

COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

RESOLUTION NO. 29-2024

September 3, 2024

**AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A FIRST
AMENDMENT TO THE TAX ALLOCATION PLEDGE AGREEMENT BETWEEN
THE AGENCY AND THE CITY AND COUNTY OF SAN FRANCISCO FOR THE
DEVELOPMENT OF CANDLESTICK POINT AND PHASE 2 OF THE HUNTERS
POINT SHIPYARD; BAYVIEW HUNTERS POINT AND HUNTERS POINT
SHIPYARD REDEVELOPMENT PROJECT AREAS**

- 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 Bayview Hunters Point Redevelopment Project Area (“**BVHP Project Area**”) and the Hunters Point Shipyard Redevelopment Project Area (“**HPS Project Area**”); and,
- WHEREAS, The Board of Supervisors of the City and County of San Francisco (“**Board of Supervisors**”) adopted the Hunters Point Shipyard Redevelopment Plan (“**HPS Plan**”) on July 14, 1997 by Ordinance No. 285-97 and amended the HPS Plan on August 3, 2010 by Ordinance No. 211-10, on June 22, 2017 by Ordinance No. 122-17, and on July 16, 2018 by Ordinance No. 0166-18; and,
- WHEREAS, On May 23, 2006, the Board of Supervisors amended the Bayview Hunters Point Redevelopment Plan (“**BVHP Plan**”) by Ordinance No. 113-06, on August 3, 2010 by Ordinance No. 210-10, on June 22, 2017 by Ordinance No. 123-17, and on July 16, 2018 by Ordinance No. 0166-18; and,
- WHEREAS, On June 3, 2010, the former Redevelopment Agency Commission of the City and County of San Francisco (the “**Former Agency**”) took several actions approving (or recommending for approval of) a program of development for approximately 700 acres of land within the BVHP Plan and HPS Plan areas (“**CP/HPS2 Project**”) including a Disposition and Development Agreement (Candlestick Point and Phase 2 of the Hunters Point Shipyard) by and between the Former Agency and CP Development Co., LLC (“**Developer**”); and,
- WHEREAS, The Disposition and Development Agreement, was amended by the First Amendment, dated as of December 19, 2012, the Second Amendment, dated as of December 1, 2014, the Third Amendment, dated as of August 10, 2018, and the Fourth Amendment, dated as of September 3, 2024 (collectively, including all attached and incorporated exhibits and as amended from time to time, the “**DDA**”); and,

- WHEREAS, In connection with the execution of the DDA, the Redevelopment Agency and the City executed and delivered the Tax Increment Allocation Pledge Agreement (Candlestick Point and Phase 2 of the Hunters Point Shipyard) dated for reference purposes only as of June 3, 2010, as attached as Exhibit A (the “**Original Pledge Agreement**”); and,
- WHEREAS, The purpose of the Original Pledge Agreement is to provide for: 1) the irrevocable pledge of all net available tax increment from the Project Site for the purposes of financing or refinancing the construction of public infrastructure and certain other public improvements on the Project Site; and 2) the irrevocable pledge of housing increment for affordable housing. As set forth in the Financing Plan attached to the DDA, the Agency will incur specific obligations to finance certain costs of the Project, including the pledge of tax increment from the Project Site for public improvements and affordable housing purposes, subject to the approval of the Board of Supervisors. Tax increment from the Project Site or the proceeds of bonds secured by a pledge of tax increment will be used to make payments on indebtedness of the Agency to pay or otherwise reimburse directly the costs of public infrastructure or other public improvements; and,
- WHEREAS, Pursuant to California Health and Safety Code §§ 34170 et seq. (the “**Dissolution Law**”), the Former Agency was dissolved as of February 1, 2012; and,
- WHEREAS, 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, herein “**Successor Agency**” or “**OCII**”) is completing the enforceable obligations of the Former Agency with regard to the HPS and BVHP Project Areas, including implementation of the CP/HPS2 Project, under the authority of the CRL as amended by the Dissolution Law, and under San Francisco Ordinance No. 215- 12 (Oct. 4, 2012) (establishing the Successor Agency Commission (“**Commission**”) and delegating to it state authority under the Dissolution Law); and,
- WHEREAS, On December 14, 2012, the California Department of Finance determined “finally and conclusively” that the DDA and tax allocation pledge agreements, including the affordable housing programs, are enforceable obligations under the Dissolution Law; and,
- WHEREAS, On September 13, 2023, the Governor signed into law Senate Bill 143 (2023) (“**SB 143**”) which amended Health & Safety Code section 34177.7 to add subdivision (j) which states that “the limitations relating to time for establishing loans, advances, and indebtedness, the effectiveness of the redevelopment plans, the time to repay indebtedness, the time for applying tax increment, the number of tax dollars, or any other matters set forth in Section 33333.2 and Section 33492.13 shall not apply” to the Project. SB 143 provides that the applicable time limits for establishing loans, advances, and indebtedness, the effectiveness of the redevelopment plans, the time to repay indebtedness and receive property taxes will be established in the Project agreements. SB 143 further clarified that

Redevelopment Dissolution Law does not “limit the receipt and use of property tax revenues generated from the HPS Redevelopment Plan project area or Zone 1 of the BVHP Redevelopment Plan project area” in connection with the Project; and,

WHEREAS, The parties now propose a first amendment to the Original Pledge Agreement (“**First Amendment**”) to implement the provisions of SB 143; and,

WHEREAS, As authorized by SB 143, the First Amendment authorizes the Successor Agency to use tax increment funds from Zone 1 of the BVHP Redevelopment Plan Area and Phase 2 of the Shipyard Redevelopment Plan Area to finance the Qualified Project Costs and other costs necessary for the Project throughout both Zone 1 of Project Area B of the BVHP Redevelopment Plan Area and Phase 2 of the Shipyard Redevelopment Plan Area, including the issuance of tax allocation debt secured by a pledge of property tax increment from the BVHP Redevelopment Plan Area and the Shipyard Redevelopment Plan Area, subject to the time limits in the BVHP Redevelopment Plan and the Shipyard Redevelopment Plan on incurring indebtedness; and,

WHEREAS, To implement SB 143, the First Amendment provides that the Successor Agency may not establish or incur loans, advances or indebtedness to finance in whole or in part its activities in Phase 2 of the Shipyard Redevelopment Plan Area beyond thirty (30) years from the Initial HPS Transfer Date (as defined in the HPS Plan) plus an additional fifteen (15) years which represents the “Anticipated Navy Delay” (as defined in the First Amendment and further described below). The Agency may not pay indebtedness or receive property taxes from Phase 2 of the Shipyard Redevelopment Plan Area after forty-five (45) years after the Initial HPS Transfer Date plus an additional fifteen (15) years which represents the Anticipated Navy Delay. The Navy has recently informed OCII that completion of remediation and conveyance of all portions of Phase 2 of the Shipyard Redevelopment Plan Area, excluding Parcel F, to Developer will occur between 2036-2038, including time needed for a Finding of Suitability for Transfer and associated conveyance documentation. As shown in the correspondence from the Navy attached as Exhibit 1 to this Resolution, this estimated delay (defined as the Anticipated Navy Delay in the First Amendment) warrants an additional extension of the redevelopment timelines referenced in this paragraph established pursuant to SB 143 to include fifteen (15) additional years for purposes redevelopment activities on the Shipyard Site and related tax increment financing; and,

WHEREAS, To implement SB 143, the First Amendment provides that the Successor Agency may not incur or establish loans, advances or indebtedness to finance in whole or in part its activities in Zone 1 of Project Area B beyond thirty (30) years from the 2024 Plan Amendment Date (as defined in the BVHP Plan). The Successor Agency may not pay indebtedness or receive property taxes pursuant Health & Safety Code section 33670 from Zone 1 of Project Area B after forty-five (45) years from the 2024 Plan Amendment Date. Solely for the purpose of incurring or establishing loans, advances or indebtedness, or using property tax revenues generated from Zone 1 of the BVHP Project Area to fund Qualified Project Costs and other costs

necessary to complete the enforceable obligations in Phase 2 of the Shipyard Redevelopment Plan Area, the time limits referenced in this paragraph shall include an additional fifteen (15) years which represents the Anticipated Navy Delay as described in the preceding paragraph; and,

WHEREAS, Consistent with the BVHP Plan and HPS Plan, which set forth the maximum bonded indebtedness that can be outstanding at any one time for both Zone 1 of the BVHP Project Area and Phase 2 of the HPS Project Area, the First Amendment establishes that the collective, single limit on the amount of bonded indebtedness that can be outstanding at one time for both the for both Zone 1 of the BVHP Project Area and Phase 2 of the HPS Project Area is \$5.9 billion in the aggregate; and,

WHEREAS, The Pledge Agreement will increase the amount of revenues to the taxing entities by enhancing and promoting the development of the CP/HPS2 Project, facilitate the revitalization of the community and encourage further investment in the area, and generate employment opportunities throughout the CP/HPS2 Project area; and,

RESOLVED, That the Commission hereby finds that the First Amendment is included in the actions identified in Resolution No. 22-2024 for purposes of compliance with CEQA; and be it further

RESOLVED, That in Resolution No. 22-2024, adopted on September 3, 2024, the Commission adopted findings that various actions facilitating modification of the CP/HPS2 Project, including the First Amendment, were in compliance with CEQA. Said findings are on file with the Commission Secretary and are incorporated herein by reference. Said findings are in furtherance of the actions contemplated in this Resolution and are made part of this Resolution by reference herein; and be it

RESOLVED, That the Commission approves the First Amendment substantially in the form lodged with the Commission Secretary, subject to Oversight Board and DOF approval as required under the Dissolution Law; and be it further

RESOLVED, That the Commission authorizes the OCII Executive Director, prior to execution, to make changes and take any and all steps, including but not limited to the attachment of exhibits and the making of corrections, as necessary or appropriate to consummate the First Amendment, provided, however, such changes and steps do not materially increase the burdens and responsibilities of OCII or materially decrease the benefits to OCII from the First Amendment; and be it further

RESOLVED, That the Commission authorizes the OCII Executive Director to take all actions as may be necessary or appropriate, to the extent permitted under applicable law and under the First Amendment, to effectuate OCII's performance thereunder.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of September 3, 2024.


Commission Secretary

EXHIBIT 1: Email correspondence from Danielle Janda to the Office of Community Investment and Infrastructure dated July 30, 2024, with accompanying Attachment “Hunters Point Naval Shipyard” schedule dated 5/10/2024.

From: [Janda, Danielle L CIV USN \(USA\)](#)
To: [Hussain, Lila \(CII\)](#)
Cc: [Pound, Michael J CIV USN NAVFAC WASHINGTON DC \(USA\)](#); [Moss, Curtis M CIV USN \(USA\)](#)
Subject: HPNS Updated FFS Schedule
Date: Tuesday, July 30, 2024 12:33:07 PM
Attachments: [REVISED TAB B HPNS Schedule Revised Final May 10 2024.pdf](#)

Good Afternoon Lila,

In May, the Secretary of the Navy provided a letter to Speaker Emerita Pelosi that laid out our current schedule. In that letter we had updated the FFA schedule to account for the objects found in Parcels B and C.

I attached a modified version of the table. Will this work for your purposes of updating the FFA schedule? I don't want to do something different and risk mistakenly providing dates that do not match what we gave Speaker Emerita Pelosi.

V/r,

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