



450-0042025-002

Agenda Item **No. 5(f)**
Meeting of May 6, 2025

MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Thor Kaslofsky, Executive Director

SUBJECT: Authorizing a Memorandum of Agreement with the City and County of San Francisco, acting through its Recreation and Parks Department, for the property management and maintenance of specific parcels within the Hunters Point Shipyard Phase One Open Space system starting July 1, 2025, for a maximum amount not to exceed \$981,311 for an eleven-month term consistent with the approved budget for Community Facilities District No. 8; Hunters Point Shipyard Redevelopment Project Area

EXECUTIVE SUMMARY

Daniel Lurie
MAYOR

Thor Kaslofsky
EXECUTIVE DIRECTOR

Dr. Carolyn Ransom-Scott
CHAIR

Vanessa Aquino
Kent Lim
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Earl Shaddix
COMMISSIONERS

Under the 2003 Hunters Point Shipyard Phase One (“HPSY1”) Development and Disposition Agreement (“Phase 1 DDA”), HPS Development Co., LP (“Lennar” or “Phase 1 Developer”) is responsible for constructing 26 acres of public park, plaza, and open space improvements (“Open Space”), along with public artwork, on land that was previously owned by the United States Department of the Navy (the “Navy”) and ultimately conveyed to the San Francisco Redevelopment Agency (“Former Agency”), now the Office of Community Investment and Infrastructure (“OCII”). OCII has the responsibility to administer the obligations of Redevelopment Agency Community Facilities District No. 8 (“CFD No. 8”) to manage and fund the maintenance of the Open Space. To date, 13.5 acres of Open Space have been developed and opened to the public.

The implementation of the Redevelopment Dissolution Law established OCII as the successor to the Former Agency and required it to dispose of the Former Agency’s real property interests. In December 2015, the California Department of Finance (“DOF”) approved OCII’s Long Range Property Management Plan (“PMP”) that the Oversight Board had approved by Resolution No. 14-2015 (Nov. 23, 2015) and that provided for,

One S. Van Ness Ave.
5th Floor
San Francisco, CA
94103

628 652 8500

www.sfcocii.org

among other things, a transfer of the HPSY1 Open Space to the City and County of San Francisco (“City”) for a governmental purpose. OCII’s obligations under CFD No. 8 to fund maintenance of the HPSY1 Open Space are not transferable to the City.

With over half of HPSY1 Open Space already complete, OCII has been working with the City’s Real Estate Division (“RED”), Recreation and Parks Department (“RPD”), San Francisco Arts Commission (“SFAC”), and Department of Public Works (“Public Works”) on a plan for the transfer of maintenance and jurisdictional responsibility of all completed Open Space. Before completing jurisdictional transfer of Open Space, OCII and RPD have drafted a short-term Memorandum of Agreement (“MOA”) for management, operations, and maintenance of Open Space.

The MOA between OCII and RPD governs the management, operations, maintenance, repair, and funding of Open Space parcels that have been deemed complete as to park construction by OCII and issued a Certificate of Completion in accordance with the Phase 1 DDA. This MOA is a short-term arrangement that assigns maintenance responsibilities from OCII to RPD for an eleven-month term beginning July 1, 2025. RPD will also assume maintenance responsibility for Open Space parcels that are issued a Certificate of Completion in the future while this MOA is effective. The Open Space parcels covered by this MOA are shown in **Attachment 1**. As administrator of CFD No. 8, the Commission authorized the FY 25-26 CFD No. 8 budget for \$ 981,311 to fund RPD’s maintenance responsibility for the term of the MOA.

Staff recommend that the Commission authorize the MOA for Open Space maintenance with CFD No. 8 funds.

BACKGROUND

Project Overview

OCII is responsible for managing the implementation of the Candlestick Point and Hunters Point Shipyard (“HPS/CP”) redevelopment project (the “Project”). On July 14, 1997, the San Francisco Board of Supervisors approved the Hunters Point Shipyard Redevelopment Plan (“Redevelopment Plan”) through Ordinance No. 285-97. The Redevelopment Plan defines a mixed-use land use program delivering housing, employment, and open space on land owned by the Navy. To bring this vision to life, OCII executed the Phase 1 DDA with Lennar in 2003 to construct up to 1,428 mixed-income housing units and 26 acres of parks and open space on two areas at the Hunters Point Shipyard known as “Hilltop” and “Hillside”.

In 2010, OCII executed a separate DDA with CP Development Co., LP, to develop the remainder of the Hunters Point Shipyard (“Phase 2”), currently owned and being remediated by the Navy, along with the Candlestick Point area of Bayview Hunters Point.

To date, Lennar has completed 505 housing units and over 13 acres of parkland in the Hilltop area. Construction at Hillside is not complete yet. Land zoned for parks and open space are defined in the

Redevelopment Plan, the HPSY1 Open Space and Streetscape Master Plan, the HPSY1 Open Space and Streetscape Schematic Design, and the CFD No. 8 formation documents. Once complete, OCII inspects the constructed parks and infrastructure with City partners to determine if the improvements adhere to approved designs and specifications. Once confirmed, OCII issues a Certificate of Completion, assumes maintenance obligations, and initiates a process to transfer the infrastructure to the appropriate City department.

HPSY1 Open Space System

HPSY1 features 26 acres of parks (**Table 1**), with approximately 13 acres completed or near completion at Hilltop (“**Initial Premises**”) and another ~13 acres planned for Hillside (“**Future Premises**”). Some parks within the Project are subject to the Project’s California State Lands Public Trust Agreement (“Trust Agreement”), as outlined in the Hunters Point Shipyard/Candlestick Point Title Settlement. This agreement, involving the OCII, City, Port Commission, and California State Lands Commission designates OCII as trustee of the “Public Trust.” Per the Trust Agreement, future open space operators must adhere to the following regulations on trust lands: (i) use funds consistent with Public Trust requirements, (ii) separate trust and non-trust lands, and (iii) comply with reporting obligations.

Table 1. HPSY1 Open Space System

HPSY1 Parks	Description	Acreage
<i>Hilltop Parks (Complete)</i>		
Galvez Overlook	Midblock neighborhood park with a waterfront overlook and seating fronting the streetscape.	0.07
Innes Court Park	Linear park with picnic area, fenced children’s play area, ornamental gardens, lawn and plaza portions, public artwork, and rows of shade trees.	0.49
Hillpoint Park – Coleman Bluff & Pedestrian Path	Open lawn area leading to an overlook with views of the Bay, drydocks, and the Gantry crane with two accessible paths connecting the Hillpoint neighborhood to the lower elevations of the Shipyard. Public Artwork is featured at Hillpoint Park and along the pedestrian path.	11.43
Storehouse Plaza	Indoor facility and plaza featuring a communal deck and lounge space for residents to socialize, gather, and appreciate the public art installations.	0.69
Pocket Park 9	Midblock park with a waterfront view and an active street edge.	0.07
Pocket Park 10	An overlook lawn with a walkway and seating providing views of Candlestick Point Recreation Area and the South Bay.	0.12
Pocket Park 11	Midblock park with a waterfront view and an active street edge.	0.07
Pocket Park 12	An overlook walk at the end of Jerrold Avenue featuring seating and planting.	0.06
Pocket Park 13	Midblock neighborhood park with a waterfront overlook and seating fronting the streetscape.	0.11
Pocket Park 14	Endblock park with a waterfront view and an active street edge.	0.10
Pocket Park 15	The neighborhood garden provides privacy and a soft buffer to adjacent driveways.	0.06

Pocket Park 16	Residential midblock garden park with public art that links Hilltop to the adjacent and existing neighborhood by connecting Friedell and Donahue Streets.	0.14
Hillside Parks (To Be Constructed)		
Hillside Central Park	A grassy area surrounded by plants and benches with views of the Bay and park below, with a stairway that connects to the tot lot playground under delicate trees.	0.27
Hillside Central Lower Park	A grassy clearing and overlook plaza surrounded by hillside planting.	0.23
Pocket Park 1	Terraced gardens provide a variety of passive uses while maintaining views.	0.08
Pocket Park 2	Terraced gardens provide a variety of passive uses while maintaining views.	0.09
Pocket Park 3	Walk around Garden Court connecting the neighborhood street to the Hillside trail.	0.08
Pocket Park 4	A large picnic table, barbeque, and grassy area.	0.08
Pocket Park 5	A grassy area for picnicking and play under shady trees.	0.08
Pocket Park 6	Garden path that leads to the hillside trail connecting neighbors and park spaces, providing views of Candlestick Point Recreation Area.	0.07
Pocket Park 7	The intimate plaza is surrounded by garden plants and has access to the Upper Trail System at the rear of the park.	0.13
Pocket Park 8	Native garden planting and resting spots that lead to the hillside trail for open views and leisurely walks.	0.11
Hillside Pedestrian Paths	Native plants along the south-facing slope that provide natural character and habitat with walking paths and overlook areas.	6.62

Long Range Property Management Plan

Redevelopment Dissolution Law requires OCII to dispose of the Former Agency's real property interests under the DOF-approved PMP. The PMP was drafted with input from various parties, including the Hunters Point Shipyard Citizens Advisory Committee ("CAC") and the Commission. Under the Redevelopment Dissolution Law, the Oversight Board has final authority over the PMP, subject to DOF review. The Oversight Board approved the PMP by Resolution Nos. 12-2013 and 14-2015, and on December 7, 2015, DOF finally and conclusively approved the PMP, which established the transfer for Open Space for a governmental purpose, as defined under Redevelopment Dissolution Law.

Current Open Space System Management

On April 19, 2022, the Commission approved, by Resolution No. 13-2022, a Personal Services Contract ("Contract") with Parkland Open Space Management ("POSM") to provide overall management of HPSY1 Open Space. The term of the Contract was for thirty-nine months, with an option to extend for up to one year. HPSY1 Open Space responsibility will transfer to RPD and therefore POSM's Contract will not be renewed and will terminate on June 30, 2025.

Funding for Open Space Management

On September 2, 2008, the Former Agency formed, by Resolution No. 81-2008, CFD No. 8 to collect special taxes for the purpose of operating, maintaining, and repairing the Open Space in perpetuity. All funding for maintenance of the Open Space is derived from special taxes paid by HPSY1 property owners, including affordable housing sites. No redevelopment property tax revenues (tax increment) are permitted to be used for the Open Space maintenance. OCII is the administrator of CFD No. 8 and annually adjusts the level of special taxes collected from CFD No. 8 according to the formula articulated in the Commission-approved Rate and Method of Apportionment. OCII will continue as the CFD administrator and funder of the maintenance of the HPSY1 Open Space.

DISCUSSION

Interagency Partners

RPD

RPD manages over 4,000 acres of recreational land, which includes 181 playgrounds and play areas, 82 recreation centers and club houses, 230 neighborhood parks, and serves over 880,000 San Francisco residents. RPD's long-term commitment, values, mission, ties with community partners, and broad reach make it the ideal party to operate the HPSY1 Open Space.

Hunters Point Shipyard Phase 1 Open Space Memorandum of Agreement

The current contract with POSM for Open Space management expires on June 30, 2025. OCII staff is working with RPD to create a MOA for maintenance of HPSY1 Open Space for the period between July 1, 2025, until May 31, 2026. The major terms of the proposed MOA are outlined below.

Term

The Term of the MOA shall continue until such time as OCII may transfer Open Space parcels to the City, but no longer than May 31, 2026. The MOAs may be terminated earlier if the parties enter into a Joint Community Facilities Agreement, which will authorize longer-term CFD No. 8 funding of the maintenance of the HPSY1 Open Space.

Budget

The proposed budget for an eleven-month period beginning July 1, 2025, is \$981,311, based on projected operating and capital expenses. OCII will reimburse RPD costs in arrears using CFD No. 8 funds through a review and approval process described in the MOA. CFD No. 8 funds will not be used for any other park system or expenses outside Phase 1. Future annual CFD No. 8 budgets will continue to be reviewed and approved by the Commission. On April 15, 2025, the Commission approved the FY 25-26 CFB #8 budget, which includes the \$981,311 for this MOA.

Scope of Services

RPD's responsibilities are similar to the services provided previously by POSM and will include overall management of the parks, landscape gardening, janitorial and general maintenance, security and events permitting/reservations. The MOA has detailed scopes of services and includes the following:

- Management and General Operations: Oversight of HPSY1 Open Space operations, including tasks such as coordinating and supervising all landscaping, janitorial, maintenance, and security services; providing an on-site property manager; maintaining all mechanical and constructed systems; coordinating and promoting special events; issuing permits for use of facilities; and providing customer service and resolving day-to-day issues as they arise.
- Landscape Maintenance: Maintenance of all landscaped and planted areas including lawn areas, park trees, shrubs, plantings, and ground cover, in a healthy, attractive, and safe condition.
- Janitorial: Trash removal, sweeping, and janitorial services, as well as graffiti abatement and general maintenance services for all hardscape and constructed areas, including pathways, and all site furnishings, as well as of park structures.
- Security: Roving security will be provided. Additional security may be provided as needed for special events.
- Event Permitting/Reservations: RPD will incorporate the HPSY1 Open Space into its existing permitting/reservations system.

To monitor the work performed, RPD will be required to submit quarterly reports to OCII detailing expenditures, maintenance activities, property conditions, special events summary, and other matters reasonably requested by CFD No. 8.

Joint Community Facilities Agreement

Staff will return to Commission this Q3 2025 for approval of a Joint Community Facilities Agreement to authorize CFD No. 8 funding after the City has accepted ownership of HPSY1 Open Space and Public Art. The multi-agency Joint Community Facilities Agreement ("Joint Agreement") will define obligations and responsibilities of each party once the parks are officially transferred and include provisions on the use of CFD 8 funds to support HPSY1 Open Space management and maintenance, as well as maintenance of the eight public art pieces located within the parks.

CITIZENS ADVISORY COMMITTEE

In November 2024 and March 2025, OCII and RPD presented information on the Open Space jurisdictional transfers to the CAC. The feedback has been positive and questions from the CAC and members of the public focused on RPD programming relating to seniors, youth and workforce development, and funding. At the March 2025 CAC meeting, the CAC members voted unanimously in support of the MOA and Joint Agreement.

SMALL BUSINESS ENTERPRISE PROGRAM COMPLIANCE

The City generally employs staff that are members of Local 261 to staff the HPSY1 Open Space portfolio. If any outside contract is utilized in the future, both entities will adhere to City public contracting and workforce goals and requirements.

CALIFORNIA ENVIRONMENTAL QUALITY ACT

Approval of the Agreement is categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15301 and 15304 because it authorizes the operation, repair, maintenance or minor alteration of existing open space facilities or features with negligible or no expansion of existing uses and minor alterations to land.

NEXT STEPS

OCII staff will continue to work with the City on finalizing the Joint Agreement and return to the Commission Q3 2025 for approval. In addition to approval from this Commission, the Joint Agreement will need approval from the RPD Commission, SFAC, Port Commission, and the Board of Supervisors.

(Originated by Marc Slutzkin, Deputy Director, Lila Hussain, Senior Project Manager, and Inder Grewal, Development Specialist)

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Thor Kaslofsky
Executive Director



Hunters Point Shipyard Phase1 Hilltop Parks

ATTACHMENT 1
FOR INFORMATIONAL PURPOSES ONLY

- Initial Park Premises
- Future Park Premises
- Public Trust Parks in Initial and Future Premises
- Pocket Parks 9-16

