450-0322018-002

Agenda Item **<u>Nos. 5(B) through 5(C)</u>**
Meeting of May 24, 2018

MEMORANDUM

TO: Oversight Board

FROM: Nadia Sesay, Executive Director

SUBJECT: Approval of a Seventh Amendment to the Hunters Point Shipyard Phase 1 Disposition and Development Agreement; and a Third Amendment to Candlestick Point/Hunters Point Shipyard Phase 2 Disposition and Development Agreement

EXECUTIVE SUMMARY

In accordance with state law, the Successor Agency to the San Francisco Redevelopment Agency ("Successor Agency") is implementing the enforceable obligations of the former San Francisco Redevelopment Agency ("Former Agency"). This includes overseeing development within the Hunters Point Shipyard ("HPS") Redevelopment Project Area and the Bayview Hunters Point ("BVHP") Redevelopment Project Area, pursuant to the Disposition and Development Agreement for Hunters Point Shipyard Phase 1 ("HPS1 DDA"), and the Disposition and Development Agreement for Candlestick Point and Phase 2 of the Hunters Point Shipyard ("CP/HPS2 DDA") with CP Development Co., LLC ("Developer").

When initially approved in 2010, the CP/HPS2 DDA contemplated a mixed-use commercial and residential development (the "CP/HPS2 Project"), including a professional football stadium in Phase 2 of the HPS Project Area ("Shipyard Site") and a large regional retail center in the BVHP Project Area ("Candlestick Site"). Since that time, the San Francisco 49ers professional football team has constructed a stadium elsewhere, and the Successor Agency and Developer have collaborated on responsive changes to the development program for the Shipyard Site intended to make the Project responsive to current market conditions, and to maximize the feasibility and likelihood of the Project's success and economic benefit to the community.

On April 17, 2018, the Successor Agency Commission ("Commission") conditionally approved a third amendment to the CP/HPS2 DDA ("Third Amendment") reflecting this effort, known as the "2018 Updated Program". The Commission also conditionally approved a minor amendment to the HPS1 DDA, which allows for reallocation of 172 residential units and 71,000 square feet of commercial development, originally planned for HPS Phase 1, to the CP/HPS2 Project. The Successor Agency is requesting that the Oversight Board approve these amendments in accordance with Oversight Board authority under state law.

BACKGROUND

HPS Phase 1 Project

The HPS1 DDA, dated December 2, 2003 and as most recently amended, authorizes up to 1,600 residential units, up to 80,000 gross square feet of commercial space, and associated parks, open spaces, and community benefits within Phase 1 of the HPS Redevelopment Project Area. Of the foregoing entitlement, the parties anticipate that only 1,428 residential units and a minimum of 9,000 gross square feet of commercial space will be constructed pursuant to the HPS1 DDA. Accordingly, to maximize the potential for market rate and affordable housing and economic and workforce development within the HPS Project Area, the HPS1 developer requested, and the Commission conditionally approved, a Seventh Amendment to the HPS1 DDA ("Seventh Amendment") allowing the remaining 172 residential units (including 18 affordable units) and up to 71,000 gross square feet of commercial uses originally planned for HPS Phase 1 to instead be constructed in the CP/HPS2 Project.

CP/HPS2 Project

In June 2008, the voters of San Francisco approved the Bayview Jobs, Parks, and Housing Initiative ("Proposition G"), which established a framework for the timely and coordinated redevelopment of the Candlestick Site and Shipyard Site with the primary objective of revitalizing the Bayview Hunters Point community. Subsequent actions in 2010 amended the HPS and BVHP Redevelopment Plans and approved the CP/HPS2 DDA to authorize development consistent with Proposition G.

As approved in 2010, the Project was a mixed-use development consisting of up to 10,500 residential units that includes a mix of affordable and market rate units, up to 960,000 square feet of retail and entertainment uses, up to 2,650,000 square feet of research and development and office uses and a professional football stadium. The HPS Redevelopment Plan also allowed an additional 2,500,000 square feet of research and development and office uses in the event the stadium was not constructed.

The CP/HPS2 DDA, dated June 3, 2010 and as most recently amended, establishes Developer's and the Successor Agency's rights and obligations regarding development of the Project, including construction of infrastructure, transportation improvements, open space and parks to serve the Project, and the provision of robust community benefits and a below market rate housing program. The CP/HPS2 DDA includes detailed planning documents establishing guidance for the provision of each of these obligations. The CP/HPS2 DDA also provides for the delivery of these obligations through a series of Major Phases and Sub-Phases governed by a Schedule of Performance with "Outside Dates" by which the Developer must submit Major Phase and Sub-Phase applications and complete infrastructure improvements, parks, and other community benefits within those Sub-Phases.

To date, Candlestick Major Phase 1 and Sub-Phases CP-01, -02, -03, and -04 have been approved, and infrastructure and vertical development are underway for the first four phases of new Alice Griffith public housing replacement and affordable housing developments in Sub-Phase CP-01. The Candlestick Park stadium was demolished in 2015 and preliminary site preparation work has been done for CP-02, -03, and -04. Development has not yet begun in Phase 2 of the Shipyard.

DISCUSSION

2018 Updated Program

With the passage of almost 10 years and the departure of the San Francisco 49ers from the Shipyard Site, the Developer and OCII now propose changes to the land use program of the Shipyard Site that are intended to maximize the potential for successful development and economic return in current and anticipated future market conditions. These proposed changes are accompanied by conforming changes to infrastructure, transportation networks, and parks and open space; and changes to the Phasing Plan and Schedule of Performance for HPS Phase 2.

The proposed land use plan at the Shipyard Site reflects the historic layout of the Hunters Point Shipyard, which results in a new street grid and arrangement of development blocks, and allows for the possibility to retain and adapt some of the existing buildings on the Shipyard Site. Attachment 2 to this memorandum shows the proposed Development Plan under the Updated Program. The Updated Program would increase the existing amount of R&D/office space allowed under the DDA (but not beyond what is allowed under the HPS Redevelopment Plan), would increase the amount of neighborhood and regional retail space, and provide for maker space, a hotel, and institutional uses. Residential uses are re-allocated between HPS Phase 1, HPS Phase 2 and Candlestick Point, but with no net change to the total number of housing units provided between the CP/HPS2 Project and the Phase 1 Project. The proposed land use plan also re-configures the parks and open spaces, resulting in an overall increase in the total amount of parks and open space area. The CP/HPS2 DDA also includes an existing building owned by the Successor Agency, Building 813, within those current and former Navy properties to be transferred to Developer for redevelopment.

Table 1, below, is a comparative table summarizing the changes from the land uses approved in 2010 and those now proposed. Table 2, below, summarizes the proposed changes to the CP/HPS2 DDA and its Exhibits that accommodate the Updated Program.

At the Candlestick Site, Developer has requested that the BMR Housing Plan be revised to accommodate an 100% Senior BMR project, which would result in an acceleration of the provision of BMR housing within the Candlestick Site.

Oversight Board Approval of CP/HPS2 DDA Amendments

Pursuant to the Redevelopment Dissolution Law (Health & Safety Code §§ 34170 et seq.), the Successor Agency is implementing the enforceable obligations of the Former Agency, including the HPS Phase 1 DDA and the CP/HPS2 DDA, which the California Department of Finance finally and conclusively determined to be enforceable obligations on December 14, 2012. The Dissolution Law provides the Oversight Board with the authority to amend enforceable obligations if such amendments are in the best interests of the taxing entities (Cal Health & Safety Code § 34181(e)).

The Fiscal and Economic Analysis (“Analysis”) performed for the Third Amendment (Attachment 14 hereto) indicates that the 2018 Updated Program implemented by the Third Amendment would generate a net positive impact to the City’s General Fund, create additional employment within the Project site and the surrounding area. The Analysis includes comparisons to the conclusions reached in the Fiscal and Economic Impact Report (“F&E Report”) prepared for the 2010 CP/HPS2 Project approvals, which were both prepared by Economic & Planning Systems (EPS). Estimates for the CP/HPS2 Project include the proposed land use and phasing changes, and are represented in 2017 constant dollars (as the analysis for the report began in 2017). Successor Agency staff reviewed the Analysis in consultation with its consultant team (ALH Consulting) and staff from the City's Controller's Office, and concurs with the conclusion that the amended CP/HPS2 Project will create a net positive impact to the General Fund and the local economy. See Attachment 14 for the full F&E Report. The Report concludes the following about several key fiscal and economic indicators about the CP/HPS2 Project at full buildout:

- **General Fund Net Revenues: $40 million**
  At full buildout the CP/HPS2 Project (as modified by the Third Amendment) is estimated to contribute a total of $40.6 million in annual General Fund revenue (net of General Fund expenditures), which is over twice the 2010 estimate of $16.1 million. Specifically, EPS estimates that General Fund revenues will be 79% higher than estimated in 2010, while General Fund expenditures are only expected to increase by 39%. When adjusted for inflation, the 2010 General Fund revenues increase by 53% in real terms, and the associated expenditure increase is 18%. Over half of the increase in General Fund revenues is driven by revenue categories driven by the Project's assessed values, including revenues from property tax, transfer tax, and property tax in-lieu of vehicle license fees. Revenue increases are also driven by increased projections of hotel tax due to higher projected hotel overnight rates, and increased projections of sales tax due to higher projected sales at Project retail uses; like the increase in assessed values, these changes are market-driven. In addition to these market-driven changes, revenue changes are also projected to result from changes in the Project development program: hotel tax revenues are projected to increase due to increased Project hotel rooms, sales tax and business tax revenues are projected to increase due to increased Project retail and office/R&D space, and parking tax revenues are projected to decrease due to reductions in Project parking spaces subject to parking tax. Additionally, some changes to projected property transfer tax revenues resulted from changes in City property tax transfer rates, and from a more specific analysis of expected property transfers and inflationary impacts. See Table 2 in the attached F&E Report for a full breakdown and comparison of General Fund Revenue and Expenditure at Project buildout.

- **Transit Surplus: $3.4 million**
  At full buildout, EPS estimates that the net annual Transit surplus related to the CP/HPS2 Project (as modified by the Third Amendment) will be $3.4 million, as compared to $1.5 million in the 2010 report. Transit revenues are estimated to be one percent higher than in 2010, while transit expenditures are expected to be 6 percent lower than 2010. After adjusting for inflation, both transit revenues and expenditures were higher in 2010 than in 2018, though the net annual surplus was lower in the 2010 report. See Table 3 in the attached F&E Report for a full breakdown and comparison of Transportation Revenue and Expenditure at CP/HPS2 buildout.

- **Job Generation: 28,000 new jobs (using "multiplier effect")**
  At full buildout, EPS estimates that the employment-generating uses within the CP/HPS2 Project (as modified by the Third Amendment) will provide approximately 15,763 jobs across a broad range of industries and occupations, up from the 9,834 jobs assumed in 2010. R&D/Office uses account for 11,000 of these jobs, with retail providing approximately 2,700 jobs. The remaining 2000+ jobs are associated with the makerspaces, institutional uses, film and art center, hotels, and other uses. In addition, the CP/HPS2 Project will create "indirect" jobs in industries which support the new businesses located at CP/HPS2, and "induced" jobs created when the new workers spend money in the community. This is called the "multiplier effect" of new employment. The estimate for the total number of jobs generated rises to approximately 28,000. The total number of jobs using the multiplier effect was estimated at 22,000 in 2010. See Table 4 for a full breakdown and comparison of Ongoing Employment at Project buildout.

Building 813:

The City and the Former Agency at one time intended to retain a former Navy property within the Shipyard Site, referred to as Building 813, to be rehabilitated for use as a center for business incubation and later sold for continued use for this purpose. OCII's approved Long Range Property Management Plan ("PMP") required that OCII sell Building 813 with covenants restricting its use as center for incubation of emerging businesses and technologies. The Successor Agency was unable to find a development partner for such use, and OCII and the City have determined that this use for Building 813 either requires substantial public investment for the rehabilitation and conversion (on the order of at least $80M) and operation of the building, or a substantial discount in the fair market value. Accordingly, the Third Amendment clarifies that Building 813 is no longer being retained, and will not be sold with the infeasible restrictions and covenants called for under the PMP, and will instead be incorporated into the general enforceable obligation of the CP/HPS2 DDA to convey land to Developer similar to other former Navy property within the Shipyard Site.

Like all other former Navy property at the Shipyard Site to be conveyed to Developer, conveyance of Building 813 would provide a benefit to the taxing entities because its commercial reuse in accordance with the HPS Plan would increase the amount of tax revenues to the taxing entities, and in this case would facilitate rehabilitation of a chronically dilapidated building without the need for public expenditure. Also, conveyance of Building 813 in this manner benefits the taxing entities because it aids in the winding down of the Successor Agency's affairs in furtherance of the Redevelopment Dissolution Law by providing for an earlier transfer of Agency assets to the Developer than originally contemplated, and increasing the amount of land subject to property tax that will pass through to taxing entities. The Long-Range Property Management Plan, which reflects the initial intent of the City and Former Agency to rehabilitate and later sell Building 813 subject to covenants restricting use to a incubation center, would be amended to include Building 813 as a Private Disposition Parcel to be transferred to Developer under the enforceable obligation of the CP/HPS2 DDA.

Under the Third Amendment, Developer will undertake additional obligations to increase opportunities for small start-up businesses in place of the Successor Agency's original proposal for a business incubation center at Building 813. Developer will provide 75,000 gross square feet of Maker Space (defined in the Third Amendment) within the Shipyard Site. The Developer is already obligated to provide 65,000 square feet of Community Facilities Space within the Project, but will now improve the Community Facilities Space to Warm Shell condition (defined in the Third Amendment). Space available for Maker Space uses, generally considered to be small-scale production uses typically with a retail component, and Community Facilities Space, is more likely to be filled by local businesses, particularly given Developer's obligation to market the availability of both Maker Space and Community Facilities Space to local residents and businesses for at least a year before leasing the spaces. OCII staff's estimate of the cost to Developer of implementing these programs is approximately $25 million dollars, including Warm Shell construction costs for the Community Facilities Space and foregone retail rents for the Maker Space, which is greater than the appraised value of Building 813 (approximately $15M) for use as commercial space (its intended use under the CP/HPS2 Project). This value does not consider the extraordinary cost of demolition for Building 813, should that be necessary. The Developer's experts have estimated to be at least $2M, and also does not include cost of entitlement, costs of infrastructure, or other costs that would impact the value of Building 813 if it were sold for development separate from the CP/HPS2 Project.

TABLE 1. COMPARATIVE LAND USES 2010 PROJECT AND 2018 UPDATED PROGRAM

	2010	2018	*Change*	
Residential	10,500	10,672	*172*	UNITS
Commercial:				
Artist Studio	255,000	255,000	*0*	SF
Community Use	100,000	100,000	*0*	SF
FAC/Performance Venue	75,000	75,000	*0*	SF
Hotel	150,000	270,000	*120,000*	SF
Institution	0	410,000	*410,000*	SF
R&D/Office	3,150,000	4,415,000	*1,265,000*	SF
Regional Retail	635,000	735,000	*100,000*	SF
Neighborhood Retail	250,000	351,000	*101,000*	SF
Maker Space	0	75,000	*75,000*	SF
Total	**4,615,000**	**6,686,000**	***2,071,000***	**SF**

TABLE 2: AMENDMENTS TO CP/HPS2 DDA and EXHIBITS

Document	Content Summary	Memo Attach. #
Third Amendment to the CP/HPS2 DDA**	- Sets forth land use program revisions and updates Development Plan - Provides for relocation of 172 housing units (of which 18 are BMR) and up to 71,000 sf of commercial space originally planned within the HPS Phase 1 Project - Establishes private construction and repair and maintenance obligation for mid-block breaks and privately owned publicly accessible open space (POPOS), and remedies for failure to construct POPOS - Increases the amount of OCII staff overhead costs to be reimbursed by the Developer - Allows for disposition of Building 813 to Developer - Establish framework for obtaining or waiving Payment in Lieu of Taxes (PILOT) for Tax-Exempt Entities	**1**
Development Plan *(Ex. A-B-B)*	- Land Use Map to be updated with proposed changes	**2**
Phasing Plan *(Ex. C)*	- Reduction in the number of Major Phases and Sub-Phases in both HPS Phase 2 and Candlestick - Shifts order of development in both areas	**3**

Schedule of Performance *(Ex. D)*	- Outside Dates for Application Submittal, Commencement and Completion are changed per Phasing Plan changes; - Associated Public Benefits changed to reflect proposed development plan, i.e. new Parks & Open Space Plan	**4**
Design Review & Document Approval Procedure *(Ex. E)*	- Allows for combined Major Phase Applications - Establishes a separate Parks and Open Space Design submittal process that is due later in order to allow community input to occur closer to time of construction - Other clarifying changes	**5**
Below-Market Rate Housing Plan *(Ex. F)*	- Allows for some Inclusionary Housing to be placed in a stand-alone low-income senior housing project in CP-02 - Provides Certificate of Preference Holders parking priority for Inclusionary and Workforce units if parking is less than 1:1 - Describes how 18 BMR units remaining unbuilt in HPS Phase 1 will be accounted for in CP/HPS2 Project	**6**
Community Benefits Plan *(Ex. G)*	- 75,000 sf of Maker Space must be provided in Cold Shell condition and must make good faith marketing efforts - Community Facilities Spaces now must be provided in Warm Shell condition and Vertical Developer takes on marketing obligations focusing on BVHP area; CAC consideration of recommended tenants included - Bi-annual Community Benefits Reports now required - Developer’s discretion to provide 10,000-15,000 sf of Warm Shell for use as a community arts center as an alternative to a land parcel	**7**
Financing Plan *(Ex. H)*	- Adjusts Major Phase Allocations to new Phasing Plan - Revised Summary Proforma - Other clarifying changes	**8**
Infrastructure Plan *(Ex. I)*	- Revised to reflect proposed changes to Development Plan, Transportation Plan, Parks and Open Space Plan and Sustainability Plan	**9**
Parks & Open Space Plan *(Ex. J)*	- Reconfigures Parks and Open Spaces in HPS Phase 2 to reflect new Development Plan - Includes some refinements to Candlestick Point Parks and Open Spaces - Provides for a net increase of over 10 acres - In addition to that increase, creates an 8-acre “Green Room”, a privately owned, public accessible park.	**10**
Sustainability Plan	- Revised to reflect new Development Plan	

(Ex. K)	- Allows for "Eco-District" water and energy programs to be provided by Developer, including a recycled water facility and potential geo-thermal heating and cooling	**11**
Transportation Plan *(Ex. N)*	- Reconfigures transit, vehicular, bicycle, and pedestrian routes to reflect new Development Plan - Shifts phasing of transit to align with Phasing Plan	**12**
Seventh Amendment to the Phase 1 DDA	- Reflects relocation of 172 housing units and up to 71,000 sf of commercial space originally planned for HPS Phase 1 Project to the CP/HPS2 Project - Shifts Community Benefits Reporting from quarterly to bi-annual to match new CP/HPS2 reporting requirement	**13**

*A Report to the Board on the Plan Amendments accompanies the Redevelopment Plan documents.

*******The following remaining exhibits to the CP/HPS2 DDA are* <u>*not*</u> *being amended at this time:*

- Ex. B: Definitions
- Ex. M: Stadium Pad Infrastructure and Stadium Related Infrastructure
- Ex. O-W "Form of" documents
- Ex. X – DD: Employment and Contracting Policies
- Ex. EE: Proforma Values for Commercial Lots

City Review of Proposed Changes

The City and the Former Agency entered into the Interagency Cooperation Agreement ("ICA"), dated June 3, 2010, to facilitate the implementation of the CP/HPS2 Project in accordance with the Redevelopment Plans. The ICA sets forth a framework between the City and the Former Agency for collaboration in reviewing, approving and amending land use, development, construction, and infrastructure documents and requirements for the CP/HPS2 Project. The amendment of certain Project Documents are subject to the review processes set forth under the ICA. To the extent the ICA framework applies to a Project Document, OCII and the City have coordinated their review as set forth under the ICA. On April 26, 2018, the Planning Commission approved amendments to the HPS Design for Development and determined that the amendments to the HPS and BVHP Redevelopment Plans are consistent with the General Plan. The Municipal Transportation Agency Board approved relevant Project Document amendments, on May 1, 2018.

CALIFORNIA ENVIRONMENTAL QUALITY ACT

On June 3, 2010, the Former Agency Commission and the San Francisco City Planning Commission, acting as co-lead agencies, prepared and certified the Final Environmental Impact Report for the CP/HPS2 Project ("Project FEIR") in compliance with the California Environmental Quality Act ("CEQA"). On the same date, both co-lead agencies adopted findings pursuant to CEQA ("CEQA Findings"), including findings regarding the alternatives, mitigation measures and significant environmental effects analyzed in the Project FEIR, a statement of overriding considerations and a mitigation monitoring and reporting program for the CP/HPS2 Project. On July 14, 2010, the Board of Supervisors affirmed the certification of the FEIR and adopted CEQA Findings.

Subsequent to the certification of the Project FEIR, the Commission approved certain changes to the CP/HPS2 Project supported by Addendum No. 1 and Addendum No. 4, which addressed changes to the transportation and infrastructure systems, and other public benefits, in response to previously approved Project changes (Addenda Nos. 2 and 3 analyzed proposed changes to the Project, that are no longer being pursued).

OCII, in consultation with the Planning Department, has prepared Addendum No. 5, dated April 9, 2018 (Attachment 15). Addendum No. 5 evaluates the potential environmental effects of the Third Amendment to the CP/HPS2 DDA and its related documents, and the Seventh Amendment to the HPS1 DDA. Addendum No. 5 also recommends modifications to 16 adopted mitigation measures. Addendum No. 5 concludes that the proposed actions are within the scope of the Project analyzed in the Project FEIR and will not result in any new significant impacts or a substantial increase in the severity of previously identified significant effects that alter the conclusions reached in the Project FEIR.

Based on this analysis, the Successor Agency Commission found that the analyses conducted and the conclusions reached in the Project FEIR on June 3, 2010, remain valid and the proposed actions will not cause new significant impacts not identified in the Project FEIR, or substantially increase the severity of previously identified significant impacts, and no new mitigation measures will be necessary to reduce significant impacts. Further, as described in Addendum No. 5, no Project changes have occurred, and no changes have occurred with respect to circumstances surrounding the proposed Project that will require major revisions of the FEIR due to the involvement of new significant effects or a substantial increase in the severity of previously identified significant effects, and no new information has become available that shows that the Project will cause new or more severe significant environmental impacts.

Therefore, staff recommends that the Oversight Board adopt CEQA Findings concluding that no subsequent or supplemental environmental review is required, the Third Amendment and Seventh Amendment are within the scope of the Project analyzed in the Project FEIR, and no further environmental review beyond the Project FEIR and Addendum No. 5 is required pursuant to CEQA and CEQA Guidelines Sections 15180, 15162, and 15163.

PUBLIC REVIEW AND COMMUNITY OUTREACH

The proposed changes to the land use program for the CP/HPS2 Project were subject to the following community input.

- On August 10, 2017, presented to the Hunters Point Shipyard CAC Planning, Development and Finance Subcommittee on the proposed HPS/CP Project updates;

- On October 16, 2017, hosted a Community Open House and presentation in conjunction with the Hunters Point Shipyard Citizens Advisory Committee on the HPS/CP Project updates;

- On November 9, 2017, presented to the Hunters Point Shipyard Planning, Development and Finance CAC Subcommittee on the updated Parks and Open Space Plan;

- On November 13, 2017, presented to the Hunters Point Shipyard Citizens Advisory Committee on the updated Parks and Open Space Plan;

- On January 27, 2018, hosted a Community Open House on the HPS/CP Project updates;
- On February 8, 2018, presented to the Hunters Point Shipyard Planning, Development and Finance CAC Subcommittee on the proposed HPS/CP Project updates;
- On March 6,2018, presented to the Park, Recreation and Open Space Advisory Committee on the updated Parks and Open Space Plan;
- On March 15, 2018, presented to the Recreation and Park Commission on the updated Parks and Open Space Plan;
- On March 15, 2018, presented to the Hunters Point Shipyard CAC Housing Subcommittee on the updated Below-Market-Rate Housing Plan;
- On March 15, 2018, presented to the Hunters Point Shipyard Business and Employment CAC Subcommittee on the Building 813, Maker Space, and Community Facilities Space proposal.
- On March 20, 2018, presented an informational workshop to the Commission on Community Investment and Infrastructure.
- On March 21, 2018, presented to the Historic Preservation Committee on the potential adaptive re-use of legacy Navy buildings;
- On March 22, 2018, presented to the Planning Commission on the CPHPS2 Project updates;
- On March 23, 2018, presented to SFMTA Policy and Governance Subcommittee on the updated Transportation Plan;
- On April 2, 2018 and April 9, 2018, presented to the full Hunters Point Shipyard Housing CAC on the 2018 Updated Program;
- On April 10, 2018, a presented to the MTA Citizen Advisory Council's Operation and Transit Services Sub-Committee on the updated Transportation Plan.

<u>CAC Review and Comments</u>

As noted above, the Developer presented the proposed project changes to the Hunters Point Shipyard CAC through a variety of informational workshops at sub-committee and full CAC meetings. The full CAC took final approval action on April 9, 2018. At that meeting, some CAC members, as well as members of the public, expressed that there was not adequate time given to review the large volume of documents, which were sent at the end of the previous week. Other CAC members and members of the public stated that the months of workshops and the previous weekend was sufficient time to adequately review the material, and that further delay was unwarranted. Of the members present, seven voted to recommend approval of the project changes, three voted against the action, and one member abstained.

CONCLUSION & NEXT STEPS

As designed by the Successor Agency and Developer, the 2018 Updated Program supports the following six key principles:

- Increased potential for future success of the Project and economic benefit to the City and Taxing Entities;
- A more integrated community that provides a greater mix of uses;
- A more diverse and robust mix of uses which will facilitate increased job generation;
- A new urban grid that allows for greater future flexibility and potential to retain and adaptively re-use legacy buildings;
- A re-imagining of parks and open space to include the Green Room and Water Room, which will provide a backdrop to urban life; and
- The incorporation of best practice green infrastructure.

Importantly, the proposed land use program retains its commitment to affordable housing, with approximately 32% of dwellings units at the Candlestick Site and HPS Phase 2 still planned as below-market rate housing. In addition to direct investments in affordable housing, the CP/HPS2 Project will generate substantial property tax increment revenues for affordable housing in the City.

Next Steps

Upon Oversight Board approval of the requested actions, staff will submit the Resolutions and supporting documentation to the California Department of Finance for its review. The Board of Supervisors will be taking action on the corresponding amendments to the HPS and BVHP Redevelopment Plans in June 2018.

(Originated by Sally Oerth, Deputy Director and Lila Hussain, Hunters Point Shipyard Project Manager)

Nadia Sesay
Executive Director

Attachment 1: Third Amendment to the CP/HPS2 DDA
Attachment 2: Proposed Development Plan
Attachment 3: Phasing Plan
Attachment 4. Schedule of Performance
Attachment 5: DRDAP
Attachment 6: BMR Housing Plan Amendments
Attachment 7: Community Benefits Plan Amendments
Attachment 8: Financing Plan Amendments
Attachment 9: Infrastructure Plan
Attachment 10: Parks & Open Space Plan
Attachment 11: Sustainability Plan
Attachment 12: Transportation Plan
Attachment 13: Seventh Amendment to the HPS Phase 1 DDA
Attachment 14: Draft Fiscal and Economic Impact Report
Attachment 15: Addendum 5 to the Project FEIR (CD)