INFORMATIONAL MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Tiffany Bohee, Executive Director

SUBJECT: Total development program located within the parcels that comprise the portions of the existing Candlestick Park stadium site that is being transferred to CP Development Co. LLC; Hunters Point Shipyard and Bayview Hunters Point Redevelopment Project Areas

EXECUTIVE SUMMARY

On September 12, 2014, the Commission of the Office of Community Investment and Infrastructure ("OCII") authorized a second amendment (the "Second Amendment") to the Candlestick Point/Hunters Point Shipyard Phase 2 Disposition and Development Agreement ("DDA") (Resolution No.82-2014), subject to the approval of the Oversight Board and the California Department of Finance ("DOF"). The Oversight Board approved the Second Amendment on September 22, 2014, and DOF approved the Second Amendment on November 5, 2014. The purpose of the Second Amendment is to allow OCII to transfer the entire existing Candlestick Park stadium site ("the Existing Stadium Site") to CP Development Co. ("Lennar" or, the "Developer") earlier than was originally contemplated in order to respond to the changes that have occurred in the overall Hunters Point Shipyard and Candlestick Point phasing. At the September 12th Commission meeting, the Commission requested additional information regarding the number of new homes that will be built within the Existing Stadium Site and staff has prepared this memorandum in response. In summary, there will be 2,661 new residential homes, of which approximately one-third, or 869 units, will be below market rate.

DISCUSSION

Background

Candlestick Point/Hunters Point Shipyard Phase 2 (the "Project") is divided into major phases — large sub-areas of the Project — ("Major Phase(s)") and sub-phases — areas comprised of four to six blocks of development — (Sub-Phase(s)"), shown in the phasing plan included with the DDA (the "Phasing Plan"). Development of each Major Phase and Sub-Phase requires OCII approval. The Major Phase at Candlestick Point was approved by the Commission on January 7, 2014 (Resolution No. 1-2014) and the first Sub-Phase is under construction. In accordance with the Phasing Plan, the Developer proposes submitting the next three Sub-Phases included in Major Phase 1 CP — Sub-Phases CP-02, CP-03, and CP-04 — as a single application that includes: 635,000 square feet of regional retail; 125,000 square feet of local-serving retail; up to 150,000 square feet of office; 150,000 square foot hotel; up to 75,000 square feet of entertainment uses; and up to 1,025 units of housing, including 230 stand-alone affordable units and 60 inclusionary units, according to current estimates (together, "CP Center"). All three Sub-Phases are within the footprint of the Existing Stadium Site, which also includes Sub-Phases to be developed in subsequent Major Phases.
The total land included in the Existing Stadium Site that will be transferred to the Developer is approximately 70 acres – the three Sub-Phases that comprise CP Center are approximately 30 acres.

On November 17, 2014 Lennar announced that Macerich – a national retail developer and operator based in Santa Monica, CA – would be their retail partner to develop CP Center. As requested by the Commission at its meeting of November 18, 2014, there will be a presentation to the Commission at an upcoming meeting about the proposed retail partner and development of CP Center.

**Total Development Program**

The Existing Stadium Site includes all or a portion of ten Sub Phases within Major Phases CP 1, 2, and 3 – a map of Sub-Phases within the Existing Stadium Site is included as Attachment 1. The total developable area of the Existing Stadium Site is 54 acres, and the total allowable development program includes the following uses: 635,000 gross square feet (GSF) of regional retail; 125,000 GSF of neighborhood-serving retail; 50,000 GSF of community facilities; 150,000 GSF of hotel; 75,000 GSF of entertainment; 150,000 GSF of office, and; 2,661 residential units.

Of the 2,661 residential units allowed within the Existing Stadium Site, approximately 26% will be affordable to low- and moderate income households earning up to 120% of Area Median Income ("AMI"), while an additional 7% will be affordable to “workforce” households, or those earning between 121% and 160% of AMI. Below is a breakdown of the residential units by type and affordability:

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Total # of Units</th>
<th>Affordability Range</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Rate</td>
<td>1792</td>
<td>market rate</td>
<td>67%</td>
</tr>
<tr>
<td>OCI Sites</td>
<td>538</td>
<td>60% AMI</td>
<td>20%</td>
</tr>
<tr>
<td>Inclusionary</td>
<td>150</td>
<td>80-120% AMI</td>
<td>6%</td>
</tr>
<tr>
<td>Workforce</td>
<td>181</td>
<td>121%-160% AMI</td>
<td>7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2661</strong></td>
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</tbody>
</table>

In addition to the development of the above uses, the Existing Stadium Site will also include 6.5 acres of parks and open space. Additional detail of the development program within the Existing Stadium Site is included as Attachment 2.

*(Originated by Ethan Warsh, Assistant Project Manager, Candlestick Point/Hunters Point Shipyard)*

Attachment 1: Map of Sub Phases within the Existing Stadium Site
Attachment 2: Detailed development program within Existing Stadium Site