

LEGISLATIVE DIGEST

[Ordinance approving an amendment to the Hunters Point Shipyard Redevelopment Plan, approving an Interagency Cooperation Agreement, adopting CEQA Findings, and adopting Benefit Findings under the California Community Redevelopment Law]

Ordinance approving and adopting an amendment to the Redevelopment Plan for the Hunters Point Shipyard Redevelopment Project Area; approving and authorizing an Interagency Cooperation Agreement between the City and County of San Francisco and the Redevelopment Agency of the City and County of San Francisco, in furtherance of the adoption and implementation of the Redevelopment Plan Amendment; adopting findings pursuant to the California Environmental Quality Act; adopting findings that the Redevelopment Plan Amendment is consistent with the City's General Plan and Eight Priority Policies of City Planning Code Section 101.1; adopting other findings pursuant to California Community Redevelopment Law, including findings pursuant to Sections 33445 and 33445.1.

Existing Law

The Board adopted the Hunters Point Shipyard Redevelopment Plan on July 14, 1997 (Ordinance No. 285-97) (the "Shipyard Plan"). In accordance with the military base conversion sections of the California Community Redevelopment Law ("CRL"), the Shipyard Plan sets limits on the total tax increment to be collected from the Hunters Point Shipyard Project Area ("Project Area") and on the amount of debt that the San Francisco Redevelopment Agency (the "Agency") can incur for the Shipyard Plan. The Shipyard Plan authorizes the Agency to exercise exclusive land use authority over new development in the Project Area. Existing tax increment limits were calculated under a development program for the Project Area containing low to medium intensity commercial and industrial uses, with limited residential development. To date, the Agency has not received any tax increment from the Project Area. The Agency no longer has eminent domain authority in the Project Area.

Amendments to Current Law

The Agency has transmitted a Report to the Board on the Shipyard Redevelopment Plan Amendment. The Report documents the continued prevalence of blight in the Project Area, describes the revised redevelopment program, and provides updated tax increment projections.

The Shipyard Plan Amendment is necessary to address continued blight in the Project Area, increase the limits on tax increment and bond indebtedness, revise the land use controls consistent with proposed development, and limit certain development impact fees. It does not change the existing prohibition on the Agency's use of eminent domain.

The Shipyard Plan Amendment extends the effectiveness of the Shipyard Plan and the time limits for incurring debt and receiving tax increment to repay this debt consistent with the CRL provisions governing military base conversions. The total permitted bond debt will increase from \$221 million to \$900 million and the total tax increment dollars to be allocated to the Agency will increase from \$881 million to \$4.2 billion.

The Shipyard Plan Amendment sets the allowable land uses and development controls for the Project Area consistent with Proposition G, adopted by the voters in June 2008, and provides that a portion of the office space entitlement on the Shipyard be given priority under Planning Code 320-325, subject to Planning Commission approval. The Shipyard Plan Amendment does not make changes to the land use program for Phase 1 of the Shipyard or to the Agency's land use authority over development in the Project Area.

The Shipyard Plan Amendment limits the development impact fees that apply to the Project in light of the significant contributions that the Project provides to affordable housing, transportation, and other community benefits. It reserves the City's and the Agency's right to impose New City Regulations that (i) are imposed on a citywide basis and (ii) do not conflict with the development permitted or contemplated within Phase 2 of the Project Area.

The Ordinance also includes approval of an interagency cooperation agreement between the City and the Agency to implement the proposed redevelopment project and provide a process for the review, approval and acceptance of infrastructure and the implementation of mitigation measures, and the adoption of CEQA findings and benefit findings under CRL for the use of tax increment dollars for specific public improvements.