

COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

RESOLUTION NO. 78-2015

Adopted December 15, 2015

ADOPTING ENVIRONMENTAL REVIEW FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, CONDITIONALLY APPROVING A MAJOR PHASE APPLICATION WITH HPS DEVELOPMENT CO. LP, WHICH INCLUDES A SCHEMATIC DESIGN AND ANCILLARY DOCUMENTS FOR PHASES 2A AND 2B OF BLOCK 48, GENERALLY BOUNDED BY NAVY ROAD ON THE NORTH BOUNDARY, OAKDALE ROAD ON THE EAST AND SOUTH BOUNDARY, AND GRIFFITH AVENUE ON THE WEST BOUNDARY, FOR A TOTAL OF 216 HOUSING UNITS; HUNTERS POINT SHIPYARD REDEVELOPMENT PROJECT AREA

WHEREAS, Under Chapter 5, Statutes of 2011, ABx1 26, and Assembly Bill No. 1484 (Chapter 26, Statutes of 2011-12, Regular Session), the San Francisco Redevelopment Agency ("SFRA") was dissolved and certain obligations of SFRA were transferred, by operation of law, to the successor agency, commonly known as the Office of Community Investment and Infrastructure or "OCII." ABx1 26 and Assembly Bill No. 1484 amended Sections 33500 et seq. of the California Health and Safety Code, which sections, as amended from time to time, shall be referred to herein as the "Dissolution Law;" and,

WHEREAS, On October 2, 2012, the Board of Supervisors in its capacity as the legislative body of the Successor Agency adopted Ordinance No. 215-12, acknowledging that OCII is a separate legal entity as a result of AB 1484 and creating the Community Investment and Infrastructure Commission (the "Commission") as the policy body of OCII to implement three Major Approved Development Projects (1. Hunters Point Shipyard/Candlestick Point, 2. Mission Bay and 3. Transbay), the Retained Housing Obligations, and other enforceable obligations under the Dissolution Law; and,

WHEREAS, The Hunters Point Shipyard/Candlestick Point Project (the "Project") is divided into two phases, called HPS Phase 1 and HPS Phase 2, each with a separate disposition and development agreement ("DDA"). The DDAs, together with a number of related binding agreements attached to or referenced in the text of the DDAs, establish a comprehensive set of enforceable obligations that collectively govern the completion of the Project. The DDAs are binding contractual agreements that provide for the transfer of land from OCII to developers, the developers' and OCII's rights and obligations relating to the construction of specified improvements, and the financing mechanisms for completing the Project. The Project will deliver over 12,000 new homes, approximately 32 percent of which will be below market rate and will include the rebuilding of the Alice Griffith public housing development consistent with the City's HOPE SF program, up to 3 million square feet of research and development space, and more than 350 acres of new parks in the southeast portion of San Francisco. In total, the Project will generate over \$6 billion of new economic activity to the City, more than 12,000 permanent jobs, hundreds of new construction jobs each year, new community facilities, new transit infrastructure, and provide approximately \$90 million in community benefits. The Project's full build out will occur over 20-30 years, but over 1,000 units of housing and 26 acres of parks will be completed over the next five years in the first phase of the Project; and,

WHEREAS, On December 2, 2003, the SFRA Commission approved the HPS Phase 1 DDA with HPS Development Co, LP (“Lennar”). The HPS Phase 1 DDA has been amended since its approval in 2003. The SFRA Commission authorized 1) on April 5, 2005, a First Amendment to the HPS Phase 1 DDA; 2) on October 17, 2006, a Second Amendment to the HPS Phase 1 DDA; 3) on August 5, 2008, a Third Amendment to the HPS Phase 1 DDA; 4) on August 19, 2008, a Fourth Amendment to the HPS Phase 1 DDA; 5) on November 30, 2009 a Fifth Amendment to the HPS Phase 1 DDA; and 6), and on December 19, 2012 the Commission approved a Sixth Amendment to the HPS Phase 1 DDA; and,

WHEREAS, The HPS Phase 1 DDA obligates Lennar to construct the infrastructure necessary to support the vertical development of 1,498 residential units in the HPS Phase 1 development and 26 acres of open space and parks. At least 10.5 percent of the 1,280 units constructed by Vertical Developers will be affordable at 80 percent of Area Median Income (“AMI”), approximately 60 units will be affordable at 50 percent of AMI on Block 49 under a Block 49 Vertical DDA with the affordable housing developer AMCAL. The HPS Phase 1 DDA also obligates Lennar through a community benefits agreement, to provide training, assistance, and contracting opportunities to community residents and organizations, as well as offer opportunities for development of certain Lots to Bayview Hunters Point-based developers and contractors (“Community Builders”); and,

WHEREAS, The HPS Phase 1 DDA requires the Developer to undertake development of infrastructure in HPS Phase 1 and permits the Developer to sell improved land to vertical developers for development of individual projects for residential and other uses; and the HPS Phase 1 DDA includes a process for vertical developers to receive development approvals in HPS Phase 1 of the Shipyard called a “Major Phase.” Under a Major Phase Application, vertical developers are required to submit overall plans for one or more development blocks. In the Major Phase Application, vertical developers propose a development program (including a form Vertical Disposition and Development Agreement or “Vertical DDA” or “VDDA”) and specific architectural designs for buildings. The Vertical DDA grants development rights and responsibilities to vertical developers. A revised form of the Vertical DDA was approved by the Commission on May 21, 2013 by Resolution No. 21-2013; and,

WHEREAS, Under the HPS Phase 1 DDA, a minimum of 27 percent of all of the HPS Phase 1 housing units will be affordable. Affordable units will be provided through the Developer allocating below market rate units in market rate developments (“Inclusionary Units”) and OCII funding and developing designated lots as affordable housing. In accordance with the Sixth Amendment to the HPS Phase 1 DDA, the Developer has the right to determine the number of Inclusionary Units to be located in each Residential Project as long as the number of Inclusionary Units is no less than five percent and no more than 20 percent of the total number of Residential Units in each Residential Project, and the final number of Inclusionary Units in HPS Phase 1 is not less than 10.5 percent of the total number of market rate units in HPS Phase 1; and,

WHEREAS, The Sixth Amendment to the HPS Phase 1 DDA also states that at 300th, 600th, 900th and the 1200th Residential Unit to be transferred by the Developer to a Vertical Developer, at least 10.5 percent of the aggregate number of all of Residential Units in HPS Phase 1 must be Inclusionary Units; and,

- WHEREAS, The Commission on March 3, 2015 by Resolution No. 11-2015 approved a Density Bonus for Block 48 in accordance with the State Density Bonus Law, Government Code Section 65915 et. seq., requiring Density Bonus Units; and,
- WHEREAS, The Commission on March 3, 2015 by Resolution No. 11-2015 additionally approved a Basic Conceptual Design for all phases of Block 48 which included 404 housing units (“Conceptual Design”); and,
- WHEREAS, The Major Phase Application for Block 48 Phases 2A and 2B (together “Block 48 Phase 2”) includes Schematic Designs for 216 housing units and form Vertical DDAs that includes a date for commencement of construction which is relative to the date on which the lot(s) applicable to the Vertical DDA will be transferred; and,
- WHEREAS, OCII staff has determined that the Major Phase Application is consistent with the HPS Phase 1 DDA, the horizontal schedule of performance, the Shipyard Redevelopment Plan (the “Plan”), the HPS Phase 1 Design for Development (“D for D”), and the Conceptual Design. A copy of the Major Phase Application is attached to the Commission memorandum accompanying this resolution; and,
- WHEREAS, The Commission on March 3, 2015 by Resolution No. 11-2015 additionally approved a Project Housing Data Table, which requires that of the 404 housing units on Block 48, 42 units (or 10.5 percent) shall be Below Market Rate (“BMR”) housing units at 80 percent of AMI, additional six units shall be BMR housing units at 80 percent of AMI as required by the HPS Phase 1 DDA for the 600th unit milestone, and additional eight units shall be categorized as Density Bonus Units provided pursuant to the State Density Bonus law and these eight Density Bonus Units shall not count as Inclusionary Units for purposes of meeting the Developer's total obligation for Inclusionary Units in HPS Phase 1; and,
- WHEREAS, The Major Phase application for Block 48 Phase 2 follows the Project Housing Data Table by providing 31 BMR housing units, of which six units are BMR housing units at 80 percent of AMI as required by the HPS Phase 1 DDA for the 600th unit milestone and two of which are Density Bonus Units at 120 percent of AMI. The remaining 23 BMR housing units will be provided at 80 percent of AMI; and,
- WHEREAS, The HPS Phase 1 DDA is an enforceable obligation under the Dissolution Law. The Block 48 Phase 2A and 2B Vertical DDAs are implementing documents of that HPS Phase 1 DDA and is shown on line 21 of the approved Recognized Obligation Payment Schedule for 2015-16A, which was approved by the Oversight Board and the Department of Finance. On December 14, 2012, the California State Department of Finance issued a Final and Conclusive Determination under California Health and Safety Code § 34177.5 (i), that the HPS Phase 1 DDA and the HPS Phase 2 DDA are enforceable obligations that survived the dissolution of the Redevelopment Agency; and,
- WHEREAS, OCII staff informed the Mayor’s Hunters Point Shipyard Citizens Advisory Committee (“CAC”) of the details of the Major Phase Application during its meetings in October and November 2015 and the CAC supports approval of the Major Phase Application; and,
- WHEREAS, The SFRA Commission and the San Francisco Planning Commission (“Planning Commission”) adopted California Environmental Quality Act (“CEQA”) findings, a statement of overriding considerations, and certified the Final Environmental

Impact Report (“EIR”) for HPS Phase 1 in 2000, and subsequently issued a First and Second Addendum to the EIR in 2003 and 2006, respectively, to address project changes. Additionally, the SFRA Commission and the Planning Commission certified the Final EIR for HPS Phase 2 (“HPS Phase 2 EIR”) in 2010 and adopted findings and a statement of overriding considerations. The HPS Phase 2 EIR updated the transportation analysis and transportation plan, including the transportation system management plan, for HPS Phase 1 and HPS Phase 2 of the Shipyard; and,

WHEREAS, OCII staff has reviewed the Major Phase Application including the Schematic Designs for Block 48 Phase 2 submitted by Developer and has found it to be within the scope of the project analyzed in the HPS Phase 1 EIR and its subsequent Addenda and the HPS Phase 2 EIR and its subsequent Addenda; now, therefore, be it,

RESOLVED, That the Commission finds that the Major Phase Application and the submitted Schematic Designs for Block 48 Phase 2 are complete subject to satisfaction of the conditions below, are consistent with the HPS Phase 1 DDA and the horizontal schedule of performance, the Plan, the D for D, and Conceptual Design; and, be it further,

RESOLVED, That the Commission finds the Major Phase Application and the Schematic Designs for Block 48 Phase 2 within the scope of the project analyzed in the HPS Phase 1 EIR and its subsequent Addenda and the HPS Phase 2 EIR and its subsequent Addenda and that no additional environmental review is required pursuant to State CEQA Guidelines Sections 15180, 15162, 15163, and 15164; and, be it further

RESOLVED, That the Commission conditionally approves the Major Phase Application, including the Schematic Designs for Phases 2A and 2B and form the Vertical DDAs that includes a date for commencement of construction, subject to the following design issues being resolved to the satisfaction of the Executive Director and any changes included in subsequent design stages approved by the Executive Director, beginning with the Design Development phase:

1. Study improved ingress and egress of vehicles to the stacked flat buildings.
2. Study the relationship between garage doors and adjacent gates within the courtyard town flats.
3. Produce an architectural study (including images) of the impact of the rear (southern) elevations of Building B, F, J and M on how the Hillside development is perceived from the surrounding community. If necessary, provide additional architectural enhancements or modifications, to improve this perception.
4. Study how additional enhancements to the interior side elevations of the buildings adjacent to mid-block open spaces could better frame and activate these open spaces.
5. Building E – Limit to the 45-foot maximum height, as defined in the D for D.
6. Building L – Study how to enhance the residential entry to the second structure on the western end of the site to reduce the appearance or grade of the downward ramp with consideration of the ADA Accessibility of this home and

necessary level landings. Also study an improvement of the roofline variation of this structure in consideration of the adjacent rooflines to enhance the block modulation.

7. Building B – Further study proportional relationship of building base to upper stories.
8. Building J – Provide a grading plan and study to improve the relationship between the units and the street of the eastern modulation of this structure to the satisfaction of OCII. This is to ensure that units are located above grade and/or have appropriate relationship to the street, and to vary the roofline to enhance the block modulation consistent with the elevation change on this lot.

and, be it further

RESOLVED, That the Commission approves the Schematic Designs for Block 48 Phases 2A and 2B and the VDDAs for Block 48 Phases 2A and 2B, substantially in the form on file with the Commission Secretary, and authorizes the Executive Director to execute, deliver and implement the VDDAs, together with such changes as the Executive Director reasonably determines, (i) are not a material change; (ii) are not detrimental to the public welfare or injurious to the property or improvements in the vicinity of the project; and (iii) are consistent with the general purposes and intent of the Redevelopment Plan and Plan Documents; and, be it further

RESOLVED, That the Commission authorizes the Executive Director to take such other actions as may be necessary or appropriate to effectuate the purpose of the intent of this resolution.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of December 15, 2015.



Commission Secretary