

COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

RESOLUTION NO. 15-2018

Adopted April 17, 2018

ADOPTING FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; AUTHORIZING A SEVENTH AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT HUNTERS POINT SHIPYARD PHASE 1 WITH HP DEVELOPMENT CO., LP, SUBJECT TO THE APPROVAL OF THE OVERSIGHT BOARD OF THE CITY AND COUNTY OF SAN FRANCISCO AND THE CALIFORNIA DEPARTMENT OF FINANCE; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA

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 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 and on June 22, 2017 by Ordinance No. 122-17; and,

WHEREAS, Redevelopment of the HPS Project Area is one of San Francisco's three critical redevelopment legacy projects that the Successor Agency must continue to implement under the Dissolution Law (defined below). The HPS Plan area is divided into two related parts, HPS Phase 1 and HPS Phase 2; and,

WHEREAS, On December 3, 2003 the Former Agency entered into that certain Disposition and Development Agreement for Hunters Point Shipyard Phase 1 with HP Development Co., LP (the “**Phase 1 Developer**”), which has been the subject of six amendments (as amended, the “**Phase 1 DDA**”). The Phase 1 DDA is a binding contractual agreement that provides for the transfer of land from the Former Agency to Phase 1 Developer, establishes the rights and obligations of Phase 1 Developer and the Successor Agency concerning the construction of specified improvements, and governs development of Phase 1 of the HPS Project Area with a mixed-use residential and commercial development (“**Phase 1 Project**”); 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 Plan and BVHP Plan areas, including implementation of the Phase 1 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 Phase 1 DDA and tax allocation pledge agreements, including the affordable housing programs, are enforceable obligations under the Dissolution Law; and,

WHEREAS, The Phase 1 DDA allows development of up to 1,600 residential units, up to 80,000 gross square feet of commercial space, and associated parks, open spaces, and community benefits in Phase 1. OCII has been informed by Phase 1 Developer that of the 1,600 residential units and 80,000 gross square feet of commercial uses allowed under the Phase 1 DDA, Phase 1 Developer intends for up to 1,210 residential units and up to 9,000 gross square feet of commercial space to be constructed by Vertical Developers under and as defined in the Phase 1 DDA, and the Successor Agency intends to construct 218 residential units in the Phase 1 Project; and,

WHEREAS, In accordance with the Phase 1 DDA, Developer and the Agency are parties to that certain Community Benefits Agreement Hunters Point Shipyard Phase 1, dated as of April 4, 2005, as amended by that certain First Amendment to Community Benefits Agreement (Hunters Point Shipyard Phase 1), dated as of November 3, 2009 (collectively, the “**Community Benefits Agreement**”), providing for Developer and Vertical Developers to provide certain community benefits in connection with the development of Phase 1. As part of Developer’s obligations under the Community Benefits Agreement, it is required to report to the Hunters Point Shipyard Citizens Advisory Committee and OCII from time to time regarding its compliance with such obligations. OCII and Developer desire to clarify the frequency and procedures for such reporting; and,

WHEREAS, The parties now propose a seventh amendment to the Phase 1 DDA (“**Seventh Amendment**”) to (a) document the adjustment to the residential and commercial entitlement established thereunder; and (b) to clarify that the Phase 1 Developer’s reporting obligation under the Community Benefits Agreement will be on a bi-annual basis; and,

WHEREAS, The Seventh Amendment will amend the development program for the Phase 1 Project to establish that the maximum number of residential units allowed to be constructed pursuant to the Phase 1 DDA shall be 1,428 units, of which 1,210 units shall be available for development by Vertical Developers and 218 units shall be constructed by OCII; and,

- WHEREAS, The Seventh Amendment will amend the development program for the Phase 1 Project to establish that the maximum amount of commercial space constructed under the HPS 1 DDA shall be 9,000 square feet of commercial space; and,
- WHEREAS, The Seventh Amendment will provide that the remaining 172 residential units and 71,000 square feet of commercial space shall be reallocated to CP Development Co., LLC (“**Phase 2 Developer**”) for use in the adjacent Candlestick Point - Hunters Point Shipyard Phase 2 Project; and that up to 11,000 square feet of the 71,000 square feet of commercial use reallocated to Phase 2 Developer may be reassigned to the Phase 1 Developer for use in Phase 1 without further amendment to the HPS 1 DDA upon written notice from Phase 1 Developer to the Phase 2 Developer and OCII; and,
- WHEREAS, The Seventh Amendment was presented to the Mayor's Hunters Point Shipyard Citizens Advisory Committee Planning and Development subcommittee on February 8, 2018, and to its full committee on April 2, 2018 and April 9, 2018, and received recommendation for approval; and,
- WHEREAS, The Phase 1 DDA, as amended, will continue to benefit the taxing entities because it will facilitate the revitalization of the community and encourage further investment in the area, and generate employment opportunities throughout the Phase 1 Project; and,
- WHEREAS, On April 17, 2018, the Commission adopted Resolution No. 11-2018, by which the Commission determined that the Final EIR (therein defined), together with further analysis provided in Addendum No. 1, Addendum No. 4 and Addendum No. 5, remain adequate, accurate, and objective and in compliance with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.) (“**CEQA**”) and the CEQA Guidelines (14 California Code of Regulations Sections 15000 et seq.); and,
- WHEREAS, The environmental effects of the Seventh Amendment have been analyzed in the environmental documents, which are described in Agency Resolution No. 11-2018. Copies of the environmental documents are on file with the Agency; now, therefore, be it:
- RESOLVED, That the Commission hereby finds that the Seventh Amendment is included in the actions identified in Resolution 11-2018 for purposes of compliance with CEQA; and be it further
- RESOLVED, That in Resolution No. 11-2018, adopted on April 17, 2018, the Commission adopted findings that the Seventh Amendment (among other actions), is 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 Seventh 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 Seventh Amendment, provided, however, that such changes and steps do not materially increase the burdens and responsibilities of OCII or materially decrease the benefits to OCII from the Seventh 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 Seventh Amendment, to effectuate OCII's performance thereunder.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of April 17, 2018.



Commission Secretary