



Approval of Proposed Amendments to the Candlestick Point/Hunters Point Shipyard Phase II Project

Commission on Community Investment and
Infrastructure

September 03, 2024

Agenda

- Approval Actions
- Overview of Amendments
- Project Background
- Redevelopment Plan Amendments
- DDA Amendments
- Public Engagement
- Next Steps

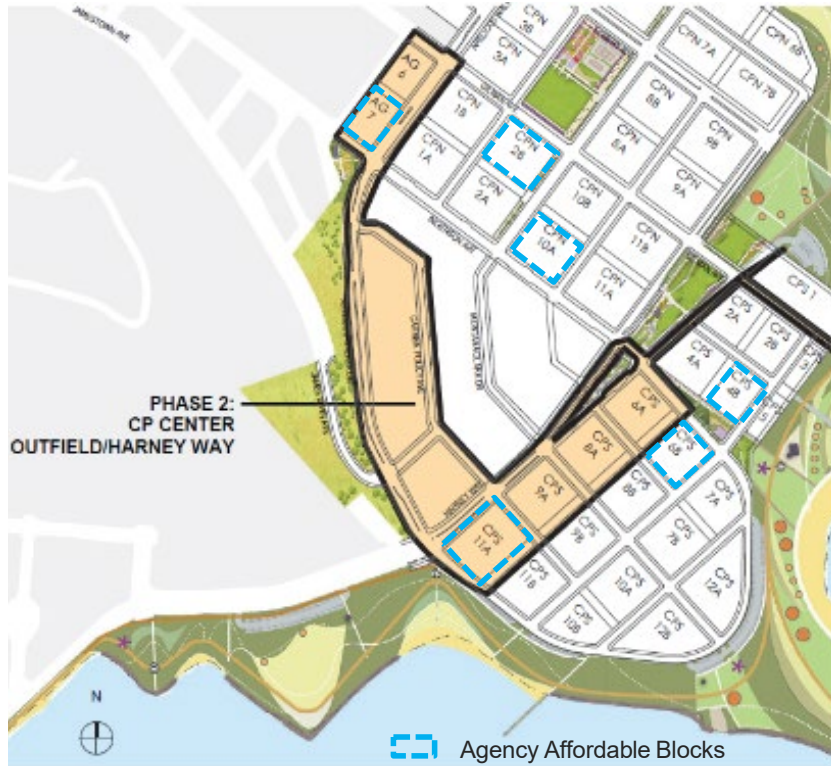
Approval Actions

| <u>Resolution No.</u> | <u>Action</u> |
|------------------------------|--|
| 22-2024 | Adoption of findings, including amending adopted mitigation measures, pursuant to the California Environmental Quality Act |
| 23-2024 | Approving Reports to the Board of Supervisors for the Bayview Hunters Point Redevelopment Plan Amendments |
| 24-2024 | Approving Reports to the Board of Supervisors for the Hunters Point Shipyard Redevelopment Plan Amendments |
| 25-2024 | Approving Amendments to the Redevelopment Plan for the Bayview Hunters Point Redevelopment Project Area |
| 26-2024 | Approving Amendments to the Redevelopment Plan for the Hunters Point Shipyard Redevelopment Project Area |
| 27-2024 | Authorizing the 4 th Amendment to the CP/HPS Phase 2 DDA |
| 28-2024 | Approval of amendments to Candlestick Point Design for Development |
| 29-2024 | Authorizing execution of First Amendment to the Tax Allocation Pledge Agreement between OCII and the City |

Overview of Amendments - Next Phase (Phase 2)

Infrastructure Begins in 2025- Infrastructure Permits to be submitted 12 months after approvals

675 new homes, including 278 (41%) below market rate units, will be completed in Phase 2



By the completion of Major Phase 2, a total of 1,012 housing units will be completed, which includes:

- 337 units at Alice Griffith (completed)
- 675 units in Major Phase 2
- 615 will be below market rate units (Phase 1 and Phase 2)

Overview of Amendments - Plan Amendments Focus On Candlestick Center

Transferring ~2.05M SF of R&D/Office from Shipyard to Candlestick Center

2019 CP Development Plan



2024 CP Development Plan



Overview of Amendments - Total Development Program Remains the Same

Number of affordable housing, open space, infrastructure, and community benefits unchanged

Key Updates

Unchanged

- **Streamline** application process with smaller phases
- **Extend** public financing timelines
- **Enhance** land use adaptability
- **Optimize** parking for Candlestick community
- **Adjust** building heights in Candlestick Point Center to a range of 85 to 180 ft

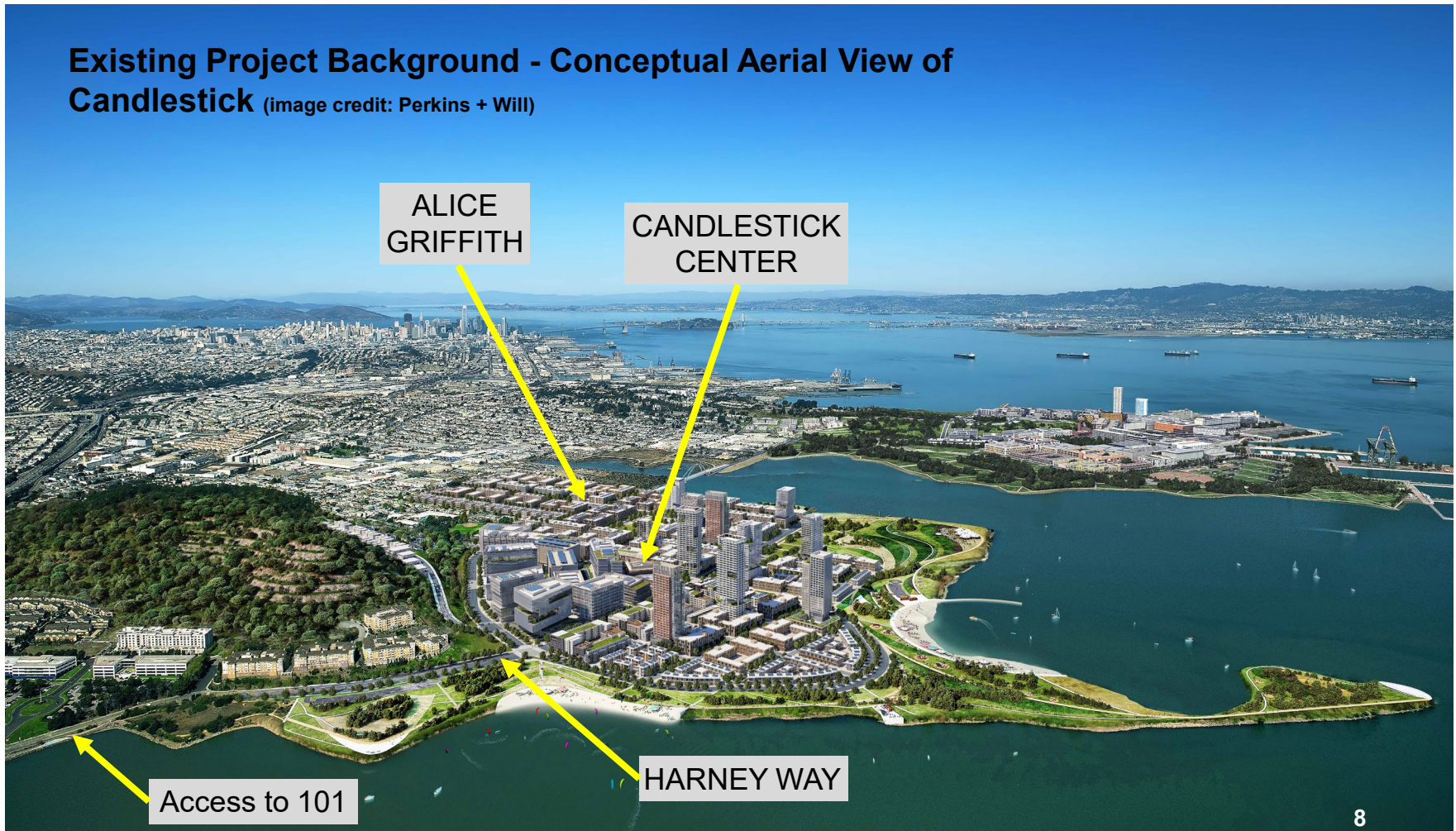
- **Housing program** with 7,218 residential units (~32% affordable), including 1,012 housing units within the next two phases
- **Community Benefits** including Small Business Enterprise and local hire goals
- **Infrastructure and Open Space Plans**
- **Community uses, community spaces** including 100K sf
- **Design Review** process with CAC and Commission reviewing major phase & schematic design



Project Background

Existing Project Background - Conceptual Aerial View of Candlestick

(image credit: Perkins + Will)



Existing Project Background - Revitalizing Public Land for Community Needs

Transforming vacant lots, abandoned stadium, aging public housing, deteriorated roads and sidewalks

Infrastructure

- Site Needs Significant Upfront Investment in Infrastructure
- New streets and utilities
- ~337 acres of parks & open space

Housing

- Up to 10,672 new homes
- ~32% below market rate units

Commercial

- ~6.69 million SF
- R&D/Office, Retail, Institutional, Maker Space, Hotel, Community Facility, and Performance Venue

Community Benefits

- Job creation
- Workforce development
- Local contracting
- Scholarship fund



Existing Project Background - Delays Have Impacted Project Implementation

Despite delays, progress has been made on housing and community investments

Project Delays

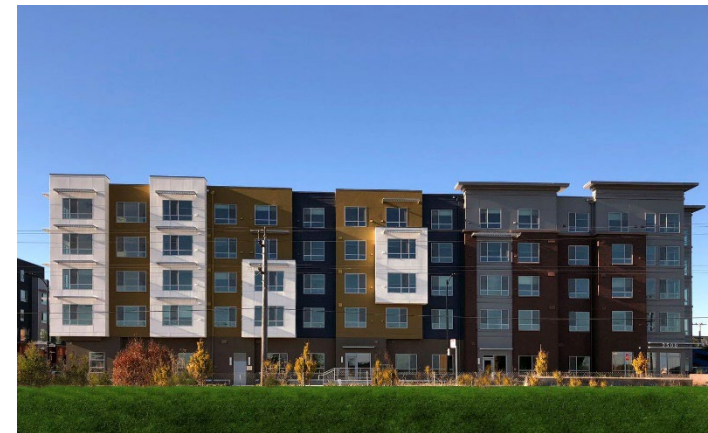
- Dissolution of Redevelopment in 2012 and relocation of 49ers in 2014
- Shifts in retail shopping habits rendered retail mall obsolete
- **Shipyard Site delay due to retesting, and remediation**
- **Candlestick and Shipyard can no longer be developed in tandem**

Housing

- Completion of Phase 1 of Alice Griffith, demolition of former Alice Griffith
- Schematic Design Applications approved for (4) residential blocks on Harney Way and (3) residential blocks on Ingerson Avenue

Continued Community Investment

- ~Contributions toward including affordable housing, job training, education, and community building
- Demolition of Candlestick Park and ground improvements at Candlestick Point
- Commercial kitchen at Shipyard completed



Existing Project Background - Plan Amendments are Necessary to Advance Project

Candlestick Point and the Shipyard Site can no longer be developed in concert as originally conceived

- **Prioritize Candlestick** while Shipyard cleanup is delayed
- **Continue community investments** in jobs and open space
- **Adapt** to changing business landscape



Conceptual Illustration: Image Credit Perkins + Will



Plan and Design for Development Amendments

Amendments will Unlock Candlestick Point

The following updates will facilitate delivery of housing, jobs, open space, and community benefits

- **Extend time limits for public financing to complete the development program**
 - **CP:**
 - **Plan effectiveness/Bond Issue – 30 years**
 - **Repaying Bonds- 45 years**
 - **Anticipated Navy delay - 15 years**
 - **HPS: Beginning from conveyance to the Developer of all Phase 2 Shipyard parcels required for the completion of the first Major Phase (“Initial Transfer Date”)**
 - **Plan effectiveness/Bond Issue – 30 years from Initial Transfer Date**
 - **Repaying Bonds - 45 years from the Initial Transfer Date**
 - **Anticipated Navy delay - 15 years**
- **Transfer of approximately 2.05M sq.ft. of R&D/office use from Shipyard to Candlestick’s commercial area, resulting in 3M sq.ft. of R&D/office at Candlestick**
- **Increase the flexibility of land uses**
 - Clarify that R&D and related uses, such as AI, medical devices, labs, robotics etc. are authorized within Candlestick Center
 - Allow the hotel, film arts center, and performance venue to be located anywhere in Candlestick Point
- Allow **parking ratio of 2/1000 sq.ft.** for the R&D uses first 1.7M sq.ft. using phased approach
- Amend **height limits to a range of 85 to 180’** for Candlestick Point Center
- **Streamline application process to deliver construction/development more quickly**

Plan Amendments don't Increase/Decrease Overall Program

2.05M SF of R&D/Office will move from the Shipyard to Candlestick Center

| | 2019 | | | 2024 Proposed | | |
|---------------------------------------|----------------------------------|----------------------------------|----------------------------------|---------------|--------------|-----------|
| | Candlestick - Approved | Shipyard - Approved | Total - Approved | Candlestick | Shipyard | Total |
| NON-RESIDENTIAL LAND USE | | | | | | |
| Hotel (SF) | 130,000 SF 220 Rooms | 120,000 SF 175 Rooms | 250,000 SF 395 Rooms | No Change | | |
| R&D/Office | 750,000 SF | 4,146,500 SF | 4,896,500 SF | 2,800,000 SF | 2,096,500 SF | No Change |
| Regional Retail | 170,000 SF | 100,000 SF | 270,000 SF | No Change | | |
| Neighborhood Retail | 134,500 SF | 226,000 SF | 360,500 SF | No Change | | |
| Artists' Studios/Art Center (gsf) | 0 SF | 255,000 SF | 255,000 SF | No Change | | |
| Community Uses | 50,000 SF | 50,000 SF | 100,000 SF | No Change | | |
| Community Facilities Space | 65,000 SF | 0 SF | 65,000 SF | No Change | | |
| Maker Space (gsf) | 0 SF | 75,000 SF | 75,000 SF | No Change | | |
| Institution (gsf) | 0 SF | 410,000 SF | 410,000 SF | No Change | | |
| Performance Venue | 5,000 SF 4,400 Seats | 0 SF 0 Seats | 5,000 SF 4,400 Seats | No Change | | |
| Film Arts Center | 64,000 SF 1,200 Seats | 0 SF 0 Seats | 64,000 SF 1,200 Seats | No Change | | |
| NON-RESIDENTIAL LAND USE TOTAL | 1,368,000 SF 220 Rooms | 5,382,500 SF 175 Rooms | 6,750,500 SF 395 Rooms | No Change | | |
| | 5,600 Seats | 0 Seats | 5,600 Seats | No Change | | |
| RESIDENTIAL LAND USE | | | | | | |
| | 7,218 Homes | 3,454 Homes | 10,672 Units | No Change | | |

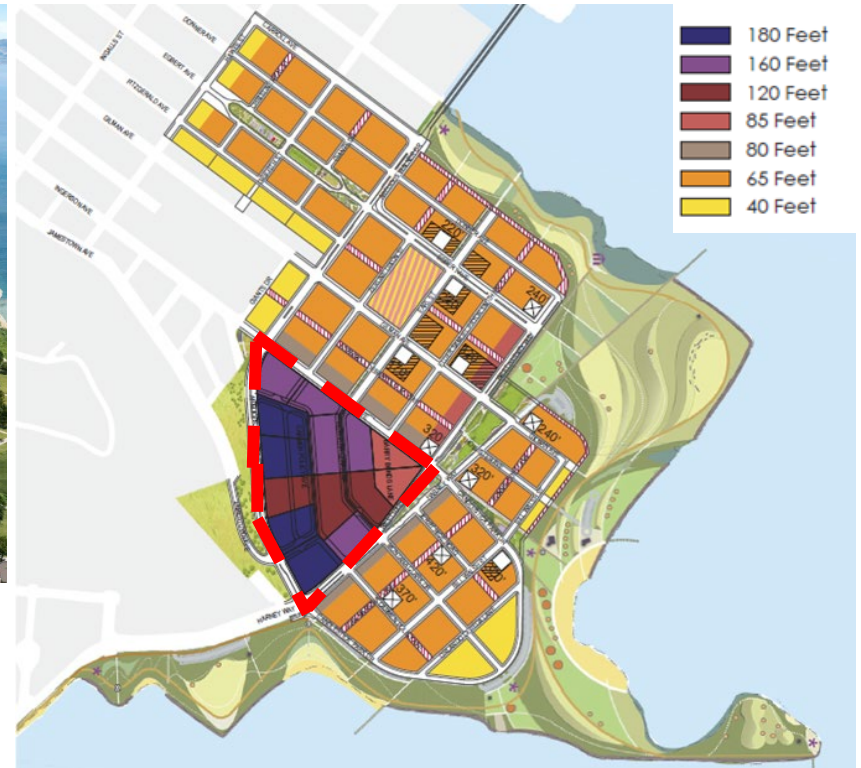
Design for Development

New supplementary section providing standards and guidelines for the Candlestick Center Innovation District



Section A5.3 Candlestick Center Innovation District

Conceptual Image Credits: Perkins + Will



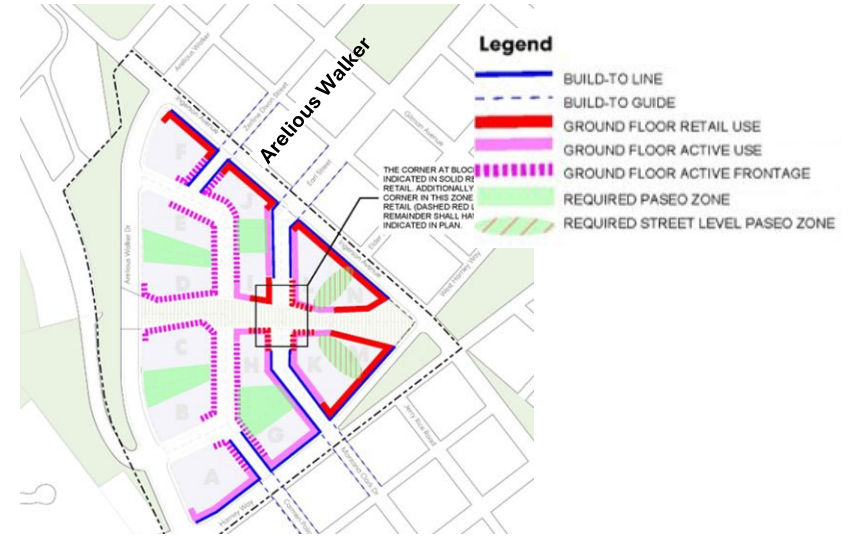
Note: No amendments are proposed to other existing Candlestick Point D for D chapters.

Design for Development

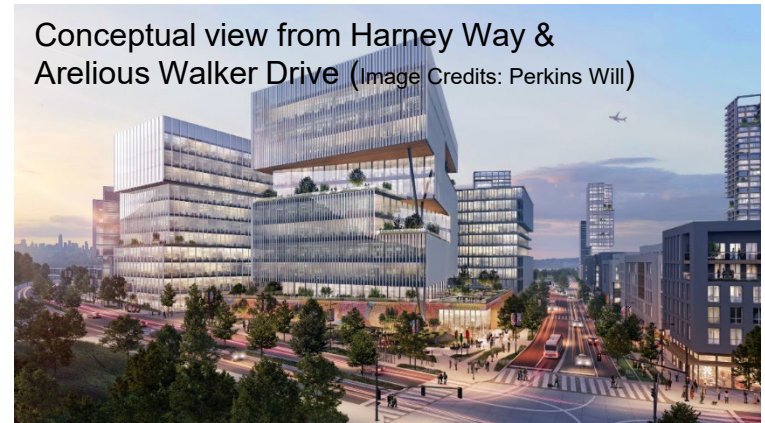
Innovation District Design for Development

Urban Design Best Practices:

- Extend streets from adjacent neighborhoods into the Center
- Create prominent urban edges along Ingerson Ave and Harney Way
- Prioritize ground floor retail, active uses and frontages
- Create a vibrant open space spine
- Orient buildings to allow paseos and preserve view corridors



Conceptual view from Harney Way & Arelious Walker Drive (Image Credits: Perkins Will)



Design for Development

Central Promenade Standards

View from the Central Promenade



Conceptual Illustration: image credit Perkins + Will









Urban Design Best Practices:

- Create a vibrant public open space spine
- Promote a variety of Retail and Active Uses
- Allow adequate soil depth for trees to reach maturity
- Maximizes local native planting and trees



Development & Disposition Agreement (DDA) Amendments

Candlestick Point Housing and Land Use

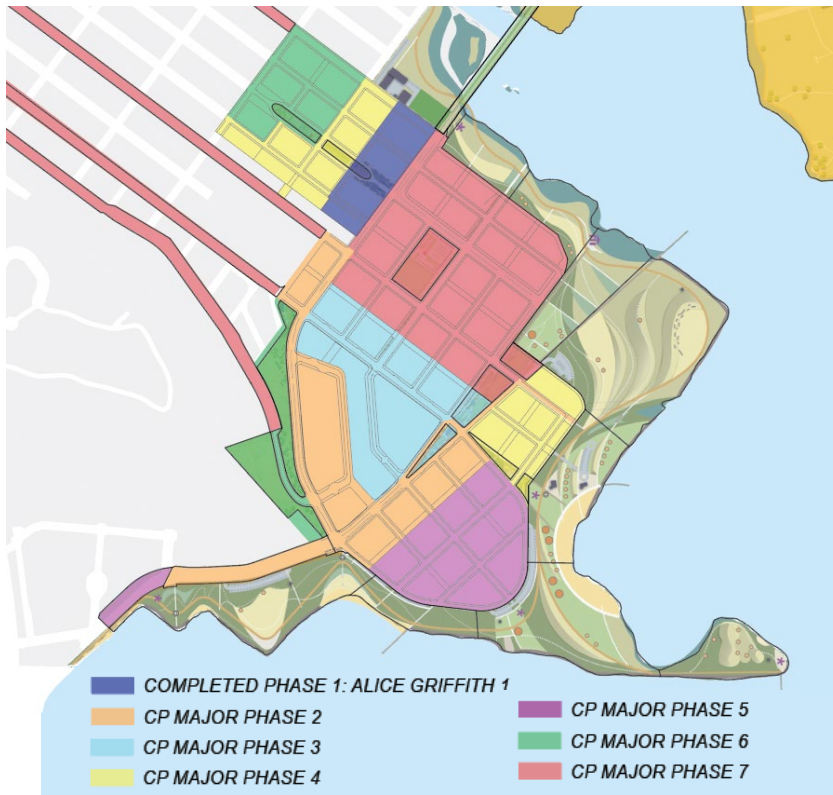
-  Residential Density I
(15-75 Units Per Acre)
-  Residential Density II
(50-125 Units Per Acre)
-  Residential Density III
(100-175 Units Per Acre)
-  Residential Density IV
(175-285 Units Per Acre)
-  Community Use
-  Parks and Open Space
-  Innovation District (Commercial & Residential)
-  Agency Affordable Blocks



*No land use changes are proposed to Hunters Point Shipyard Phase 2

DDA Amendments - Phasing Plan and Schedule of Performance (Infrastructure)

The Candlestick Point redevelopment will happen across seven major phases, with major phase 1 already complete



- Infrastructure and open space phasing revised to expedite and prioritize Project delivery
- Boundaries of Major Phases adjusted to make project economically feasible
- Number of Major Phases is increased from three to seven to merge in Sub Phases

Phase 2 Housing

675 units of housing

-236 0-60% AMI

-42 80-120% AMI

-397 Market Rate

Groundfloor retail/community spaces



DDA Amendments - Below Market Rate Housing Plan

The BMR Housing Plan describes the process and requirement for the development of the affordable housing for the Project Site.

Current Status

- The total number and percentage of the affordable units will remain the same.
- The developer is required to pay a subsidy of \$90,000 plus any additional gap financing needed for each Alice Griffith Replacement Unit and \$70,000 for each Agency Affordable Unit.
- The Developer has paid subsidies for the completed Alice Griffith and Agency units.

BMR Housing Plan Amendments

- Adjust the schedule for Agency Subsidy to correspond with the updated schedule
- Adjust the timing of the developer subsidies to the Alice Griffith Replacement Projects; these payments will be due at the close of construction rather than the beginning of construction.
- These changes will not impact OCII's ability to build affordable housing units or the timing of their delivery.
- Developer's senior housing project (104), which used to be optional, must now be built before the last building is completed in Major Phase 4.
- The Below-Market-Rate Housing Map includes a change in a workforce unit lot. This swap is permitted per the DDA, and the number of workforce units remain the same.

DDA Amendments - Below Market Rate Housing Plan

Affordable housing requirements remain unchanged from 2019, with 3,363 units ranging from 0% to 160% AMI

| AMI % | Unit Type | Unit Count | % |
|------------------------------|--|-------------|-------------|
| 0-60% | Alice Griffith Replacement | 256 | 7.6% |
| 0-60% | OCII units | 1388 | 41.3% |
| 0-60% | Inclusionary Senior | 104 | 3.1% |
| 80-100% | Inclusionary | 259 | 7.7% |
| 101-119% | Inclusionary | 57 | 1.7% |
| 120% | Inclusionary | 389 | 11.6% |
| 140% | Workforce | 446 | 13.3% |
| 141%-160% | Workforce | 446 | 13.3% |
| 80% | Additional Inclusionary (not subject to checkpoints) | 18 | .5% |
| GRAND TOTAL BMR UNITS | | 3363 | 100% |

DDA Amendments - Transportation Plan

2024 plan modifications result in fewer vehicle trips and traffic operates the same than the 2019 plan



- R&D/Office Parking Ratio:
 - Increase from 1.3 spaces to 2.0 spaces per 1,000 SF for the first 1,700,000 SF of R&D/office
- Candlestick Point-Hunters Point Shipyard Transportation Management Association (TMA)
 - Removing of the Hunters Point Shipyard Phase I from TMA
- Revised traffic analysis indicates that the 2024 amendment would **generate 100 fewer morning vehicle trips** and **60 fewer evening vehicle trips** compared to the approved 2019 plan
- Traffic would operate the same or better when compared to the 2019 analysis

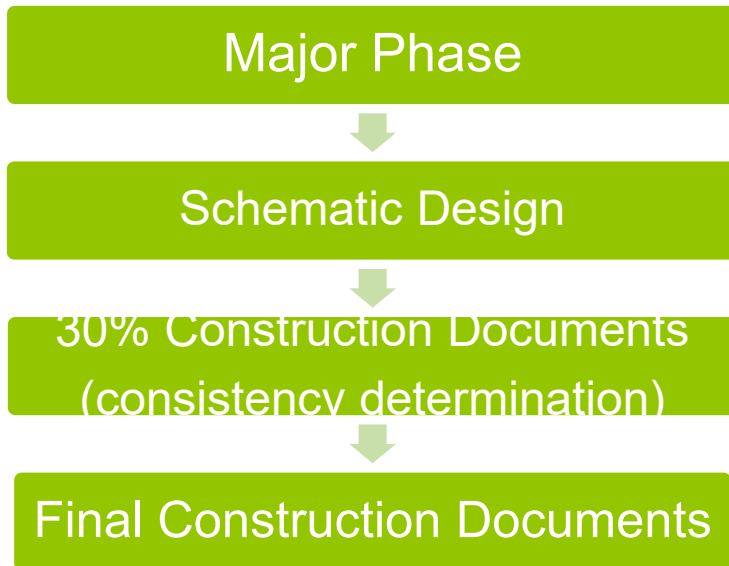
Financing Plan

Establishes the framework and terms for funding the project

- The tax increment generated at Candlestick Point can be used for Candlestick Point and Hunters Point Shipyard Phase 2 Qualified Project Costs.
- Eliminates Major Phase Increment Allocation framework and Excess Increment concept from the Financing Plan
- Update the summary proforma to reflect the changes to Major Phases
- Increases the Project's feasibility by increases in the time-period for levying special taxes for CFD bonds by 10 years to 85 years, allowing for more CFD pay-go taxes potentially reducing the amount of bonds needed

DDA Amendments - Design Review & Document Approval Procedure (“DRDAP”)

Sets forth the procedures for reviewing the designs, plans and specifications for the project



- Proposed amendments include:
- Accelerate the development review process by eliminating Sub Phase and Design Development process (no proposed changes CAC process and OCII Commission review authority)
- Clarify submittal requirements for Major Phase Applications and Vertical Applications.
- Establish a streamlined 30% Construction Documents Review process
- Align OCII and DBI review process for Final Construction Documents

DDA Amendments - Tax Increment Allocation Pledge Agreement

“Pledge Agreement” between City and County of San Francisco and OCII dated June 3, 2010

- A First Amendment to the Pledge Agreement is proposed to implement SB 143 as follows:
 - Establish the time limits applicable to incurring debt and repayment of debt/receipt of tax increment as described in the BVHP and HPS RD Plans
 - Clarify that tax increment revenue can flow between Phase 2 of the HPS Project Area and Zone 1 of Project Area B
 - 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 in the amount of \$5.9 billion

Public Review & Community Outreach

Proposed project amendments were developed in consultation with community stakeholders



| Community Meetings | Date |
|---|------------------------|
| HPSCAC Subcommittees (Business & Employment, Housing and Planning) Meeting | May 16, 2024 |
| Community Outreach Workshop | May 22, 2024 |
| Community Outreach Workshop | June 1, 2024 |
| Bayview Hill Neighborhood Association | June 3, 2024 |
| HPSCAC Full Subcommittee (Approval) | June 17, 2024 |
| San Francisco Housing Action Coalition | June 20, 2024 |
| Community Outreach Workshop (in-person and virtual) | June 26, 2024 |
| Alice Griffith residents and service providers – Community Outreach Workshop, True Hope Church | July 11, 2024 |
| Bay Area Council | August 8, 2024 |
| Alice Griffith residents, Candlestick Update Presentation: Alice Griffith Tenants Association meeting | August 12, 2024 |
| Community Benefits Implementation Committee (members invited include Faith in Action, AD10 and Labor Council) - Candlestick Update Presentation | August 20 and 22, 2024 |
| Meeting with Shirley Moore and other Bayview Hill Neighbors at the home of Brenda Ramirez (response to questions in person during meeting and in writing after meeting) | July 2, 2024 |
| Upcoming meetings: Local contractors | August 27, 2024 |
| Council of Community Housing Organizations | August 28, 2024 |
| Taste of Bayview – Renaissance Entrepreneurship Center event | August 29, 2024 |

Public Review & Community Outreach

- **Jobs**– Developer has met with multiple members of local business community and hyper-contractors to discuss needs and approach to inclusion with contracting process; methods to create more opportunities for smaller businesses.
- **More Housing** - Amendment includes allowing more units from HPS to be transferred to CP; willingness to explore adding additional housing in future phases.
- **Retail/Community Facility Space** –The first two phases include community facility spaces, where "warm shell" would be designed with features to support restaurants (i.e. floor drains, backflow preventers, and HVAC).
- **Site Management** – Besides ongoing work onsite, Developer have completed additional work offsite to support the neighborhood.
- **Next phase of housing at former AG site** – OCII staff worked with Developer to preserve cadence of housing development in revised phasing
- **For AG site interim uses** – Developer has begun working on strategies to improve conditions

ALICE GRIFFITH INTERIM USES AND ACTIVATIONS:

Activation

Improvements

Special Events/Education Events

Seasonal Events

Collaborations (such as temporary playground efforts)

Examples of Possible Uses & Activations

- Temporary Parking
- Neighborhood mural painting
- Flora Grub demonstration
- Pickleball court
- Local band stand afternoon
- Dog park
- Patio area
- Pumpkin patch



Summary of Actions

| Actions | Summary |
|-------------------------------|---|
| CEQA | <ul style="list-style-type: none"> - Adoption findings, including amending adopted mitigation measures, pursuant to the California Environmental Quality Act |
| Report to Board | <ul style="list-style-type: none"> - Approval of a Report to the Board of Supervisors on the Redevelopment Plan Amendment for the Bayview Hunters Point Redevelopment Project Area - Approval of the Report to the Board of Supervisors on the Redevelopment Plan Amendment for the Hunters Point Shipyard Redevelopment Project Area |
| Redevelopment Plans | <ul style="list-style-type: none"> - Approval of amendments to the Redevelopment Plan for Bayview Hunters Point Redevelopment Project Area - Approval of amendments to the Redevelopment Plan for the Hunters Point Shipyard Redevelopment Project Area |
| DDA | <ul style="list-style-type: none"> - Authorize a Fourth Amendment to the Disposition and Development Agreement with CP Development Co., LLC |
| Design for Development | <ul style="list-style-type: none"> - Approval of amendments to Candlestick Point Design for Development |
| Pledge Agreement | <ul style="list-style-type: none"> - Authorize a First Amendment to the Tax Allocation Pledge Agreement between Agency and the City and County of San Francisco for the development of Candlestick Point and Phase 2 of the Hunters Point Shipyard |

Next Steps

| Approval Body | Date | Approval Action for: |
|---|-----------------------|--|
| OCII Commission | 9/3/24 | <ul style="list-style-type: none">• DDA, Redevelopment Plan, CEQA, Design for Development, Tax Allocation Agreement |
| Oversight Board/ CA Dept. of Finance | 9/9/24 | <ul style="list-style-type: none">• 4th Amendment Disposition and Development Agreement |
| Planning Commission | 9/12/24 | <ul style="list-style-type: none">• Redevelopment Plan Amendment (General Plan Consistency)• Design for Development Amendment |
| Board of Supervisors | 9/10/24 – 10/29/24 | <ul style="list-style-type: none">• Redevelopment Plan Amendment |

Key Takeaways

- Project progress has been impacted by the following factors:
 - Dissolution of Redevelopment Agencies in 2012
 - Relocation of the San Francisco 49ers to Santa Clara in 2014
 - Shifting retail consumer habits rendering retail mall obsolete
 - Delays in the cleanup of the Shipyard Site due to the ongoing investigation, re-testing, and litigation related to the fraudulent work by the Navy's contractor.
- Plan amendments are necessary to respond to market conditions and deliver significant housing, jobs, and community benefits
- The amendments focus on Candlestick Center and do not increase or decrease the overall development program, including below market rate housing, open space, commercial, and community use commitments
- If approved, infrastructure work for 675 housing units will begin in late 2025