

RESOLUTION NO. 123-2008

Adopted October 21, 2008

AUTHORIZING SUBMITTAL OF AN APPLICATION TO THE CENTER FOR CREATIVE LAND RECYCLING FOR FUNDING UNDER THE STATE OF CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY'S "CALIFORNIA RECYCLE UNDERUTILIZED SITES (CALREUSE)" BROWNFIELD REMEDIATION PROGRAM; THE EXECUTION OF A STANDARD AGREEMENT IF SELECTED FOR SUCH FUNDING AND ANY AMENDMENTS THERETO; AND ANY RELATED DOCUMENTS NECESSARY TO PARTICIPATE IN THE PROGRAM FOR UP TO \$14,980,000; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA.

BASIS FOR RESOLUTION

1. The Board of Supervisors of the City and County of San Francisco (the "Board") adopted, per Ordinance No. 285-97, a Redevelopment Plan for the Hunters Point Shipyard Redevelopment Project Area (the "Redevelopment Plan") on July 14, 1997.
2. The Redevelopment Plan established a redevelopment project area for approximately 511 acres of developable area divided into six parcels to facilitate the land transfer from the United States Department of the Navy (the "Navy") to the City and County of San Francisco for development.
3. The Redevelopment Plan authorizes the Redevelopment Agency of the City and County of San Francisco (the "Agency") to "demolish and clear buildings, structures, and other improvements from real property owned by the Agency in the Project Area as necessary to carry out the purposes of this Plan."
4. On March 31, 2004, the Navy and the Agency executed a conveyance agreement (the "Conveyance Agreement"), which establishes the regulatory and conceptual framework for the Navy's conveyance of the Hunters Point Naval Shipyard ("Shipyard") to the Agency, with provisions specific to each of Parcels A through F.
5. The Conveyance Agreement requires the Navy to complete environmental remediation of Parcels A through F to levels consistent with their intended uses under the Redevelopment Plan. The Conveyance Agreement also requires the Navy to obtain assurances from the Regulators in the form of written confirmation of both Federal EPA and Cal/EPA that a parcel is safe for its intended uses prior to offering each parcel to the Agency.
6. At its meeting of May 1, 2007, the Agency Commission (the "Commission") unanimously adopted a resolution (no. 42-2007), authorizing the Agency's

Executive Director to execute an amended and restated Exclusive Negotiations and Planning Agreement with Lennar/BVHP, LLC for Hunters Point Shipyard Phase 2 and Candlestick Point.

7. At its meeting of August 19, 2008, the Agency Commission authorized the Agency's Executive Director to accept HPS Development Co., L.P. and CP Development Co., L.P., as successors to Lennar – BVHP, LLC and Lennar Communities, Inc. (collectively, the "Developer").
8. The "Bayview Jobs, Parks and Housing Initiative," approved by San Francisco voters in June 2008 (Board of Supervisors of the City and County of San Francisco Resolution 312-08), requires that the Shipyard Property and Candlestick Point development "to the extent possible, use state and federal funds to pay for environmental remediation on the Project Site."
9. The California Pollution Control Financing Authority ("CPCFA") through its strategic partner Center for Creative Land Recycling ("CCLR") has issued a Notice of Funding Availability ("NOFA") for the CALReUSE Remediation Program established under the Housing and Emergency Shelter Trust Fund Act of 2006 (Proposition 1C), California Code of Regulations, Title 4. Business Regulations, Division 11. California Pollution Control Authority, Article 9. CALReUSE Remediation Program Sections 8090-8101 ("CALReUSE Program");
10. Hunters Point Shipyard Phase 2 is eligible for up to \$14,980,000 in CALReUSE Program funds for cleanup, mitigation, and remediation.
11. Therefore, the Agency is submitting an application for cleanup, mitigation, and remediation of Parcels B, C, D1, D-1, D2, UC-1 and G, which are parcels within Hunters Point Shipyard Phase 2 (collectively, the "Project").
12. The State will award funds in December 2008 through a competitive process, based on the merits of the individual projects and areas. If funds are awarded to the Project, the Agency will enter into an agreement with the Developer to perform the remediation activities described in this application.
13. Remediation of buildings as described in this application is not a substitute for the Navy's clean-up obligations.
14. Submittal of the Proposition 1C application is not a project, as defined by California Environmental Quality Act Guidelines Section 15378(b)(5). The proposed action will authorize the seeking and use of additional funding for remediation of hazardous materials in the Hunters Point Shipyard Redevelopment Project Area and is a normal administrative activity of the Agency. The proposed action will not independently result in a physical change in the environment.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that:

1. The Executive Director is authorized to submit an application to CCLR for funding under the CALReUSE Brownfield Remediation Program, for removal and abatement of contaminants contained on and within built structure on Parcels B, C, D-1, D-2, UC-1 and G of the Hunters Point Shipyard; and,
2. If the application for funding is approved, the Agency hereby agrees to use the CALReUSE Funds for eligible activities in the manner presented in the application as approved by CCLR and in accordance with program guidelines cited above. It also may execute any and all other instruments necessary or required by CCLR for participation in the CALReUSE Program; and,
3. The Executive Director is authorized to execute in the name of the Agency the application, Standard Agreement, and all other documents required by CCLR for participation in the CALReUSE Program, and any amendments thereto.

APPROVED AS TO FORM:


for James B. Morales
Agency General Counsel