

HPS Redevelopment Plan Amendment – Description of Changes

The HPS Plan establishes land use controls for development on the Shipyard Site (referred to as Phase 2 of the HPS Project Area in the HPS Plan).

Land Use and Development Program Modifications. The proposed amendments to the HPS Plan: would

- Allow the transfer of up to 2,050,000 square feet of research and development and office space from Phase 2 of the HPS Project Area to commercially-zoned areas of Zone 1 of the BVHP Project Area, subject to Commission approval and any necessary environmental review. There would be a corresponding reduction in those uses at Phase 2 of the HPS Project Area.
- Allow the transfer of residential units from Phase 2 of the HPS Project Area to Zone 1 of Project Area B, subject to Commission approval and any necessary environmental review.
- Clarify that certain commercial and retail uses are permitted within Phase 2 of the HPS Project Area.

Redevelopment Plan Time Limits. The proposed amendments to the HPS Plan would implement SB 143 by establishing the following time limits in connection with Phase 2 of the HPS Project Area:

- **Time Limit to Incur Debt.** Establish that the time limit for establishing loans, advances, and indebtedness in connection with Phase 2 of the HPS Project Area shall be a) 30 years from the date of conveyance to the Developer of all Phase 2 parcel(s) required for the completion of development of the first Major Phase located within Phase 2 (“Initial HPS Transfer Date”), b) plus 15 years which represents the “Anticipated Navy Delay” (as defined in the HPS Plan).
- **Effectiveness of the Plan.** Establish that the time limit for the effectiveness of the HPS Plan for Phase 2 of the HPS Project Area shall be a) 30 years from the Initial HPS Transfer Date, b) plus 15 years which represents the Anticipated Navy Delay.
- **Repayment of Debt/Receive Property Taxes.** Establish that the time limit to repay indebtedness and receive property taxes for Phase 2 of the HPS Project Area shall be a) 45 years from the Initial HPS Transfer Date, b) plus 15 years which represents the Anticipated Navy Delay.

Increase in Indebtedness Limit. Consistent with SB 143’s authorization for tax increment revenues to flow between Phase 2 of the HPS Project Area and Zone 1 of Project Area B, the Plan Amendments also adjust the limit on the amount of bonded indebtedness that can be outstanding at one time by establishing a single limit on the amount of bonded indebtedness applicable to both Zone 1 of the BVHP Plan and Phase 2 of the HPS Project Area. The proposed amendment to the HPS Plan establishes that the aggregate total amount of bonded indebtedness

of OCII to be repaid from the allocation of taxes to OCII for both Zone 1 of Project Area B and Phase 2 of the HPS Project Area that can be outstanding at one time may not exceed \$5.9 billion.

SUMMARY OF PLAN AMENDMENTS

The following summarizes the proposed amendments to the HPS Plan:

Overview. Addition of language describing the dissolution of redevelopment agencies and the recent passage of Senate Bill 143 which established that the limitations relating to time for establishing loans, advances, and indebtedness, the effectiveness of the redevelopment plan, the time to repay indebtedness, the time for applying tax increment, number of tax dollars, or any other matters set forth in Health & Safety Code sections 33333.2 and 33492.13 do not apply to the Project.

Section II.D.3 Limitation on Number of Dwelling Units. Authorize transfer of Dwelling Units from Phase 2 of the Project Area to Zone 1 of the BVHP Project Area, subject to Commission approval and any necessary environmental review.

Section II.D.4 Limitation on Type, Size, and Height of Buildings. Adjustments to development program square footage to reflect updated development program. Language authorizing transfer of up to 2,050,000 square feet of R&D/office from Phase 2 of the Hunters Point Shipyard Project Area to Candlestick Point, subject to Commission approval and any necessary environmental review. Authorize any unused R&D/office square footage transferred from the Shipyard Site to Candlestick Point, following Commission approval, to be transferred back to the Shipyard Site subject to Commission approval of applicable Major Phase Application.

Section IV.A Methods for Project Financing. Language implementing SB 143 authorizing tax increment revenues to flow between Zone 1 of Project Area B and Phase 2 of the Hunters Point Shipyard Project Area.

Section IV.B Tax Allocation.

- Language establishing that the aggregate total amount of bonded indebtedness for both Zone 1 of Project Area B and Phase 2 of the HPS Project Area is \$5.9 billion.
- Establish that the time limit for establishing loans, advances, and indebtedness in connection with Phase 2 of the HPS Project Area shall be a) 30 years from Initial HPS Transfer Date, b) plus 15 years which represents the Anticipated Navy Delay.
- Establish that the time limit to repay indebtedness and receive property taxes for Phase 2 of the HPS Project Area shall be a) 45 years from the Initial HPS Transfer Date, b) plus 15 years which represents the Anticipated Navy Delay.

Section VII. Duration of Plan. Establish that the time limit for the effectiveness of the HPS Plan for Phase 2 of the HPS Project Area shall be a) 30 years from the Initial HPS Transfer Date, b) plus 15 years which represents the Anticipated Navy Delay.