

RESOLUTION NO. 84-2008

ADOPTED AUGUST 5, 2008 AS AMENDED

AUTHORIZATION OF AN AMENDMENT TO ATTACHMENT 10 (SCHEDULE OF PERFORMANCE FOR INFRASTRUCTURE DEVELOPMENT AND OPEN SPACE "BUILD-OUT" SCHEDULE OF PERFORMANCE) TO THE DISPOSITION AND DEVELOPMENT AGREEMENT-HUNTERS POINT SHIPYARD PHASE I BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO AND LENNAR-BVHP, LLC AND ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. Pursuant to the Disposition and Development Agreement-Phase I Hunters Point Shipyard between the Redevelopment Agency of the City and County of San Francisco (the "Agency") and the Shipyard's master developer, Lennar-BVHP LLC ("Lennar-BVHP LLC" or the "Developer") for Phase 1 of the Shipyard (as amended, the "DDA"), the Developer is responsible for, among other things, building all of the horizontal infrastructure improvements (i.e., demolition, grading, sewer systems, streets and sidewalks, telecommunications systems, etc.) necessary for the vertical development of the site.
2. Under the DDA, this work is to occur pursuant to a schedule of performance (the "Schedule of Performance"), which is Attachment 10 to the DDA. The DDA also includes provisions whereby the Schedule of Performance is extended by unforeseen events outside of the Developer's control known as events of "force majeure" or "Unavoidable Delays."
3. The proposed amendment (the "Amendment") to Attachment 10 formally updates the Schedule of Performance to reflect (i) the cumulative effects of Unavoidable Delays on the Schedule of Performance and (ii) the mutual recommendations of the Developer and Agency staff to defer briefly some of the infrastructure work on the hillside portion of Phase 1 to correspond better to the likely development of those sites.
4. Construction of the horizontal infrastructure improvements is already well under way. Major grading and demolition is complete, as is the installation of "wet" utilities like water, storm and sanitary sewer systems. Under this updated schedule (which is attached), the remaining infrastructure improvements for the first half of the hilltop portion of Parcel A – mainly "dry" utilities like roads and sidewalks - will be completed in a few months by December 2008. The remaining hilltop development blocks will be completed by the first quarter of

2009 and the final infrastructure improvements for the hillside portion of Parcel A will be completed in third quarter 2009.

5. Additionally, the proposed Amendment to Attachment 10 formally updates the Open Space "Build Out" Schedule of Performance, which is also included in Attachment 10 to the DDA, to correspond to the changes in the lot delivery schedule.
6. Agency staff anticipates that the first development blocks will be sold for fair market value by the end of 2008. Vertical development of these blocks will commence in summer 2009 upon Agency Commission and community review of the architectural design of the proposed residential projects. Based upon the updated Schedule of Performance, the Developer estimates that the first residential units on the hilltop portion of Parcel A will be ready for occupancy in fall 2010. Depending on market absorption, the Parcel A community should be complete and fully occupied by the end of 2011.
7. On February 8, 2000, the Agency Commission and the San Francisco Planning Commission, by adopting Resolution No. 11-2000 and Motion No. 14981, respectively, acting together as co-lead agencies for conducting environmental review for the Hunters Point Shipyard Redevelopment Plan (the "Plan") and its implementing actions, certified a Final Environmental Impact Report (the "Final EIR") for the acquisition and reuse of the Shipyard as contemplated in the Plan. On February 8, 2000, by Resolution No. 12-2000, the Agency Commission adopted findings pursuant to the California Environmental Quality Act (California Public Resources Code Sections 21000 *et seq.*) ("CEQA"), a Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Program to support the adoption of the Plan.
8. Subsequent to the certification of the Final EIR, refinements were made to the Shipyard development program resulting in Addendum No. 1 to the Final EIR published on November 19, 2003 and Addendum No. 2 to the Final EIR published on July 13, 2006. The addenda concluded, based on the findings of the Final EIR that the proposed refinements would not create any significant environmental impacts not already studied in the Final EIR and that the conclusions reached in Final EIR remained valid.
9. The Final EIR is a program EIR under State CEQA Guidelines Section 15168 and a redevelopment plan EIR under State CEQA Guidelines Section 15180. The addenda to the Final EIR were prepared pursuant to State CEQA Guidelines Section 15164.
10. On December 2, 2003, the Agency Commission adopted Resolution No. 179-2003 authorizing the DDA. The Agency Commission subsequently adopted Resolution No. 3-2005 on January 18, 2005 authorizing the First Amendment to the DDA, and adopted Resolution No. 141-2006 on October 17, 2006 authorizing the Second Amendment to the DDA. In Resolutions No. 179-2003, 3-2005, and 141-2006, approving the DDA, the First Amendment, and the Second

Amendment, the Agency Commission determined that the contemplated action(s) on the DDA are consistent with the Project evaluated in the Final EIR, Addendum No. 1 to the Final EIR, and Addendum No. 2 to the Final EIR.

11. Under the revised Schedule of Performance for Infrastructure Development in Attachment 10 to the DDA, completion of the major infrastructure elements such as the roadbeds and underground utilities may be delayed by between nine months to twenty-one months, depending upon the location of the improvements. Except for the current construction activity on the major infrastructure elements, there is no new or ongoing construction in the vicinity of the Hunters Point Shipyard. Consequently, the delay of up to twenty-one months in the completion of the major infrastructure elements would not result in any significant effect that has not already been analyzed in the Final EIR and addenda.
12. The proposed changes to the Open Space "Build-Out" Schedule of Performance in Attachment 10 to the DDA will delay construction and completion of some of the open space elements; however, as the areas to be improved are existing open space areas, there will be no significant environmental effect caused by the change that has not already been analyzed in the Final EIR and addenda.
13. The proposed Amendment to Attachment 10 (the Schedule of Performance for Infrastructure Development and the Open Space "Build Out" Schedule of Performance) is consistent with the Project evaluated in the Final EIR, Addendum No. 1 to the Final EIR, and Addendum No. 2 to the Final EIR. Agency staff has considered and reviewed the Final EIR and addenda, and has determined that the proposed changes in the Schedule of Performance implement the Plan, consistent with State CEQA Guidelines Sections 15180 and 15164.
14. The Final EIR, addenda, and related documents have been and continue to be available for review by the Agency Commission and the public and are part of the record before the Agency Commission.
15. The environmental findings adopted in accordance with CEQA by the Agency Commission in Resolutions No. 179-2003, 3-2005, and 141-2006 were and remain adequate, accurate and objective and are incorporated herein by reference as applicable to the current proposed action.
16. In accordance with the Plan and the DDA, including the First and Second Amendments, Agency staff has reviewed the proposed Amendment to Attachment 10 of the DDA, as well as the Final EIR together with all addenda thereto, and other information contained in the Agency's files, finds them to be acceptable and recommends authorization of the Amendment to Attachment 10.

FINDINGS

The Agency finds and determines that the Amendment to Attachment 10 to the DDA, i.e., the updates of the Schedule of Performance for Infrastructure Development and of the

Open Space "Build Out" Schedule of Performance, is within the scope of the Project analyzed in the Final EIR and addenda and requires no additional environmental review pursuant to State CEQA Guidelines Sections 15180 and 15164 for the following reasons:

- A. The Amendment to Attachment 10 does not incorporate substantial changes into the Project analyzed in the Final EIR and addenda, and will not require any further Final EIR revisions due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.
- B. No substantial changes have occurred with respect to the circumstances under which the Project analyzed in the Final EIR and addenda was and will be undertaken that would require further revisions to the Final EIR due to the involvement of new significant environmental effects, or a substantial increase in the severity of effects identified in the Final EIR.
- C. No new information of substantial importance to the Project analyzed in the Final EIR and addenda has become available which would indicate any of the following: (i) the Amendment to Attachment 10 will have significant effects not discussed in the Final EIR and addenda; (ii) significant environmental effects will be substantially more severe; (iii) mitigation measures or alternatives found not feasible that would reduce one or more significant effects have become feasible; or (iv) mitigation measures or alternatives that are considerably different from those in the Final EIR will substantially reduce one or more significant effects on the environment.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco (1) that it has reviewed and considered the Final EIR together with the addenda thereto and any additional environmental documentation in the Agency's files and hereby adopts the CEQA findings set forth in the previously adopted resolutions that have been incorporated herein by reference and those findings set forth above; and (2) that the Amendment to Attachment 10 (the Schedule of Performance for Infrastructure Development and the Open Space "Build Out" Schedule of Performance) of the DDA between the Redevelopment Agency of the City and County of San Francisco and Lennar-BVHP, LLC is hereby approved substantially in the form that is attached to this Resolution.

APPROVED AS TO FORM:



James B. Morales
Agency General Counsel

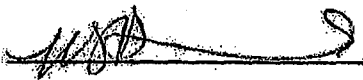
ATTACHMENT 10¹
SCHEDULE OF PERFORMANCE FOR INFRASTRUCTURE DEVELOPMENT

The following capitalized terms have the meanings set forth in this Section, wherever used in this Agreement.

DEFERRED INFRASTRUCTURE ITEMS are composed of the following five items: (1) 2" asphalt concrete wearing surface, (2) plantings, (3) irrigation heads, (4) street furniture, and (5) driveways and sidewalks.

COMPLETE INFRASTRUCTURE CONSTRUCTION means Complete Construction of all items pertaining to Phase I work identified in the DDA, Attachment 9, and Infrastructure Plan with an exception for Deferred Infrastructure Items.

Activity		Schedule	
Blocks 49, 50, 51			
Complete Infrastructure Construction		February 2009	
Deferred Infrastructure Items		90 Calendar Days after substantial completion of vertical construction with respect to adjacency	
Blocks 53, 54			
Complete Infrastructure Construction		March 2009	
Deferred Infrastructure Items		90 Calendar Days after substantial completion of vertical construction with respect to adjacency	
Blocks 1, 56, 57			
Complete Infrastructure Construction		May 2009	
Deferred Infrastructure Items		90 Calendar Days after substantial completion of vertical construction with respect to adjacency	
Blocks 52, 55B, 56W, Community Projects, Parcel 3, Lot 1, 2			
Complete Infrastructure Construction		June 2009	
Deferred Infrastructure Items		90 Calendar Days after substantial completion of vertical construction with respect to adjacency	
Block 48			
Complete Infrastructure Construction		August 2009	
Deferred Infrastructure Items		90 Calendar Days after substantial completion of vertical construction with respect to adjacency	



¹ This is current Schedule of Performance.

OPEN SPACE "BUILD OUT" SCHEDULE OF PERFORMANCE²

The following capitalized terms have the meanings set forth in this Section, wherever used in this Agreement.

COMPLETE OPEN SPACE CONSTRUCTION means Complete Construction of all open space component items contemplated in the Open Space and Streetscape Master Plan. At the time this Schedule of Performance for Infrastructure Development is amended, the Open Space Master Plan is at a conceptual level of detail and is required to be developed in accordance with the H-DRDAP. Items of work will be established when the final Construction Documents for the work are permitted.

Complete Open Space Construction	Schedule
Innes Court Park	8 months after Innes Avenue from Friedell Street to Coleman Street and all of Innes Court are completed.
a) Hillpoint Park, b) Hilltop ADA Path (from Galvez to Hudson) c) Hilltop Open Space, and d) Galvez Steps	8 months after Innes Avenue from Friedell Street to Coleman Street and all of Innes Court are completed.
Two Pocket Parks for Block 55E	24 months after first DBI building permit is obtained for vertical construction on Block 55E
Parcel G	24 months after first DBI building permit is obtained for vertical construction on Block 55E
Pocket Park for Blocks 50 and 49	24 months after first DBI building permit is obtained for vertical construction on either Block 50 or Block 49, whichever comes later.
Three Pocket Parks for Block 55W	24 months after first DBI building permit is obtained for vertical construction on Block 55W.
Three Pocket Parks Along Navy Road	24 months after first DBI building permit is obtained for vertical construction on any lots along Navy Road, adjacent to Lots 39 through 53; 54 through 69; 1 through 18, as appropriate.
5 Pocket Parks Along Oakdale	24 months after first DBI building permit is obtained for vertical construction on any lots along Oakdale, adjacent to Lots 70 through 83; 84 through 92; 93 through 109, 110 through 115; 116 through 131, as appropriate.
a) Central Park, b) Hillside ADA Paths, and c) Hillside Open Space	8 months after Oakdale Avenue and Navy Road are completed.
Interim African Marketplace	TBD in conjunction with SFRA.



² This is current Schedule of Performance.