RESOLUTION NO. 13-2011

AUTHORIZING THE EXECUTIVE DIRECTOR TO SUBMIT A TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION ACT LOAN APPLICATION TO THE UNITED STATES DEPARTMENT OF TRANSPORTATION FOR TRANSPORTATION IMPROVEMENTS ASSOCIATED WITH THE HUNTERS POINT SHIPYARD PHASE 2/CANDLESTICK POINT PROJECT IN THE AMOUNT OF APPROXIMATELY $120,000,000 TO BE REPAID AS A REIMBURSABLE COST OF THE PROJECT; HUNTERS POINT SHIPYARD AND BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREAS

BASIS FOR RESOLUTION

1. The Board of Supervisors of the City and County of San Francisco (the “Board”) adopted, per Ordinance No. 285-97, a Redevelopment Plan for the Hunters Point Shipyard Redevelopment Project Area on July 14, 1997 and amended the HPS Redevelopment Plan on August 3, 2010 by Ordinance No. 211-10 (the “HPS Redevelopment Plan”).

2. The Board adopted, per Ordinance No. 113-06, a Redevelopment Plan for the Bayview Hunters Point Redevelopment Project Area on May 3, 2006 and amended the BVHP Redevelopment Plan on August 3, 2010 by Ordinance No. 210-10 (the “BVHP Redevelopment Plan”).

3. The HPS Redevelopment Plan allows the Redevelopment Agency of the City and County of San Francisco (the “Agency”) to “provide for infrastructure improvements, including: streets and transportation facilities; open space and recreation areas, and utilities for water, sewer, gas, and electricity.”

4. The BVHP Redevelopment Plan allows the Agency to construct “new public infrastructure and transportation facilities to service new development at Candlestick Point, Alice Griffith and the Hunters Point Shipyard.”

5. On June 3, 2008, the City’s voters passed Proposition G, the Jobs Parks and Housing Initiative, which adopted policies for the revitalization of the Hunters Point Shipyard Phase 2/Candlestick Point Project site (the “Project Site”), including that Development of the Project Site shall, “to the extent feasible, use state and federal funds to pay for environmental remediation on the Project Site and help pay for transportation and other infrastructure improvements, and provide ways for other development projects outside the Project Site to pay their fair share for new infrastructure improvements.”
6. In furtherance of the HPS Redevelopment Plan, the BVHP Redevelopment Plan and Proposition G, on June 3, 2010, the Agency Commission approved the Candlestick Point - Hunters Point Shipyard Phase 2 Disposition and Development Agreement ("DDA") between the Agency and CP Development Co., LP, a joint venture between Lennar-BVHP, LLC and affiliates of Scala Real Estate Partners, LP, Hillwood Development Company, LLC, and Estein Management Corporation ("Developer").

7. The obligations contained in the DDA include the construction of more than $360 million in core transportation improvements ("Southeast Waterfront Transportation Improvements").

8. The Southeast Waterfront Transportation Improvements were evaluated as part of the Hunters Point Shipyard Phase 2/Candlestick Point Project (the "Project"). On June 3, 2010, the Agency Commission and the San Francisco Planning Commission, acting together as co-lead agencies for conducting environmental review for the Project, adopted Resolution No. 58-2010 and Motion No. 18096, respectively; Resolution No. 58-2010 and Motion No. 18096 certified a Final Environmental Impact Report (the "Phase II Final EIR") for development of Phase II of the Hunters Point Shipyard and Candlestick Point as 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.). Also on June 3, 2010, by Resolution No. 59-2010, the Agency Commission adopted CEQA findings, a Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Program for the Project.

9. The Phase II Final EIR is a project EIR under State CEQA Guidelines Section 15161 and a redevelopment plan EIR under State CEQA Guidelines Section 15180.

10. On December 3, 2009, the United States Department of Transportation ("DOT") released a Notice of Funding Availability for Applications for Credit Assistance Under the Transportation Infrastructure Finance and Innovation Act ("TIFIA") Program, enacted as part of the Transportation Equity Act for the 21st Century (TEA 21, Public Law 105-178, §§1501-04), as amended by the TEA 21 Restoration Act (Title IX of Public Law 105-206) and the Safe, Accountable, Flexible, Effective Transportation Equity Act: A Legacy for Users (SAFETEA-LU, Public Law 109-59).

11. On March 1, 2010, Agency staff submitted a letter of interest to the DOT’s TIFIA program for the Southeast Waterfront Transportation Improvements.

12. On September 21, 2010, the Agency was one of four projects asked to submit a formal TIFIA loan application to DOT for the Southeast Waterfront Transportation Improvements.
13. A TIFIA loan application is required to develop a loan agreement with DOT under the TIFIA program. If the Agency is selected to receive such a loan, the final loan agreement would be brought back to the Commission for its consideration.

14. In accordance with the DDA, Agency staff has reviewed the TIFIA loan application, the Phase II Final EIR, and other information contained in the Agency's files, and finds the TIFIA loan application to be acceptable and recommends approval of the TIFIA loan application.

15. The TIFIA loan application specifies that a "$50,000 application fee must be paid to the DOT concurrent with the submission of this application." Developer has agreed that these are project costs, reimbursable under the DDA. Thus, while Agency will front the money for this application, it will be reimbursed fully by the Developer.

16. The TIFIA loan application itself is not a "project" as defined by CEQA Guidelines Section 15378(b)(4). The application for funding is an Agency fiscal activity that will not cause any change in the physical environment.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized (i) to submit an application for the Southeast Waterfront Transportation Improvements to the United States Department of Transportation for a loan under the Transportation Infrastructure Finance and Innovation Act Credit Program, in response to the Notice of Funding Availability issued on December 3, 2009; and (ii) pay the appropriate application fee of $50,000 to the United States Department of Transportation.

APPROVED AS TO FORM:

[Signature]

James B. Morales
Agency General Counsel