

**OVERSIGHT BOARD TO THE SUCCESSOR AGENCY OF THE
REDEVELOPMENT AGENCY OF THE CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 3 – 2018

**ADOPTING FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL
QUALITY ACT; AUTHORIZING A SEVENTH AMENDMENT TO THE DISPOSITION
AND DEVELOPMENT AGREEMENT (HUNTERS POINT SHIPYARD PHASE 1)
WITH HP DEVELOPMENT CO., LP, AND FINDING SUCH ACTION IS IN THE BEST
INTERESTS OF THE TAXING ENTITIES; HUNTERS POINT SHIPYARD
REDEVELOPMENT PROJECT AREA**

WHEREAS, In furtherance of the objectives of the California Community Redevelopment Law (Health and Safety Code, section 33000 et seq. the “**CRL**”), the Redevelopment Agency of the City and County of San Francisco (the “**Former Agency**”) undertook programs for the reconstruction and construction of blighted areas in the City and County of San Francisco (“**City**”), including the Hunters Point Shipyard Redevelopment Project Area (“**HPS Project Area**”); and,

WHEREAS, The Board of Supervisors of the City and County of San Francisco (“**Board of Supervisors**”) adopted the Hunters Point Shipyard Redevelopment Plan (“**HPS Plan**”) on July 14, 1997 by Ordinance No. 285-97 and amended the HPS Plan on August 3, 2010 by Ordinance No. 211-10 and on June 22, 2017 by Ordinance No. 122-17; and,

WHEREAS, On December 3, 2003 the Former Agency entered into that certain Disposition and Development Agreement for Hunters Point Shipyard Phase 1 with HP Development Co., LP (the “**Phase 1 Developer**”), which has been the subject of six amendments (as amended, the “**Phase 1 DDA**”). The Phase 1 DDA is a binding contractual agreement that provides for the transfer of land from the Former Agency to Phase 1 Developer, establishes the rights and obligations of Phase 1 Developer and the Successor Agency concerning the construction of specified improvements, and governs development of Phase 1 of the HPS Project Area with a mixed-use residential and commercial development (“**Phase 1 Project**”); and,

WHEREAS, Pursuant to California Health and Safety Code §§ 34170 et seq. (the “**Dissolution Law**”), the Former Agency was dissolved as of February 1, 2012; and,

WHEREAS, The Successor Agency to the Redevelopment Agency of the City and County of San Francisco (commonly known as the Office of Community Investment and Infrastructure, herein “**Successor Agency**” or “**OCII**”) is completing the enforceable obligations of the Former Agency with regard to the HPS Project Area, including implementation of the Phase 1 Project, under the authority of the CRL as amended by the Dissolution Law, and under San Francisco Ordinance No. 215- 12 (Oct. 4, 2012) (establishing the Successor Agency Commission (“**Commission**”) and delegating to it state authority under the Dissolution Law); and,

- WHEREAS, The HPS Project Area, including the Phase 1 Project, is one of San Francisco's three critical redevelopment legacy projects that the Successor Agency must continue to implement under the Dissolution Law; and,
- WHEREAS, On December 14, 2012, the California Department of Finance determined “finally and conclusively” that the Phase 1 DDA and tax allocation pledge agreements, including the affordable housing programs, are enforceable obligations under the Dissolution Law; and,
- WHEREAS, The Phase 1 DDA calls for development of up to 1,600 residential units, up to 80,000 gross square feet of commercial space, and associated parks, open spaces, and community benefits in Phase 1. The Successor Agency has been informed by Phase 1 Developer that of the 1,600 residential units and 80,000 gross square feet of commercial uses allowed under the Phase 1 DDA, Phase 1 Developer intends for up to 1,210 residential units and up to 9,000 gross square feet of commercial space to be constructed, in addition to the 218 residential units the Successor Agency intends to construct in the Phase 1 Project; and,
- WHEREAS, The parties now propose a seventh amendment to the Phase 1 DDA (“**Seventh Amendment**”) to (a) document the foregoing adjustment to the residential and commercial entitlement established thereunder, (b) allow the remaining 172 residential units and 71,000 square feet of commercial space to be reallocated to CP Development Co., LLC (“**Phase 2 Developer**”) for use in the adjacent Candlestick Point - Hunters Point Shipyard Phase 2 Project, and (c) allow up to 11,000 square feet of the 71,000 square feet of commercial use to be reassigned to the Phase 1 Developer for use in Phase 1 without further amendment to the HPS 1 DDA; and,
- WHEREAS, The Seventh Amendment was presented to the Mayor's Hunters Point Shipyard Citizens Advisory Committee Planning and Development subcommittee on February 8, 2018, and to its full committee on April 2, 2018 and April 9, 2018, and received its recommendation for approval; and,
- WHEREAS, The Seventh Amendment was presented to the Successor Agency Commission at its regular meeting of April 17, 2018, and received unanimous approval (Resolution No. 15-2018); and,
- WHEREAS, On April 17, 2018, the Successor Agency Commission adopted Resolution No. 11-2018, by which the Commission determined that the Final EIR (therein defined), together with further analysis provided in Addendum No. 1, Addendum No. 4 and Addendum No. 5, remains adequate, accurate, and objective and in compliance with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.) (“**CEQA**”) and the CEQA Guidelines (14 California Code of Regulations Sections 15000 et seq.); and,
- WHEREAS, The environmental effects of the Seventh Amendment have been analyzed in the environmental documents, which are described in Commission Resolution No. 11-2018. Copies of the environmental documents are on file with the Agency; and,

WHEREAS, Under Section 34181(e) of the Dissolution Law, the Oversight Board may make amendments to the Phase 1 DDA if the Oversight Board finds that such amendments are in the best interests of the taxing entities; now, therefore, be it:

RESOLVED, That the Oversight Board hereby finds that the Seventh Amendment is included in the actions identified in Commission Resolution 11-2018 for purposes of compliance with CEQA; and be it further

RESOLVED, That in Resolution No. 11-2018, adopted on April 17, 2018, the Commission adopted findings that the Seventh Amendment is in compliance with CEQA, which findings are on file with the Oversight Board Secretary and are incorporated herein by reference. The Oversight Board has reviewed and considered said findings, determined that they are in furtherance of the actions contemplated in this Resolution, and adopts said findings as its own; and be it further

RESOLVED, That the Oversight Board finds and determines that the Seventh Amendment is in the best interests of the taxing entities because it will maintain or increase the amount of revenues to the taxing entities by allowing for full development of residential units and commercial space originally contemplated under the Phase 1 DDA, enhance and promote the development of the HPS 1 Project and the CP/HPS2 Project, facilitate the revitalization of the BVHP community and encourage further investment in the area, and generate employment opportunities throughout the HPS Project Area; and be it further

RESOLVED, That the Oversight Board approves the Seventh Amendment substantially in the form lodged with the Oversight Board Commission Secretary, subject to DOF approval as required under the Dissolution Law; and be it further

RESOLVED, That the Oversight Board Commission authorizes the Executive Director of the Successor Agency to enter into the Seventh Amendment substantially in the form lodged with the Oversight Board Commission Secretary, and prior to execution, to make changes and take any and all steps, including but not limited to the attachment of exhibits and the making of corrections, as necessary or appropriate to consummate the Seventh Amendment, provided, however, that such changes and steps do not diminish benefits to the taxing entities of the Seventh Amendment; and be it further

RESOLVED, That the Oversight Board authorizes the Executive Director of the Successor Agency to take all actions as may be necessary or appropriate, in consultation with the City Attorney's Office and the Successor Agency's General Counsel, to effectuate the purpose of this Resolution.

I hereby certify that the foregoing resolution was adopted by the Oversight Board at its meeting of May 24, 2018.

Board Secretary