ADOPTING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; AUTHORIZING A SECOND AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT FOR CANDLESTICK POINT AND PHASE 2 OF THE HUNTERS POINT SHIPYARD WITH CP DEVELOPMENT CO., LP, SUBJECT TO THE APPROVAL OF THE OVERSIGHT BOARD OF THE CITY AND COUNTY OF SAN FRANCISCO AND THE CALIFORNIA DEPARTMENT OF FINANCE; HUNTERS POINT SHIPYARD AND BAYVIEW HUNTERS POINT REDEVELOPMENT PROJECT AREAS

WHEREAS, In June 2008, San Francisco voters approved the Bayview Jobs, Parks, and Housing Initiative ("Proposition G"), which established goals, objectives, and policies to encourage the timely and coordinated redevelopment of Candlestick Point and Hunters Point Shipyard. Proposition G also authorized the transfer of City land at Candlestick Point ("Existing Stadium Site") for non-recreational uses subject to certain requirements including that the Developer provide a binding obligation to create new public park or public open space, at least equal in size to the land being transferred and located within the Project site; and,

WHEREAS, The Candlestick Point and Phase 2 of the Hunters Point Shipyard ("the Project") is one of San Francisco’s three critical redevelopment legacy projects that the Successor Agency must continue to implement under the Dissolution Law (defined below). The Project covers over 700 acres at the Shipyard and at the adjacent Candlestick Point. In connection with the Project, the former Redevelopment Agency (the "Agency") and CP Development Co., LP ("Developer") entered into a Disposition and Development Agreement (Candlestick Point and Phase 2 of the Hunters Point Shipyard), dated June 3, 2010 (the "DDA"); and,

WHEREAS, The DDA and a number of related binding agreements attached to or referenced in the text of the DDA establish a comprehensive set of enforceable obligations that collectively govern the completion of the Project. The DDA is a binding contractual agreement that provides for the transfer of land from the Successor Agency to developers, the developers’ and the Successor Agency’s rights and obligations relating to the construction of specified improvements, and the financing mechanisms for completing the Project. A more detailed discussion of the Project and the DDA was attached as Exhibit B-3 to Oversight Board Resolution No. 5-2012, and is incorporated herein; and,

WHEREAS, The Oversight Board and the California Department of Finance ("DOF") have recognized the DDA as an Enforceable Obligation under Dissolution Law. The Dissolution Law, in particular California Health and Safety Code Section 34177, provides that the Successor Agency is required to (1) perform obligations required
pursuant to any Enforceable Obligation, and (2) continue to oversee development
of properties until the contracted work has been completed; and,

WHEREAS, Recognizing the Project’s complexity, the DDA provides the Agency and the
Developer with the flexibility and a process to make changes to the phasing and
other elements of the Project. In 2013, the Project phasing was revised as a result
of a delay in the schedule of the transfer of U.S. Navy parcels to the Agency at
Hunters Point Shipyard, as well as the decision of the San Francisco 49ers to
vacate Candlestick Park earlier than originally contemplated. Through its lease of
Candlestick Park, the 49ers had the right to lease the stadium as late as 2023,
consistent with the 2023 date of commencing development within the Existing
Stadium Site in the original Phasing Plan. The 49ers exercised their lease’s early
termination option in 2014 and the stadium is now vacant; and,

WHEREAS, In accordance with the Project’s revised phasing, the Developer anticipates
concurrently submitting one or more applications for next three Sub-Phases —
Sub-Phases CP-02, CP-03, and CP-04, which include 635,000 square feet of
regional retail (the “CP Center”) surrounded by residential, local serving retail,
and other community uses. All three Sub-Phases are within the footprint of the
Existing Stadium Site. The current schedule for implementing the next three Sub-
Phases requires that the demolition of the stadium begin prior to the Developer’s
planned submission and the Agency’s approval of the relevant Sub-Phase
applications; and,

WHEREAS, The Agency and Developer have negotiated a proposed amendment to the DDA, a
copy of which is on file with the Commission Secretary (the “DDA Second
Amendment”) to provide for an early transfer of the Existing Stadium Site to
Developer before the approval of the applicable Major Phase and Sub-Phase
applications; and,

WHEREAS, To transfer the Existing Stadium Site to the Developer in its entirety before the
approval of the Major Phase and Sub-Phase applications, as set forth in the DDA
Second Amendment, is beneficial to all parties, including the Agency and the
taxing entities, and supports the efficient implementation of the Project because:

- The City, through its Department of Parks and Recreation, is the current
  owner of the Existing Stadium Site. Transferring the Existing Stadium Site
  prior to demolition will decrease the Agency’s and/or the City’s maintenance
  and security costs and limit public liability related to demolition and
  subsequent interim uses;

- The Existing Stadium Site is subject to the Public Trust Exchange Agreement
  with the State, which contemplates that the Existing Stadium Site transfer to
  the State and back to the Agency in its entirety. This transfer must occur
  before any transfer to the Developer, and therefore the Agency must take title
to the entirety of the Existing Stadium Site from the City to accomplish the
  trust exchange. If the Agency were to transfer the Existing Stadium Site to
  the Developer in phases, then the Agency would retain portions of the
  transfer.
Existing Stadium Site throughout an extended period of development — adding
to its inventory of assets, its administrative burden, and its potential liability;
and,

- Prior to full build-out of CP Center, the Developer proposes to use portions of
  the Existing Stadium Site as interim parking facilities. If the land is in private
  ownership (i.e. the Developer), property taxes for the land will accrue to the
taxing entities; and,

WHEREAS, The DDA Second Amendment creates a new framework for but maintains
compliance with the requirements of Proposition G, and requires that the
Developer meet substantively the same requirements as currently contemplated in
the DDA prior to undertaking development on the Early Transfer Property; and,

WHEREAS, Conveyance of the entire Existing Stadium Site further benefits the taxing entities
because it aids in the winding down of the Agency’s affairs in furtherance of AB
26 and AB 1484 (the “Dissolution Law”) by providing for an earlier transfer of
Agency assets to the Developer than originally contemplated in the DDA, and
increasing the amount of land subject to property tax that will pass through to the
taxing entities, beginning at the time of the transfer; and,

WHEREAS, The DDA Second Amendment was presented to the Mayor’s Hunters Point
Shipyard Citizens Advisory Committee Planning and Development subcommittee
on August 14, 2014, and again at its full committee on September 8, 2014, and
received unanimous approval; and,

WHEREAS, The Agency and the San Francisco Planning Commission certified the Final
Environmental Impact Report (“FEIR”) for the Project and the Agency adopted
California Environmental Quality Act (“CEQA”) findings and statement of
overriding considerations in support of approval of the Project on June 3, 2010 by
Resolution Nos. 58-2010 and 18096, respectively. The Board of Supervisors
affirmed the Planning Commission’s certification of the FEIR on August 3, 2010
by Resolution No. 347-10. An addendum to the FEIR was prepared and approved
on January 7, 2014 in connection with the approval of certain refinements to the
phasing program for the Project and granting of the first Major Phase Approval by
the Agency pursuant to the DDA. A second addendum to the FEIR was prepared
and approved on May 2, 2014 in connection with the proposed Automated Waste
Collection System intended to serve the Project. Together, the FEIR and the
addenda constitute “the EIR.” The resolutions and findings referenced in this
paragraph are incorporated in this Resolution by this reference; and,

WHEREAS, The action proposed by this Resolution will further the implementation of the
Project as described by the EIR and is, therefore, within the scope of the
environmental analysis in the EIR 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 EIR. The EIR and any supporting
documents have been made available to the Successor Agency and the public, are
on file with the Secretary of the Successor Agency; now therefore, be it
RESOLVED, That the Commission finds that (1) implementation of the action as set forth in this Resolution does not require revisions in the EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; (2) no substantial changes have occurred with respect to the circumstances under which the project analyzed in the EIR will be undertaken that would require major revisions to the EIR due to the involvement of new significant environmental effects, or a substantial increase in the severity of effects identified in the EIR; and (3) no new information of substantial importance to the project has become available that would indicate that (i) the Project will have significant effects not discussed in the EIR, (ii) significant environmental effects will be substantially more severe, (iii) mitigation measures or alternatives found not feasible which would reduce one or more significant effects have become feasible, or (iv) mitigation measures or alternatives which are considerably different from those in the EIR will substantially reduce one or more significant effects on the environment; and, be it further

RESOLVED, That the Commission approves the DDA Second Amendment substantially in the form on file with the Secretary of the Successor Agency, subject to Oversight Board and DOF approval as required under the Dissolution Law, and finds that the DDA Second Amendment is in the best interest of the taxing entities for the reasons set forth in this Resolution; and, be it further

RESOLVED, The Successor Agency is authorized (a) to execute the DDA Second Amendment in substantially the form on file with the Secretary of the Successor Agency; and (b) to execute all documents, amendments, agreements, and instruments that the Executive Director, in consultation with the City Attorney’s Office and the Agency’s General Counsel, reasonably determines are (i) in the Successor Agency’s best interest or are necessary or convenient to implement the DDA Second Amendment to further the goals of the Hunters Point Shipyard Redevelopment Plan, the Bayview Hunters Point Redevelopment Plan, and the DDA, (ii) do not materially increase the Successor Agency’s obligations or liabilities, and (iii) do not negatively impact the availability of property tax revenues for the taxing entities; and, be it further

RESOLVED, That the Commission authorizes the Executive Director to take such other actions as may be necessary or appropriate, in consultation with the City Attorney’s Office and the Agency’s General Counsel, to effectuate the purpose of this Resolution.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of September 12, 2014.

[Signature]
Commission Secretary