project area, provided that the Senior BMR
17 Project is constructed prior to or at the same time as the first of those market-rate projects,
18 thereby accelerating the delivery of affordable housing units, with deeper affordability levels,
19 than called for in the existing BMR Plan; and

20 WHEREAS, Under the BMR Plan Amendment, approximately 32% of housing built
21 within the Project would continue to be affordable in accordance with the CP/HPS2 housing
22 ladder and if Developer elects to develop the Senior BMR Project, the CP/HPS2 housing
23 ladder would be adjusted to reflect the Senior BMR Project at 60% AMI; and

24 WHEREAS, The Successor Agency determined in Addendum No. 5 for the Project that
25 proposed modifications to the Project, including the BMR Plan Amendment, will not result in

1 any new significant impacts or a substantial increase in the severity of previously identified
2 significant effect that would alter the conclusions reached in the FEIR; and

3 WHEREAS, A copy of Addendum No. 5 and supporting materials are in the Clerk of the
4 Board of Supervisors File No. 180476 and available on the Board's website, and the findings
5 in Addendum No. 5 and supporting materials are incorporated herein by reference as though
6 fully set forth; and

7 WHEREAS, On April 17, 2018, CCII determined by Resolution No. 11-2018 that the
8 analysis conducted and the conclusions reached in the FEIR as to the environmental effects
9 of the Project, together with further analysis provided in Addendum No. 1, Addendum No. 4
10 and Addendum No. 5 to the FEIR, remain valid and can be relied upon for approval of the
11 BMR Plan Amendment in compliance with the CEQA; and

12 WHEREAS, As part of Resolution No. 11-2018, CCII made findings regarding the
13 modifications to 16 previously adopted mitigation measures as recommended in Addendum
14 No. 5, and approved the modifications to the adopted mitigation measures; and

15 WHEREAS, For two of these mitigation measures, Mitigation Measure TR-16 (Widen
16 Harney Way) and UT-2 (Auxiliary Water Supply System), the language reflects minor changes
17 previously approved based on Addendum No. 1 and Addendum No. 4 as reflected in CCII
18 Resolution Nos. 01-2014 and 13-2016; and

19 WHEREAS, In addition, CCII Resolution No. 13-2016 approved modifications to
20 Mitigation Measure TR-23.1 (Maintain Proposed Headways of the 29 Sunset), to assure that
21 transit travel times would be consistent with the FEIR analysis; and

22 WHEREAS, A copy of Resolution No. 11-2018 and supporting materials, including
23 without limitation Addendum No. 1 and Addendum No. 4, and copies of Resolution
24 Nos. 01-2014 and 13-2016 are in the Clerk of the Board of Supervisors File No. 180516 and
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1 available on the Board’s website, and are incorporated herein by reference as though fully set
2 forth; and

3 WHEREAS, Under Redevelopment Dissolution Law, the Oversight Board of the City
4 and County of San Francisco must review and approve any amendment to an enforceable
5 obligation, such as the BMR Plan Amendment, but only if it finds that the amendment would
6 be in the best interests of the taxing entities; and

7 WHEREAS, Under Redevelopment Dissolution Law, the California Department of
8 Finance (“DOF”) must receive notice and information about all Oversight Board actions, which
9 do not take effect until DOF has either not requested additional review within five business
10 days of the notice or requested additional review and approved the action within 40 days of its
11 request for additional review (“DOF Approval”); and

12 WHEREAS, The Board of Supervisors held a public hearing on June 26, 2018, on the
13 adoption of the proposed BMR Plan Amendment; the hearing has been closed; and

14 WHEREAS, The Board has reviewed and considered the recommendations of CCII,
15 the FEIR, and the CEQA Findings, including the statement of overriding considerations that
16 this Board previously adopted in Resolution No. 0347-10, the findings in Addendum No. 5, the
17 findings in CCII Resolution No. 11-2018, and the findings in CCII Resolutions Nos. 01-2014
18 and 13-2016 concerning amendments to adopted mitigation measures; now, therefore, be it

19 RESOLVED, That the Board finds that the actions contemplated by this resolution are
20 included in the actions identified in CCII Resolution No. 11-2018 for purposes of compliance
21 with CEQA; and, be it

22 FURTHER RESOLVED, That the Board hereby adopts the additional CEQA Findings
23 in CCII Resolution No. 11-2018 as its own, including approving the modifications to the 16
24 adopted mitigation measures recommended for modification in Addendum No. 5; and, be it

1 FURTHER RESOLVED, Additionally, the Board approves the modifications previously
2 approved by CCII to Mitigation Measures TR-16, TR-23.1, and UT-2 for the reasons set forth
3 in CCII Resolution Nos. 1-2014 and 13-2016; and, be it

4 FURTHER RESOLVED, That the Board of Supervisors conditionally approves the
5 proposed BMR Plan Amendment on file with the Board in File No. 180549 subject to approval
6 of the BMR Plan Amendment by the Oversight Board and DOF; and, be it

7 FURTHER RESOLVED, That the Board of Supervisors authorizes, subject to Oversight
8 Board and DOF approval, the Executive Director of the Successor Agency or her designee to
9 execute the DDA Third Amendment including the BMR Plan Amendment in substantially the
10 form of the BMR Plan Amendment on file with the Clerk of the Board of Supervisors in File
11 No. 180516; and, be it

12 FURTHER RESOLVED, That all actions taken by City officials and CCII in preparing
13 and submitting the BMR Plan Amendment to the Board of Supervisors for review and
14 consideration are hereby ratified and confirmed, and the Board of Supervisors hereby
15 authorizes all subsequent action to be taken by Successor Agency, CCI and City officials
16 consistent with this resolution.

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City and County of San Francisco

Tails

Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 180549

Date Passed: June 26, 2018

Resolution of the Board of Supervisors, acting in its capacity as the Successor Agency to the former Redevelopment Agency of the City and County of San Francisco, approving an amendment to the Below-Market Rate Housing Plan for the Candlestick Point-Hunters Point Shipyard Phase 2 Project in the Hunters Point Shipyard Redevelopment Project Area and Bayview Hunters Point Redevelopment Project Area, subject to Oversight Board and California Department of Finance approval; and making environmental findings under the California Environmental Quality Act.

June 25, 2018 Land Use and Transportation Committee - RECOMMENDED AS COMMITTEE REPORT

June 26, 2018 Board of Supervisors - ADOPTED

Ayes: 11 - Breed, Cohen, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Stefani, Tang and Yee

File No. 180549

I hereby certify that the foregoing Resolution was ADOPTED on 6/26/2018 by the Board of Supervisors of the City and County of San Francisco.

Handwritten signature of Angela Calvillo for Clerk of the Board

Handwritten signature of Mark Farrell, Mayor

Handwritten date 6/28/18, Date Approved