

1 [Amendment to Tax Increment Allocation Pledge Agreement for Candlestick Point and Phase
2 of the Hunters Point Shipyard Project]

3 **Resolution approving an amendment to the Tax Increment Allocation Pledge**
4 **Agreement between the City and County of San Francisco and the Office of Community**
5 **Investment and Infrastructure for the pledge of net available tax increment to finance**
6 **public improvements and affordable housing in furtherance of the Candlestick Point**
7 **and Phase 2 of the Hunters Point Shipyard Redevelopment Project; adopting findings**
8 **under the California Environmental Quality Act; and adopting findings that the**
9 **agreement is consistent with the General Plan, and eight priority policies of Planning**
10 **Code, Section 101.1.**

11
12 WHEREAS, In May 2007, the Board of Supervisors approved Resolution No. 264-07,
13 endorsing a conceptual framework (the "Conceptual Framework") for the integrated
14 development of Phase 2 of the Hunters Point Shipyard and the Candlestick Point subarea
15 ("Zone 1") of the Bayview Hunters Point Project Area (the integrated development site, the
16 "Project Site"); and

17 WHEREAS, The Conceptual Framework envisioned a major mixed-use project,
18 including hundreds of acres of new and restored open space, thousands of new units of
19 housing, a robust affordable housing program, extensive job-generating retail and research
20 and development space, permanent space for the artist colony that exists in the Shipyard, and
21 a site for a new stadium for the 49ers on the Shipyard (the "Project"); and

22 WHEREAS, On June 3, 2008, the City's voters passed Proposition G, the Jobs Parks
23 and Housing Initiative, which: (1) adopted policies for the revitalization of the Project Site; (2)
24 authorized the conveyance of the City's land under Recreation and Park Department
25 jurisdiction within Candlestick Point in furtherance of the Project, provided that the transferred

1 property is replaced with other property of at least the same acreage that will be improved and
2 dedicated as public parks or open space in the Project; (3) repealed Proposition D and
3 Proposition F (June 1997) relating to prior plans for the development of a new stadium and
4 retail entertainment project on Candlestick Point; and (4) urged the City and County of San
5 Francisco (the "City"), the former Redevelopment Agency of the City and County of San
6 Francisco (the "Agency"), and all other governmental agencies with jurisdiction to proceed
7 expeditiously with the Project; and

8 WHEREAS, On August 3, 2010, in Ordinance Nos. 210-10 and 211-10, the Board of
9 Supervisors approved and adopted amendments to the Redevelopment Plan for the Bayview
10 Hunters Point Project ("BVHP Plan") and to the Hunters Point Shipyard Redevelopment Plan
11 ("HPS Plan"), respectively, in connection with the approval of the Candlestick Point-Hunters
12 Point Shipyard Phase 2 Project ("Project") in furtherance of the Conceptual Framework and
13 Proposition G; and

14 WHEREAS, To implement the Project, the Agency and CP Development Co., LP, a
15 Delaware limited partnership ("Developer"), entered into various agreements, including a
16 Disposition and Development Agreement (Candlestick Point and Phase 2 of the Hunters Point
17 Shipyard), dated as of June 3, 2010, as amended from time to time (the "DDA") consistent
18 with the BVHP Plan and HPS Plan, as amended; and

19 WHEREAS, The BVHP Plan and the HPS Plan authorize the Agency to use tax
20 increment funds to finance the redevelopment of the Project Site, including the issuance of tax
21 allocation bonds secured by a pledge of property tax increment, subject to the limitations set
22 forth in the Redevelopment Plan Amendments and the California Community Redevelopment
23 Law ("Community Redevelopment Law" or "CRL") (California Health and Safety Code,
24 Sections 33000 et seq.); and

1 WHEREAS, In furtherance of the BVHP Plan, HPS Plan, DDA and related Project
2 documents, and the redevelopment of the Project Site, the City and the Agency entered into a
3 Tax Increment Allocation Pledge Agreement (Candlestick Point and Phase 2 of the Hunters
4 Point Shipyard), dated June 3, 2010, a copy of which is on file with the Clerk of the Board of
5 Supervisors in File No. 100662 (the "Tax Allocation Agreement"), that irrevocably pledges tax
6 increment from the Project Site for certain development costs; and

7 WHEREAS, Attached to the DDA is the Financing Plan, as amended from time to time,
8 ("Financing Plan") under which the Agency has incurred certain executory financial
9 obligations, including the obligation to pledge Net Available Increment to finance certain costs
10 of the Project, including the pledge of tax increment from the Project Site for public
11 improvements and affordable housing purposes; and

12 WHEREAS, In accordance with the Financing Plan, one or more community facilities
13 districts, which may include improvement areas and tax zones ("CFDs"), have been, or will be,
14 established for the Project under the Mello-Roos Community Facilities Act of 1982, as
15 amended; and

16 WHEREAS, The Agency and Developer intend that the CFDs will issue bonds to
17 finance public improvements described in the Infrastructure Plan (as may be amended from
18 time to time), which is also referenced in the Tax Allocation Agreement and is an attachment
19 to the DDA; and

20 WHEREAS, On July 13, 2010, the Board of Supervisors approved Motion No. 10-110,
21 affirming the Planning Commission's certification of the final environmental impact report for
22 the Candlestick Point-Hunters Point Shipyard Phase 2 Project in compliance with the
23 California Environmental Quality Act ("CEQA") (California Public Resources Code, Sections
24 21000 et seq.); and

1 WHEREAS, A copy of Motion No. 10-110 is on file with the Clerk of the Board of
2 Supervisors in File No. 100862 and is incorporated herein by reference; and

3 WHEREAS, The Project, as analyzed in the FEIR and approved, included a new
4 professional football stadium in the HPS Project Area, a mix of other uses throughout the
5 development area, a comprehensive open space plan, an integrated transportation plan, a
6 robust community benefits plan, and improved opportunities to finance the development of
7 affordable housing and the public infrastructure necessary to expedite the revitalization of
8 both areas; and

9 WHEREAS, As part of the Project, the FEIR analyzed several land use variants, which
10 provided for differing mixes of housing, retail, and research and development and office uses
11 in lieu of the stadium use; and

12 WHEREAS, On February 1, 2012, the State of California in Health and Safety Code,
13 Sections 34170 et seq. (the "Redevelopment Dissolution Law") dissolved all redevelopment
14 agencies in the State and established successor agencies to assume certain rights and
15 obligations of the former agencies; and

16 WHEREAS, On October 2, 2012, in Ordinance No. 215-12, the Board of Supervisors
17 delegated its State authority under the Redevelopment Dissolution Law to the Successor
18 Agency Commission as the governing body of the Successor Agency to the former
19 Redevelopment Agency of the City and County of San Francisco (the "Successor Agency,"
20 commonly known as the Commission of Community Investment and Infrastructure or "CCII"
21 and the Office of Community Investment and Infrastructure or "OCII"), to implement and
22 complete, among other things, the surviving enforceable obligations of the dissolved
23 Redevelopment Agency, and acknowledged that, under the Redevelopment Dissolution Law,
24 the Successor Agency held all transferred assets and obligations of the dissolved
25 Redevelopment Agency; and

1 WHEREAS, On December 4, 2012, the California Department of Finance finally and
2 conclusively determined that the DDA, Tax Allocation Agreement, and the affordable housing
3 program funded by tax increment for CP-HPS2 were enforceable obligations of the Successor
4 Agency; and

5 WHEREAS, California Health and Safety Code, Section 34177 provides that the
6 Successor Agency is required, subject to certain review and approval by an oversight board
7 and the California Department of Finance, to (1) perform obligations required pursuant to any
8 enforceable obligations, and (2) continue to oversee development of properties until the
9 contracted work has been completed; and

10 WHEREAS, On September 13, 2023, the Governor signed into law Senate Bill 143
11 (2023) (“SB 143”) that amended California Health and Safety Code, Section 34177.7 to add
12 subdivision (j) which states that “the limitations relating to time for establishing loans,
13 advances, and indebtedness, the effectiveness of the redevelopment plans, the time to repay
14 indebtedness, the time for applying tax increment, the number of tax dollars, or any other
15 matters set forth in Section 33333.2 and Section 33492.13 shall not apply” to the Project; and

16 WHEREAS, SB 143 provides that the applicable time limits for establishing loans,
17 advances, and indebtedness, the effectiveness of the redevelopment plans, and the time to
18 repay indebtedness and receive property taxes will be established in the Project agreements,
19 subject to review and approval by the Oversight Board of the City and County of San
20 Francisco (the “Oversight Board”) and the California Department of Finance; and

21 WHEREAS, SB 143 further clarified that Redevelopment Dissolution Law does not
22 “limit the receipt and use of property tax revenues generated from Phase 2 of the HPS
23 Redevelopment Plan project area or Zone 1 of the BVHP Plan project area” in connection with
24 the Project; and
25

1 WHEREAS, Concurrent with this Resolution, following recommendations of approval
2 from the Hunters Point Shipyard Citizens Advisory Committee and the Successor Agency
3 Commission, the Board of Supervisors is considering Ordinances to approve and adopt
4 amendments to the BVHP Plan and HPS Plan (collectively, the “Redevelopment Plan
5 Amendments”); and

6 WHEREAS, The Successor Agency and the City propose, subject to review and
7 approval by the Oversight Board and the California Department of Finance, to enter into a
8 First Amendment to Tax Increment Allocation Pledge Agreement (“First Amendment”) to
9 implement SB 143; and

10 WHEREAS, As authorized by SB 143, the First Amendment and the BVHP Plan and
11 the HPS Plan, each as amended, authorize the Successor Agency to use tax increment funds
12 from the BVHP Redevelopment Plan Area to finance the Qualified Project Costs and other
13 costs necessary to complete the enforceable obligations of the CP-HPS2 project, including
14 Agency Affordable Housing Costs and Agency Costs for the Project throughout both Zone 1 of
15 Project Area B of the BVHP Redevelopment Plan Area and Phase 2 of the Shipyard
16 Redevelopment Plan Area, including the issuance of tax allocation debt secured by a pledge
17 of property tax increment from the BVHP Redevelopment Plan Area, subject to the BVHP
18 Redevelopment Plan’s time limits on incurring indebtedness; and

19 WHEREAS, As authorized by SB 143, the First Amendment and the HPS Plan, as
20 amended, provide that the Successor Agency: (1) may not establish or incur loans, advances
21 or indebtedness to finance in whole or in part its activities in Phase 2 of the HPS Project Area
22 beyond 30 years from the Initial HPS Transfer Date (as defined in the HPS Plan) plus an
23 additional 15 years which represents the “Anticipated Navy Delay” as described below and (2)
24 may not pay indebtedness or receive property taxes from Phase 2 of the Shipyard
25

1 Redevelopment Plan Area after 45 years after the Initial HPS Transfer Date plus an additional
2 15 years which represents the Anticipated Navy Delay; and

3 WHEREAS, The Navy has recently informed OCII that completion of remediation and
4 conveyance of all portions of the Shipyard Site, excluding Parcel F, to Developer will occur
5 sometime in 2036-2038, including time needed for a Finding of Suitability for Transfer and
6 associated conveyance documentation, and such documentation relaying these schedule
7 delays is described in correspondence that the Navy provided to OCII, which is on file with the
8 CCII Commission Secretary; and

9 WHEREAS, This estimated delay (defined as the Anticipated Navy Delay in the HPS
10 Plan) warrants the additional 15-year extension of the redevelopment timelines referenced
11 above for purposes of redevelopment activities on the Shipyard Site and related tax increment
12 financing; and

13 WHEREAS, As authorized by SB 143, the First Amendment and the BVHP Plan, as
14 amended, establish that the Successor Agency: (1) may not incur or establish loans,
15 advances or indebtedness to finance in whole or in part its activities in Zone 1 of Project Area
16 B beyond 30 years from the 2024 Plan Amendment Date (as defined in the BVHP
17 Redevelopment Plan) and (2) may not pay indebtedness or receive property taxes pursuant
18 California Health and Safety Code, Section 33670 from Zone 1 of Project Area B after 45
19 years from the 2024 Plan Amendment Date; provided, however, that solely for the purpose of
20 using property tax revenues generated from Zone 1 of the BVHP Project Area to fund
21 Qualified Project Costs and other costs necessary to complete the enforceable obligations of
22 the Project, including Agency Affordable Housing Costs in Phase 2 of the HPS Project Area,
23 the time limits referenced in this paragraph shall include an additional 15 years; and

24 WHEREAS, Based on the Navy materials referenced above, this estimated delay
25 (defined as the Anticipated Navy Delay in the BVHP Plan) warrants the additional 15-year

1 extension of the redevelopment timelines referenced in this paragraph for purposes of
2 redevelopment activities on the Shipyard Site and related tax increment financing; and

3 WHEREAS, The extension of such time limits will advance the development of the
4 Project, which has faced numerous extraordinary challenges that have hindered the timely
5 development of the Project, including substantial delays caused by the ongoing clean-up of
6 the Shipyard Site due to ongoing investigation and testing; and

7 WHEREAS, Since the BVHP Plan and the HPS Plan both authorize the funding of
8 Qualified Project Costs and other costs necessary to complete the enforceable obligations of
9 the CP-HPS2 project, including Agency Affordable Housing Costs and Agency Costs for the
10 Project as a whole, the First Amendment and the BVHP Plan and the HPS Plan set forth the
11 maximum bonded indebtedness that can be outstanding at any one time for both the BVHP
12 Plan and the HPS Plan; and

13 WHEREAS, The collective, single limit on the amount of bonded indebtedness of the
14 Successor Agency to be repaid from an allocation of tax increment from Zone 1 of the BVHP
15 Redevelopment Plan Area and Phase 2 of the Shipyard Redevelopment Plan Area that can
16 be outstanding at one time for both the BVHP Redevelopment Plan and the Shipyard
17 Redevelopment Plan is \$5.9 billion in the aggregate; and

18 WHEREAS, In accordance with the Financing Plan, tax increment from the Project Site
19 or the proceeds of bonds secured by a pledge of tax increment from the Project Site will be
20 used to make payments on indebtedness of the Agency under the Financing Plan and to pay
21 or otherwise reimburse directly the costs of public infrastructure or other public improvements,
22 all as further provided in the Financing Plan; and

23 WHEREAS, The Below-Market Rate Housing Plan referenced in the Tax Allocation
24 Agreement, as amended from time to time, (the "Housing Plan") contemplates that all of the
25 Housing Increment (as defined in the Financing Plan) produced by development in the Project

1 Site will be used in the Project Site for the development of up to approximately 3,345
2 affordable housing units on the Project Site, including one-for-one replacement of housing in
3 the Alice Griffith Housing Development (the "Alice Griffith Replacement Units"); and

4 WHEREAS, Except to the extent that the Agency uses Housing Increment, the Agency
5 will use only tax increment generated from development within the Project Site to finance
6 Qualified Project Costs; and

7 WHEREAS, The Financing Plan gives the Agency, subject to review and approval by
8 the Oversight Board and the California Department of Finance, the discretion on a case-by-
9 case basis in issuing tax allocation bonds to establish principal financing terms that the
10 Agency determines are appropriate to safeguard against the risk of default, provided that the
11 terms are consistent with the Financing Plan; and

12 WHEREAS, The dedication of Housing Increment as provided in the Financing Plan is
13 essential to the financing of affordable housing on the Project Site, including the Alice Griffith
14 Replacement Units, and complies with the enforceable obligations approved under
15 Redevelopment Dissolution Law, the requirements of Community Redevelopment Law and
16 the objectives of CCII Resolution No. 134-2005, and the requirements of the Redevelopment
17 Plan Amendments with respect to the use of tax increment revenues for affordable housing;
18 and

19 WHEREAS, Under the authority granted under Article XVI, Section 16 of the California
20 Constitution and Sections 33670, 33334.2, 33671, and 33675 of the Community
21 Redevelopment Law, and in furtherance of the implementation of the Redevelopment Plan
22 Amendments, the Board of Supervisors intends that this Resolution provide for the irrevocable
23 pledge of Net Available Increment from the Project Site for the purposes of financing or
24 refinancing the construction of public infrastructure, certain other public improvements in the
25 Project Site, and affordable housing as further provided in the Financing Plan; and

1 WHEREAS, The First Amendment amends the Tax Allocation Agreement and is
2 consistent with and in furtherance of the DDA and Tax Allocation Agreement, enforceable
3 obligations that existed prior to June 28, 2011, and is in the best interests of the taxing
4 entities; and

5 WHEREAS, The First Amendment will, by making tax increment financing available for
6 the anticipated buildout horizon of the Project, enable continued private investment in
7 completion of the Project and the winding down of the affairs of the Successor Agency; and

8 WHEREAS, On September 3, 2024, CCII adopted Resolution Nos. 25-2024, 26-2024,
9 and 29-2024 (“CCII Approval Resolutions”) which, among other things, approved the First
10 Amendment and recommended the adoption of the amendments to the BVHP and HPS
11 Plans; and

12 WHEREAS, Certified copies of the CCII Approval Resolutions along with the Report to
13 the Board and the amendments to the BVHP and HPS Plans are on file with the Clerk of the
14 Board of Supervisors in File No. 240885 and are incorporated herein by reference; and

15 WHEREAS, OCII transmitted the proposed amendments to the BVHP and HPS Plans
16 to the Planning Commission pursuant to CRL Section 33346 for the Planning Commission’s
17 report and recommendation concerning the 2024 Plan Amendment and its conformity with the
18 General Plan; and

19 WHEREAS, On September 12, 2024, the Planning Commission, in Motion Nos. 21607
20 and 21608, adopted findings that the HPS Plan, as amended, and the BVHP Plan, as
21 amended, are consistent, on balance, with the General Plan and eight priority policies of
22 Planning Code, Section 101.1; and

23 WHEREAS, The Board adopts these Planning Commission findings as its own for
24 purposes of this Resolution, and copies of said Planning Commission Motions are on file with
25 the Clerk of the Board of Supervisors in File No. 240885 and are incorporated by reference

1 herein; and

2 WHEREAS, For purposes CEQA and the actions contemplated in this Resolution, the
3 Board of Supervisors adopts the environmental findings in the companion Ordinance
4 amending the BVHP Plan, which is on file with the Clerk of the Board of Supervisors in File
5 No. 240878 and incorporated herein by reference; now, therefore, be it

6 RESOLVED, That the Board of Supervisors finds that the redevelopment of the Project
7 Site in accordance with the amendments to the BVHP and HPS Plans and related documents
8 affords numerous public benefits for the City and County and its residents, including the
9 revitalization of the Project Site, which is currently blighted; the elimination of the blighting
10 influences; the provision of substantial new affordable housing; the provision of a variety of
11 publicly accessible open space; the creation and enhancement of public access to the
12 waterfront; the creation of jobs, including employment opportunities for economically
13 disadvantaged individuals; the creation of significant new infrastructure; and the replacement
14 of Alice Griffith Housing Development; and, be it

15 FURTHER RESOLVED, That the Board of Supervisors hereby approves the form and
16 substance of the First Amendment and the pledge of tax increment from the Project Site for
17 the purposes described therein; and, be it

18 FURTHER RESOLVED, That the Board of Supervisors authorizes the Mayor and the
19 Controller to execute the First Amendment, in the name and on behalf of the City, in
20 substantially the form presented to this Board of Supervisors, and subject to the review and
21 approval of the Oversight Board and the California Department of Finance; and, be it

22 FURTHER RESOLVED, That the Board of Supervisors authorizes the Mayor and the
23 Controller (or any successor City officer designated by law) to enter into or approve any
24 additions, amendments, or other modifications to the Tax Allocation Agreement that they
25 determine, in consultation with the City Attorney, are in the best interests of the City; provided

1 that any such additions, amendments, or modifications (1) do not increase the pledge of tax
2 increment that is the subject of this Resolution or otherwise materially increase the liabilities or
3 obligations of the City, (2) are consistent with the approval of the Tax Allocation Agreement by
4 the Oversight Board and California Department of Finance, (3) are necessary or advisable to
5 effectuate the implementation of the BVHP and HPS Plans, and (4) do not materially
6 decrease the pledge of tax increment for affordable housing purposes, such determination to
7 be conclusively evidenced by the execution and delivery by the Mayor and the Controller of
8 the Tax Allocation Agreement and any amendments to it; and, be it

9 FURTHER RESOLVED, That the Board of Supervisors authorizes the Mayor,
10 Controller, and any other officers, agents, and employees of the City to take any and all steps
11 (including the execution and delivery of any and all agreements, notices, consents and other
12 instruments or documents) as they or any of them deem necessary or appropriate, in
13 consultation with the City Attorney, in order to consummate the First Amendment in
14 accordance with this Resolution, or to otherwise effectuate the purpose and intent of this
15 Resolution, such determination to be conclusively evidenced by the execution and delivery by
16 such person or persons of any such documents; and, be it

17 FURTHER RESOLVED, That all of the Housing Increment produced by development in
18 the Project Site, which is required to be set aside for the provision of affordable housing under
19 the DDA, the Tax Allocation Agreement, and Community Redevelopment Law, shall be
20 reserved and dedicated for the predevelopment, development and construction of affordable
21 housing units in the Project Site, including the Alice Griffith Replacement Unit; and, be it

22 FURTHER RESOLVED, The approval under this Resolution shall become operative
23 and take effect upon the effective date of the amendments to the BVHP and HPS Plans
24 pursuant to the Ordinances amending said Plans, which are on file with the Clerk of the Board
25 of Supervisors in File Nos. 240877 and 240878, respectively.

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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: 240885

Date Passed: October 29, 2024

Resolution approving an amendment to the Tax Increment Allocation Pledge Agreement between the City and County of San Francisco and the Office of Community Investment and Infrastructure for the pledge of net available tax increment to finance public improvements and affordable housing in furtherance of the Candlestick Point and Phase 2 of the Hunters Point Shipyard Redevelopment Project; adopting findings under the California Environmental Quality Act; and adopting findings that the agreement is consistent with the General Plan, and eight priority policies of Planning Code, Section 101.1.

October 22, 2024 Board of Supervisors - CONTINUED

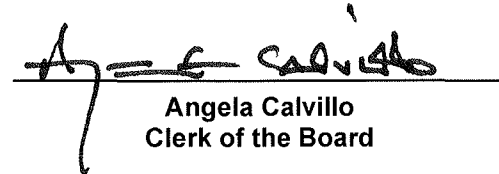
Ayes: 11 - Chan, Dorsey, Engardio, Mandelman, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

October 29, 2024 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Dorsey, Engardio, Mandelman, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

File No. 240885

I hereby certify that the foregoing Resolution was ADOPTED on 10/29/2024 by the Board of Supervisors of the City and County of San Francisco.


Angela Calvillo
Clerk of the Board



London N. Breed
Mayor

11/7/24
Date Approved