



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

3rd Amendment to CP/HPS Phase 2 DDA

7th Amendment to HPS Phase 1 DDA

Oversight Board of the City and County of San Francisco

May 24, 2018

Agenda

- 1) Project Background
- 2) Summary of Changes
- 3) Approval Actions Summary
- 3) Next Steps

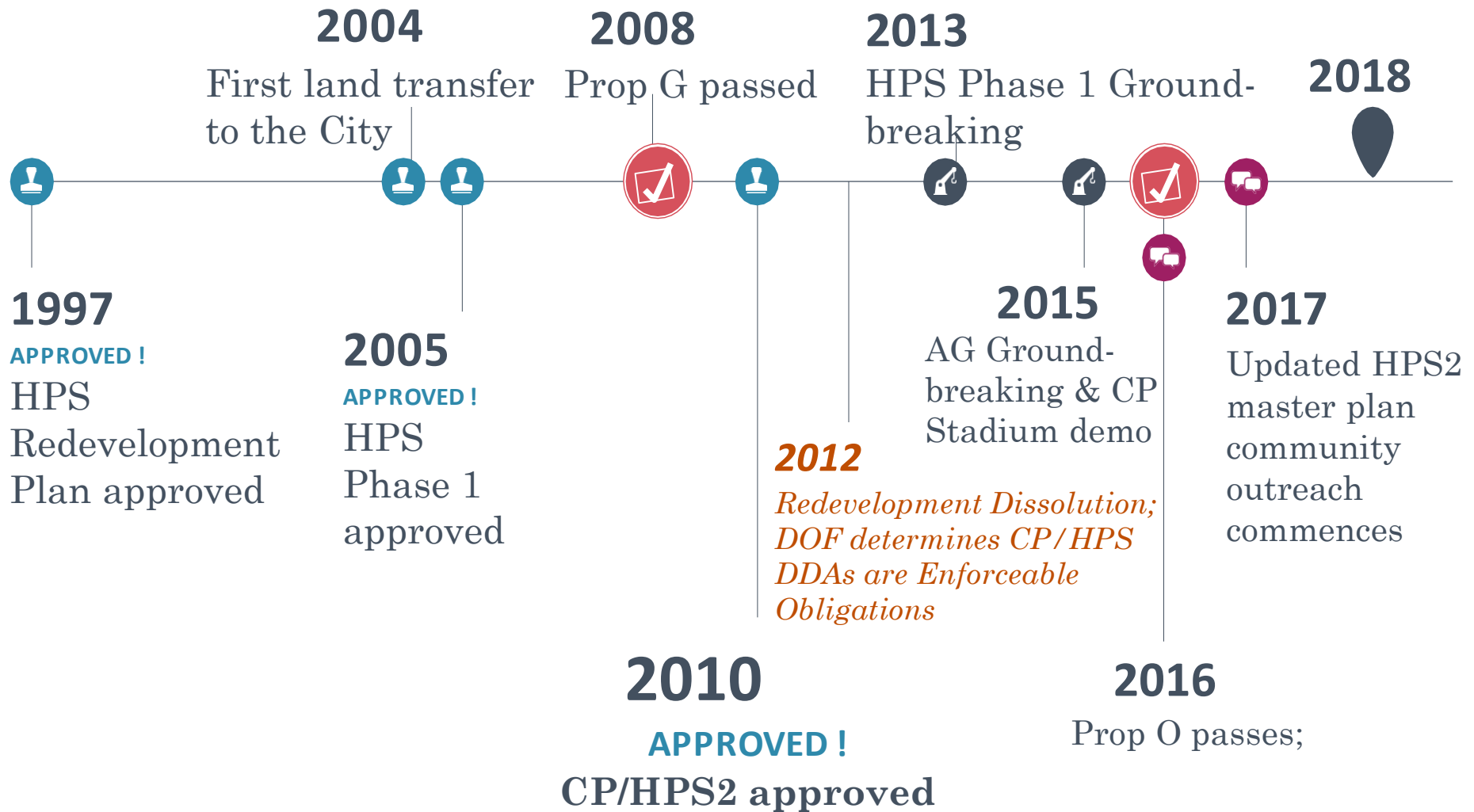
Candlestick Point/Hunters Point Shipyard Phase II Site



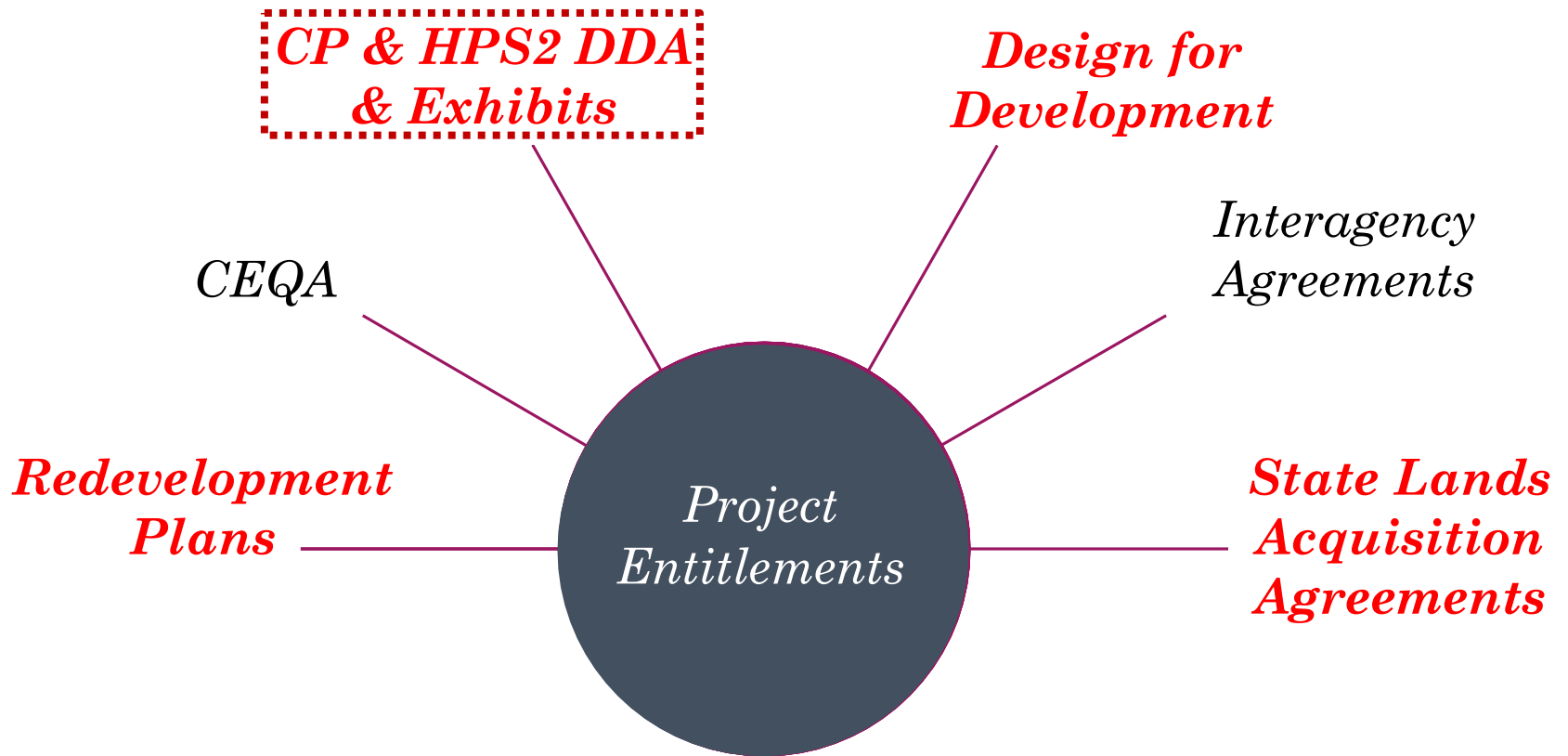
CONTEXT MAP

Scale: NTS

Project Background



Existing Requirements – Project Structure



Documents in red are being amended by various approval bodies;

DDA Amendment subject to Oversight Board approval

Proposed Project Changes: Why

- **Land Uses** – increase diversity of uses:
 - Increase R&D/office uses
 - Increase Retail uses
 - Add Hotel and Maker Space uses
 - Maximize Housing entitlement
- **Land Uses** – potential shift in commercial sf from HPS2 to Candlestick
 - Approval path created to allow for changes in market conditions
- **Street Grid and Block Development Plan:**
 - Re-envisioned to align closer to existing historic layout of Shipyard
 - Designed by Adjaye Associates
- **Heritage Buildings:** Increase potential to retain certain structures
- **Parks and Open Spaces:** Re-configure to serve new layout
- **Green Energy and Sustainable Infrastructure:** “eco-grid” potential

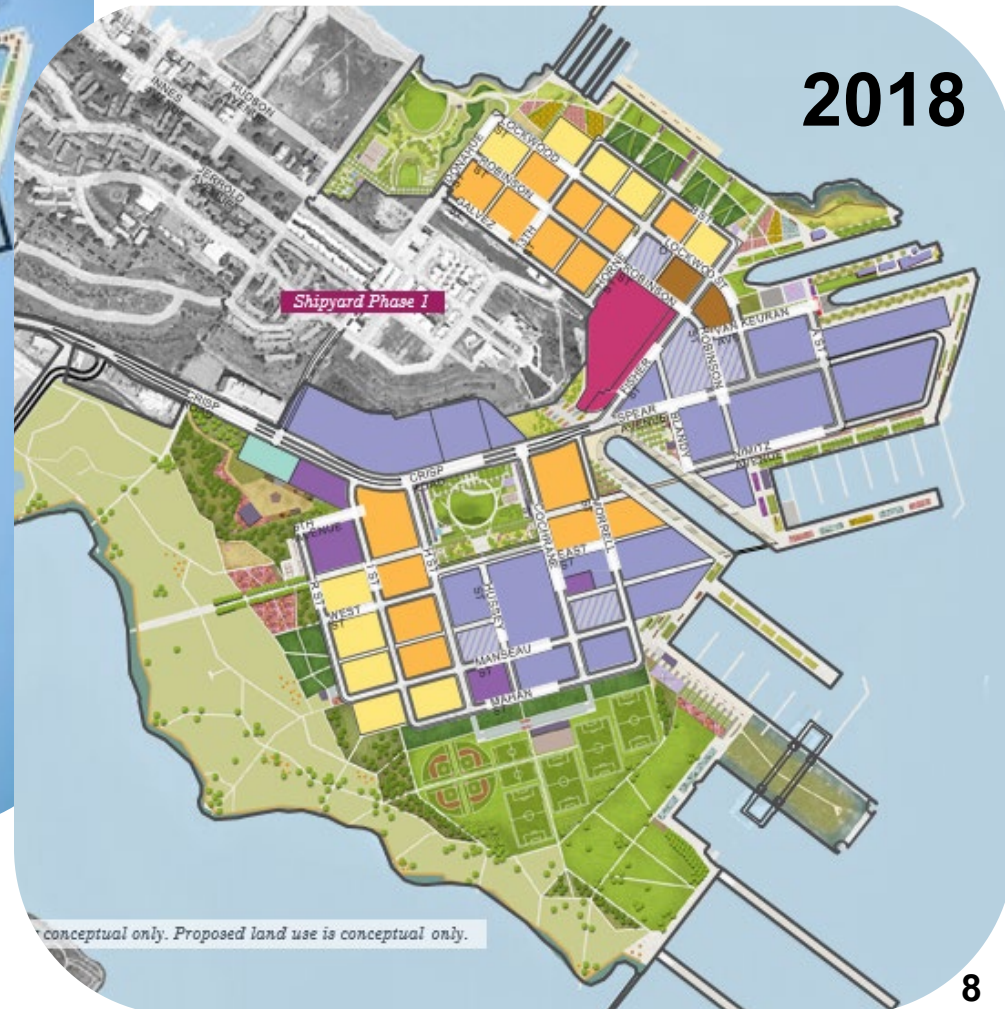
Proposed Project Changes: Fiscal Impact

- **Fiscal & Economic Impact Report**

- Prepared in 2010 when DDA approved
- New report in 2018 to analyze impact of proposed project changes
- Proposed changes are net positive to taxing entities and economy
- Assessed value at full build out estimated to be \$21 B (nominal \$)
- Increased business taxes due to increase in R&D space
- Increased sales and use taxes due to increase in retail space

Category	2010 Estimate	2018 Estimate
General Fund Net Revenues	\$16 M	\$40 M
Transit Net Annual Surplus	\$1.5 M	\$3.4 M
Job Generation	22,000 jobs	28,000 jobs

Proposed Project Changes: Summary



PROPOSED SHIPYARD LAND USE

LEGEND

- Residential Density I
Townhomes
- Residential Density II
Multi-Story Flats
- Residential Density IV
High Rise
- Artist
- Commercial (Includes R&D, Office and Hotel)
- Commercial/Parking
- Community Use Utilities
- Recycled Water Treatment Plant

Artist's rendering conceptual only. Proposed land use is conceptual only.

**Ground floor neighborhood retail/makerspace/PDR space is allowed per redevelopment plan. To the extent permitted by the Hunters Point Shipyard Redevelopment Plan and underlying site conditions, institutional uses may be developed on any block within The Shipyard.*



Water Room



Green Room



Artist's renderings are conceptual only. There is no guarantee that the project will be approved, developed or built as shown.



Artist's rendering conceptual only.

Proposed Project Changes: Summary

- **Housing:**

- **Add** 172 unbuilt Phase 1 units (10,500 +172 = **10,672 total units**)
- **Shift** allocation of units between CP and HPS2
(**993+** in CP; **891-** in HPS2)

- **Parks & Open Space:**

- **Reconfigure and Redesign** to better serve new layout
- **Provide** privately owned, publicly accessible 8.1 acre “Green Room”

- **Commercial/Non-Residential:**

- **Reconfigure** s.f. entitlements in DDA while staying within limits of Redevelopment Plan

CP/HPS2 Adjustments to DDA Totals

	2010	2018	Change
<i>Residential</i>	10,500	10,672	+172 UNITS
<i>Commercial:</i>			
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

CP/HPS2 Adjustments within Redevelopment Plan

	2010	2018	Change
Residential	10,500	10,672	+172 UNITS ⁱ
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	5,150,000	4,415,000	-735,000 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	6,615,000	6,686,000	+71,000 SFⁱ

i: Transfer of entitlements from HPS Phase 1

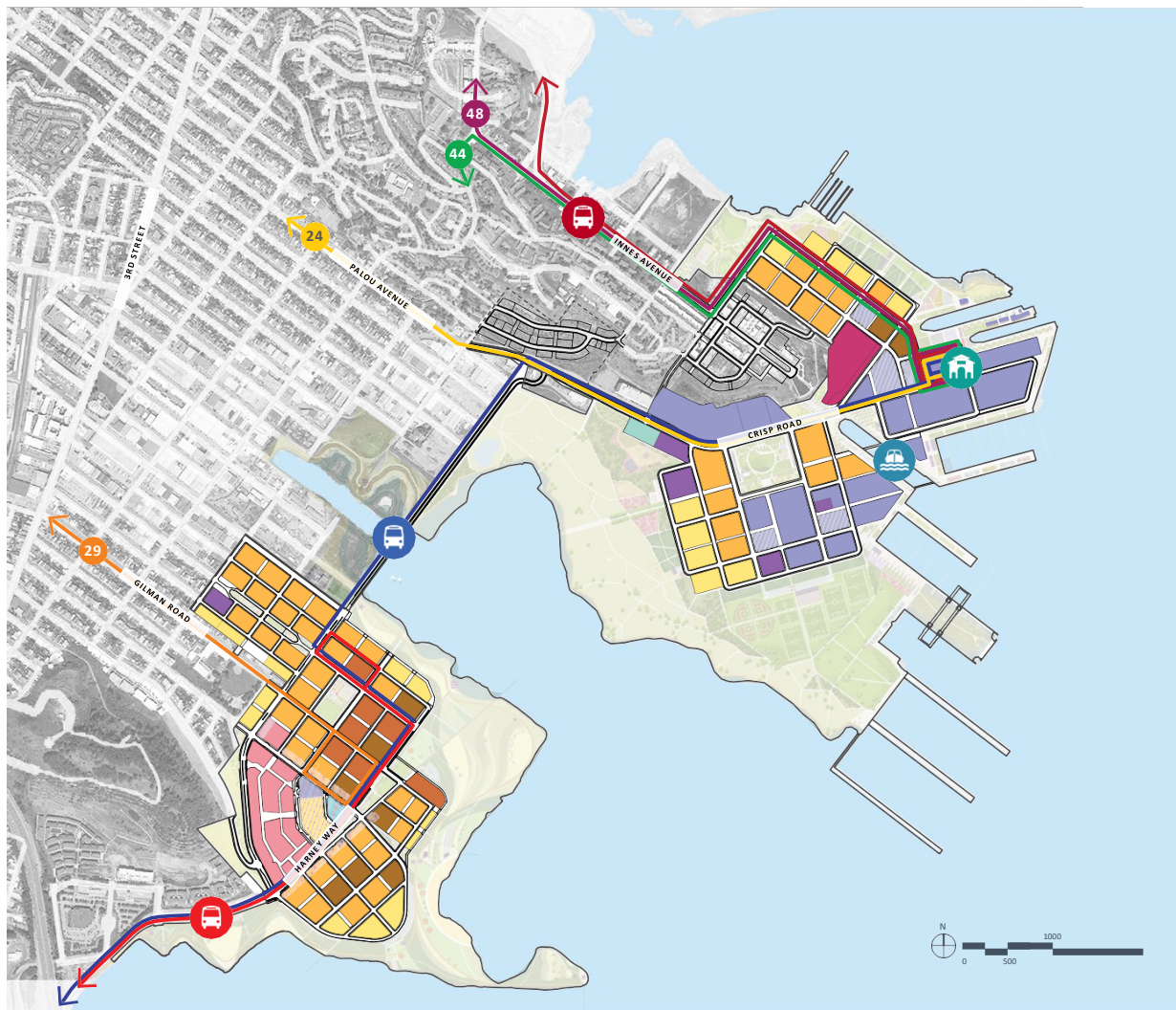
Highlights of DDA Exhibit Changes:

Document / Plan	Summary of Changes
Parks & Open Space Plan	• Reconfigured to match new street grid • Supports variety of uses/programs: active & passive recreation, children's play, dog parks, etc • Provides developer funded 8.1 acre "green room" (privately owned, publicly accessible park)
Transportation Plan	• Transit phasing updated to match new street grid • Phased reduction in retail parking ratios • Improved pedestrian and bicycle routes • Potential for water taxi service at Dry Dock 4 • Reinforced commitment to monitoring traffic/transit
Infrastructure Plan	• Updated to match new land plan • Improved Sea Level Rise design criteria • Creates potential for "eco-grid": recycled water treatment facility, geo-thermal heating/cooling, etc

Parks & Open Space: 2010 vs 2018 Concept



Artist's rendering conceptual only. Proposed land use is conceptual only.



PUBLIC TRANSPORTATION

TRANSIT

-  HPX
-  CPX
-  BRT
-  44 O'Shaughnessy
-  48 Quintara
-  24 Divisadero
MP 3 only
-  29 Sunset

-  New transit Center
-  Proposed Water Taxi

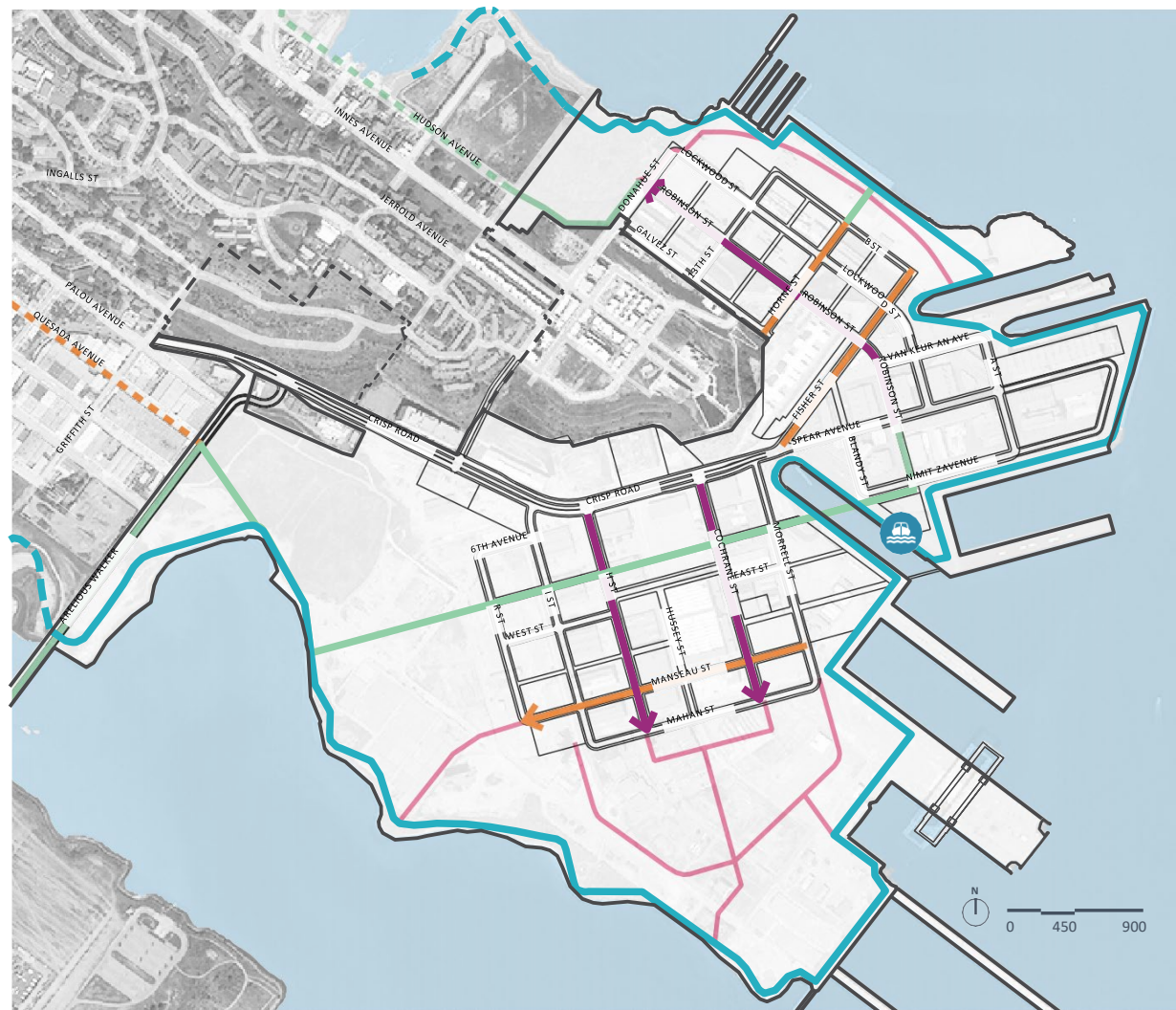
Timing of Water Taxi is to be determined.

Water Taxi Icon Design by Luis Prado from the Noun Project.

LAND USE

-  Residential Density I
(Townhomes)
-  Residential Density II
(Multi-Story Flats)
-  Residential Density IV
(High Rise)
-  Artist
-  Commercial
Includes R&D, Office
and Hotel
-  Commercial/Parking
-  Community Use
-  Utilities
Recycled Water
Treatment Plant

Note: Transit maps are conceptual only.



BICYCLE/ PEDESTRIAN

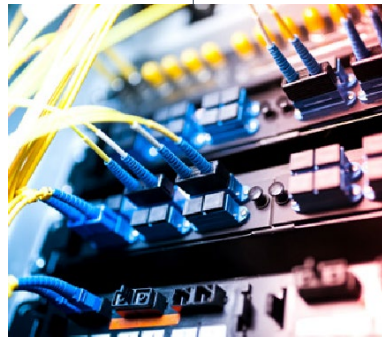
LEGEND

- Blue Greenway
- Class I Shared Path
- Class II Bike Lane
- Class IV Bike Lane
Buffered From Traffic
- Parks Bike Connections
- Off-Site Bike Connections

Note: Bicycle facilities through Shoreline Open Space Area to be designed with corresponding park improvements.

INFRASTRUCTURE

the ECO-GRID



Telecom



*Solar Energy &
Battery Storage*



*Recycled Water
Treatment Facility*



*Geothermal Heating
& Cooling*

Phasing Plan: Proposed



Community Benefits Plan Amendments

- **Disposition of Property:**

- Building 813: to be conveyed to Developer like other Navy properties
- Change would be reflected in Long Range Property Management Plan

- **Additional Obligations to be Provided by Developer:**

- Maker Space created (75k sf) for light manufacturing/production & retail; significant marketing and rent requirements
- Community Facilities Space (65k sf) to now be provided as “Warm Shell” instead of “Cold Shell”

Additional Housing Program Change in Candlestick: Creation of Senior BMR Inclusionary Category in CP-02



SENIOR BMR HOUSING LOCATION

- **Inclusionary Requirement:** met with a 100% senior rental project with 104 BMR's
- **AMI:** Units would serve 60% AMI and below (rather than currently required 80%-120% AMI);
- **Accelerates delivery of BMRs:** Senior project brings ~62 units online sooner than if developed with standard CP/HPS2 inclusionary program

Scale: NTS

Other Amendments

- **Agency Cost Reimbursement:** Developer to reimburse OCII overhead costs at a higher percentage
- **Financing Plan:**
 - **Major Phase Adjustments:** reflects changes from Phasing Plan amendments
 - **Summary Proforma:** updated to match new Major Phase configurations and updated revenue and expenditure estimates
- **7th Amendment to the HPS Phase 1 DDA:**
 - 172 units of unbuilt housing moving to CP/HPS2 Project
 - Up to 71,000 square feet of unbuilt commercial space moving to CP/HPS2

Community & Public Outreach

- **AUG 2017:** HPS CAC
- **OCT 2017:** Community Open House #1
- **NOV 2017:** HPS CAC
- **JAN 2018:** Community Open House #2
- **FEB 2018:** HPS CAC
- **MAR 2018:**
 - HPS CAC
 - Parks, Recreation & Open Space Advisory Committee
 - Recreation & Parks Commission
 - MTA Policy & Governance Subcommittee
 - OCII Commission
 - Historic Preservation Commission
 - Planning Commission
- **APR 2018:**
 - HPS CAC (*Approval Action*)
 - MTA CAC Operations & Customer Service Subcommittee

Approval Actions

<u>Entity</u>	<u>Action</u>
OCII Commission ☑	CEQA Findings; HPS & BVHP Redevelopment Plan Amendments & Reports to BOS HPS2 D4D; DDA Amendments
Planning Commission ☑	HPS & BVHP Redevelopment Plan Amendments HPS2 D4D
MTA Board ☑	Transportation Plan
<i>Oversight Board</i>	<i>DDA Amendments</i>
BOS	HPS & BVHP Redevelopment Plan Amendments Conforming changes Project Documents Candlestick Senior BMR Inclusionary
CA Dept. of Finance	DDA Amendments
State Lands Commission	State Trust Boundaries

Questions?

Schedule of Performance

Current:

Candlestick Point		Hunters Point Shipyard Phase 2	
Major Phase	Completion Outside Date	Major Phase	Completion Outside Date
Major Phase 1	2021	Major Phase 1	2022
Major Phase 2	2027	Major Phase 2	2025
Major Phase 3	2032	Major Phase 3	2030
Major Phase 4	2034	Major Phase 4	2036

Proposed:

Candlestick Point		Hunters Point Shipyard Phase 2	
Major Phase	Completion Outside Date	Major Phase	Completion Outside Date
Major Phase 1	2024	Major Phase 1	2024
Major Phase 2	2027	Major Phase 2	2029
Major Phase 3	2036	Major Phase 3	2036

Existing Requirements – “Housing Ladder”

AMI %	Unit Type	% of Total Units	# of BMR's
0-60%	Alice Griffith Replacement	2.44%	256
0-60%	OCII Units	13.22%	1,388
80-100%	Inclusionary	3.45%	363
120%	Inclusionary	4.25%	446
140%	Workforce	4.25%	446
141%-160%	Workforce	4.25%	446
TOTAL Below Market Rate Units		31.86%	3,345
Market Rate Units		68.14%	7,155
TOTAL CP/HPS2 HOUSING UNITS		100%	10,500

BMR Housing Plan Amendments: CP-02 Senior BMR

- **Housing Ladder:** revises distribution of inclusionary units across housing ladder, including new tier at 101-119% AMI to provide greater access for remaining inclusionary units across moderate income levels

AMI %	Unit Type	# of BMR's if <u>no</u> CP-02 Senior	# of BMR's if CP-02 Senior
0-60%	Alice Griffith Replacement	256	256
0-60%	OCII units	1,388	1,388
0-60%	Inclusionary CP-02 Senior	-	104
80-100%	Inclusionary	363	259
101-119%	Inclusionary	-	57
120%	Inclusionary	446	389
140%	Workforce	446	446
141%-160%	Workforce	446	446
<i>TOTAL Below Market Rate Units</i>		3,345	3,345

Existing CP/HPS2 Requirements – Community Benefits

- Community benefits fund
- Community builder program
- Community health and wellness contributions
- Community real estate program, including:
 - Artists Complex
 - Community Facility Lots
 - Community Facilities Spaces
- Construction assistance program
- Education Improvement Fund
- Housing initiatives
- Scholarship fund
- Contracting and Workforce initiatives

Existing Requirements – Community Benefits

Highlights of current or ongoing efforts include:

- Provided infrastructure to serve first 4 phases of Alice Griffith
- Provided funding for construction of first 4 phases of Alice Griffith
- Completed new Commercial Kitchen building
- Started construction on new Artists building
- Provided \$500,000 for Scholarship Fund
- Provided \$350,000 for Wellness Contribution
- Ongoing commitments through the BVHP Employment and Contracting Program

Community Benefits Plan Amendments: Maker Space

- **Definition of New Land Use:** small-scale manufacturing, repair, and post-manufacturing activities and typically includes retail component; may include:
 - Light Manufacturing: craft, industrial arts/design, jewelry or clothing manufacturing, food or beverage production
 - Digital Technologies: graphic design, 3D printing
 - Neighborhood retail sales and service: food/beverage tasting or sales, arts & crafts sales
 - May include business incubating space
- **Amount:** 75,000 sf provided in cold shell condition by Developer
- **Timing:** 1/2 by time 2M sf commercial development completed, remaining by 3M sf (if not provided by these dates, subsequent Sub-Phase Approvals may be withheld)
- **Location:** Identified in Sub-Phase Applications (TBD)
- **Rent:** No higher than then-current market rates for comparable spaces in the City

Community Benefits Plan Amendments: Maker Space

- **Tenant Selection:** Developer of Building with any Maker Space must:
 1. Create marketing plan: identifies specific actions to be taken, marketing location not restricted but must include BVHP residents and businesses
 2. CAC review of marketing plan: presentation to CAC with copy to OCII
 3. Marketing Period: must begin no less than 12 months and no more than 18 months before TCO; must continue for earlier of 12 months or successful tenanting
 4. CAC review during Marketing Period: CAC may request updates on status
 5. Recorded Restrictions: Vertical Developer must record restrictions against each Maker Space

Community Benefits Plan Amendments: Maker Space

- **Temporary Relief:** if above not successful:
 - Maker Space may be tenanted to non-Maker tenant for temporary period for no more than 5 years
 - Prevents unnecessary and lengthy vacancies during a phased development
 - Tenant Selection Requirements restart after Temporary Agreement, but must start 18 months prior to end of Temporary Agreement
- **Term:** lasts until earlier of:
 - Termination of 3rd successive Temporary Agreement (15 years)
 - Minimum 10 years of cumulative Maker tenancy; ongoing automatic 5 year extensions unless otherwise approved by OCII Commission
 - HPS Redevelopment Plan expiration

Community Benefits Plan Amendments:

Community Facilities Space

- **Existing Requirement:**

- 65,000 square feet of retail space with location determined at Major Phase & Sub-Phase
- Cold Shell Condition
- No Base Rent or Purchase Price required of tenant
- Flexible uses (retail, community, cultural), but intended to enhance overall quality of life for Project Site and BVHP and support creation of a vibrant new neighborhood
- Must include: International African Market Place, Library Reading Rooms, CP State Recreation Area welcome center
- OCII determines Community Facilities tenant within 15 months of construction start of building

- **Proposed Amendments:**

- Warm Shell Condition now to be provided by Developer
- Developer now determines tenant but must comply with marketing & tenant selection requirements

Community Benefits Plan Amendments: Community Facilities Space

- **Tenant Selection:** Developer of Building with any Community Facilities Space must:
 1. Create marketing plan: identifies specific actions to be taken that focus on BVHP residents and businesses and identifies tenancing standards
 2. CAC review of marketing plan: presentation to CAC with copy to OCII
 3. Marketing Period: must begin no less than 12 months and no more than 18 months before TCO; must continue for earlier of 12 months or until at least one potential tenant candidate identified
 4. CAC Recommendation: tenant candidates present proposals to CAC for its recommendation
 5. Recorded Restrictions: Vertical Developer must record restrictions against each Community Facilities Space

Community Benefits Plan Amendments: Community Facilities Space

- **Temporary Relief:** if above not successful (as confirmed by OCII E.D.):
 - Community Facilities Space may be tenanted to any tenant for temporary period for no more than 5 years
 - Prevents unnecessary and lengthy vacancies during a phased development
 - Tenant Selection Requirements restart after Temporary Agreement, but must start 18 months prior to end of Temporary Agreement
 - **Term:** does not expire
-

Additional Community Benefits Amendment: Artist Parcel

- Developer has discretion to offer a 10k-15k square foot warm shell space for an Arts Center as an alternative to existing requirement to offer a 15k-30k square foot land parcel