Resolution of the Board of Supervisors, acting in its capacity as the Successor Agency to the former Redevelopment Agency of the City and County of San Francisco, approving an amendment to the Below-Market Rate Housing Plan for the Candlestick Point-Hunters Point Shipyard Phase 2 Project in the Hunters Point Shipyard Redevelopment Project Area and Bayview Hunters Point Redevelopment Project Area, subject to Oversight Board and California Department of Finance approval; and making environmental findings under the California Environmental Quality Act.

WHEREAS, On July 14, 1997, by Ordinance No. 285-97, the Board of Supervisors approved and adopted the Hunters Point Shipyard Redevelopment Plan ("HPS Plan"), which establishes basic policies for development of the Hunters Point Shipyard Redevelopment Project Area ("HPS Project Area"), pursuant to the Military Base Conversion Chapter of the California Community Redevelopment Law (California Health and Safety Code, Sections 33492 et seq.); and

WHEREAS, On May 23, 2006, by Ordinance No. 113-06, the Board of Supervisors approved and adopted the Redevelopment Plan for the Bayview Hunters Point Redevelopment Project ("BVHP Plan"), which establishes basic policies for development of the Bayview Hunters Point Redevelopment Project Area ("BVHP Project Area"); and

WHEREAS, On August 3, 2010, by Ordinance Nos. 0210-10 and 0211-10, the Board of Supervisors approved and adopted amendments to the BVHP Plan and the HPS Plan, respectively, in connection with development of the proposed Candlestick Point-Hunters Point Shipyard Phase 2 Project (the "Project"); and
WHEREAS, To implement the Project, the former Redevelopment Agency of the City and County of San Francisco (the “Redevelopment Agency”) and CP Development Co., LP, a Delaware limited partnership ("Developer") entered into various agreements, including a Disposition and Development Agreement (Candlestick Point and Phase 2 of the Hunters Point Shipyard), dated as of June 3, 2010, which the parties previously have amended on two occasions (the “DDA”); and

WHEREAS, The DDA proposed a cohesive, overall plan for development of Phase 2 of the HPS Project Area (which excludes previously authorized development in the Hunters Point Hill Residential District, referred to as “HPS Phase 1”), and development of Zone 1 of the BVHP Project Area B (known as “Candlestick Point”); and

WHEREAS, The DDA includes a Below-Market Rate Housing Plan (“BMR Plan”) that establishes the parties’ obligations to develop affordable housing, and requires that approximately 32% of all housing built within the Project be affordable at several levels of income (the “CP/HPS2 housing ladder” of affordability); and

WHEREAS, On July 13, 2010, the Board of Supervisors approved Motion No. 10-110, affirming the Planning Commission’s certification of the final environmental impact report for the Candlestick Point-Hunters Point Shipyard Phase 2 Project (“FEIR”) in compliance with the California Environmental Quality Act (“CEQA”) (California Public Resources Code, Sections 21000 et seq.); and

WHEREAS, A copy of this Motion is on file with the Clerk of the Board of Supervisors in File No. 100862 and available on the Board’s website, and is incorporated herein by reference as though fully set forth; and

WHEREAS, Together with approval actions taken in 2010, this Board adopted Resolution No. 347-10, making findings in relation to the Project pursuant to CEQA, including
a statement of overriding considerations and a mitigation monitoring and reporting program
("CEQA Findings"); and

WHEREAS, Copies of this Resolution and supporting materials are in the Clerk of the
Board of Supervisors File No. 100572 and available on the Board's website, and the
Resolution and supporting materials are incorporated herein by reference as though fully set
forth; and

WHEREAS, On February 1, 2012, the State of California dissolved all redevelopment
agencies in the state and established successor agencies to assume certain rights and
obligations of the former agencies, as set forth in California Health & Safety Code, Sections
34170 et seq. (the "Redevelopment Dissolution Law"); and

WHEREAS, On October 2, 2012, by Ordinance No. 215-12, this Board (i) delegated its
state authority under the Redevelopment Dissolution Law to the Successor Agency to the
former Redevelopment Agency of the City and County of San Francisco (the "Successor
Agency"); (ii) established the Commission on Community Investment and Infrastructure
("CCII"), to implement and complete the Major Approved Development Projects and Retained
Housing Obligations as those terms are defined in Ordinance No. 215-12, including
implementation of the Project in accordance with the DDA; and (iii) acknowledged that the
Successor Agency held all transferred assets and obligations of the dissolved Redevelopment
Agency under the Redevelopment Dissolution Law; and

WHEREAS, On December 4, 2012, the California Department of Finance determined
that the DDA and related agreements were enforceable obligations of the Successor Agency;
and

WHEREAS, In delegating its rights to the Successor Agency, this Board required that
the CCII obtain the approval of the Board of Supervisors of any modifications to the Major
Approved Development Projects or Retained Housing Obligations that would materially change the Successor Agency's obligations to provide affordable housing; and

WHEREAS, On April 17, 2018, after holding a duly noticed public hearing and consistent with its authority under Redevelopment Dissolution Law and Ordinance No. 215-12, CCII conditionally approved, by Resolution No. 16-2018, a third amendment to the DDA ("DDA Third Amendment"), including an amendment to the BMR Plan ("BMR Plan Amendment"), which authorizes the following: (i) construction, at Developer's discretion, of a 105-unit residential project (104 BMR units plus one manager's unit) for residents aged 62 and over at 60% area median income ("AMI") and below, to be located within Sub-Phase CP-02 in Candlestick Point (the "Senior BMR Project"); (ii) the relocation of approximately 172 residential units from HPS Phase 1, requiring 10.5% of those units (a total of 18 units) to be affordable at 80% AMI; and (iii) priority in assignment of parking spaces to Certificate of Preference holders who occupy affordable housing units in residential projects with less than 1 parking space for every unit; and

WHEREAS, The Senior BMR Project would fulfill affordable housing requirements for several market-rate residential projects within the Project area, provided that the Senior BMR Project is constructed prior to or at the same time as the first of those market-rate projects, thereby accelerating the delivery of affordable housing units, with deeper affordability levels, than called for in the existing BMR Plan; and

WHEREAS, Under the BMR Plan Amendment, approximately 32% of housing built within the Project would continue to be affordable in accordance with the CP/HPS2 housing ladder and if Developer elects to develop the Senior BMR Project, the CP/HPS2 housing ladder would be adjusted to reflect the Senior BMR Project at 60% AMI; and

WHEREAS, The Successor Agency determined in Addendum No. 5 for the Project that proposed modifications to the Project, including the BMR Plan Amendment, will not result in
any new significant impacts or a substantial increase in the severity of previously identified
significant effect that would alter the conclusions reached in the FEIR; and

WHEREAS, A copy of Addendum No. 5 and supporting materials are in the Clerk of the
Board of Supervisors File No. 180476 and available on the Board’s website, and the findings
in Addendum No. 5 and supporting materials are incorporated herein by reference as though
fully set forth; and

WHEREAS, On April 17, 2018, CCII determined by Resolution No. 11-2018 that the
analysis conducted and the conclusions reached in the FEIR as to the environmental effects
of the Project, together with further analysis provided in Addendum No. 1, Addendum No. 4
and Addendum No. 5 to the FEIR, remain valid and can be relied upon for approval of the
BMR Plan Amendment in compliance with the CEQA; and

WHEREAS, As part of Resolution No. 11-2018, CCII made findings regarding the
modifications to 16 previously adopted mitigation measures as recommended in Addendum
No. 5, and approved the modifications to the adopted mitigation measures; and

WHEREAS, For two of these mitigation measures, Mitigation Measure TR-16 (Widen
Harney Way) and UT-2 (Auxiliary Water Supply System), the language reflects minor changes
previously approved based on Addendum No. 1 and Addendum No. 4 as reflected in CCII
Resolution Nos. 01-2014 and 13-2016; and

WHEREAS, In addition, CCII Resolution No. 13-2016 approved modifications to
Mitigation Measure TR-23.1 (Maintain Proposed Headways of the 29 Sunset), to assure that
transit travel times would be consistent with the FEIR analysis; and

WHEREAS, A copy of Resolution No. 11-2018 and supporting materials, including
without limitation Addendum No. 1 and Addendum No. 4, and copies of Resolution
Nos. 01-2014 and 13-2016 are in the Clerk of the Board of Supervisors File No. 180516 and
WHEREAS, Under Redevelopment Dissolution Law, the Oversight Board of the City and County of San Francisco must review and approve any amendment to an enforceable obligation, such as the BMR Plan Amendment, but only if it finds that the amendment would be in the best interests of the taxing entities; and

WHEREAS, Under Redevelopment Dissolution Law, the California Department of Finance ("DOF") must receive notice and information about all Oversight Board actions, which do not take effect until DOF has either not requested additional review within five business days of the notice or requested additional review and approved the action within 40 days of its request for additional review ("DOF Approval"); and

WHEREAS, The Board of Supervisors held a public hearing on June 26, 2018, on the adoption of the proposed BMR Plan Amendment; the hearing has been closed; and

WHEREAS, The Board has reviewed and considered the recommendations of CCII, the FEIR, and the CEQA Findings, including the statement of overriding considerations that this Board previously adopted in Resolution No. 0347-10, the findings in Addendum No. 5, the findings in CCII Resolution No. 11-2018, and the findings in CCII Resolutions Nos. 01-2014 and 13-2016 concerning amendments to adopted mitigation measures; now, therefore, be it

RESOLVED, That the Board finds that the actions contemplated by this resolution are included in the actions identified in CCII Resolution No. 11-2018 for purposes of compliance with CEQA; and, be it

FURTHER RESOLVED, That the Board hereby adopts the additional CEQA Findings in CCII Resolution No. 11-2018 as its own, including approving the modifications to the 16 adopted mitigation measures recommended for modification in Addendum No. 5; and, be it
FURTHER RESOLVED, Additionally, the Board approves the modifications previously approved by CCII to Mitigation Measures TR-16, TR-23.1, and UT-2 for the reasons set forth in CCII Resolution Nos. 1-2014 and 13-2016; and, be it

FURTHER RESOLVED, That the Board of Supervisors conditionally approves the proposed BMR Plan Amendment on file with the Board in File No. 180549 subject to approval of the BMR Plan Amendment by the Oversight Board and DOF; and, be it

FURTHER RESOLVED, That the Board of Supervisors authorizes, subject to Oversight Board and DOF approval, the Executive Director of the Successor Agency or her designee to execute the DDA Third Amendment including the BMR Plan Amendment in substantially the form of the BMR Plan Amendment on file with the Clerk of the Board of Supervisors in File No. 180516; and, be it

FURTHER RESOLVED, That all actions taken by City officials and CCII in preparing and submitting the BMR Plan Amendment to the Board of Supervisors for review and consideration are hereby ratified and confirmed, and the Board of Supervisors hereby authorizes all subsequent action to be taken by Successor Agency, CCI and City officials consistent with this resolution.
Resolution of the Board of Supervisors, acting in its capacity as the Successor Agency to the former Redevelopment Agency of the City and County of San Francisco, approving an amendment to the Below-Market Rate Housing Plan for the Candlestick Point-Hunters Point Shipyard Phase 2 Project in the Hunters Point Shipyard Redevelopment Project Area and Bayview Hunters Point Redevelopment Project Area, subject to Oversight Board and California Department of Finance approval; and making environmental findings under the California Environmental Quality Act.

June 25, 2018 Land Use and Transportation Committee - RECOMMENDED AS COMMITTEE REPORT

June 26, 2018 Board of Supervisors - ADOPTED
Ayes: 11 - Breed, Cohen, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Stefani, Tang and Yee

I hereby certify that the foregoing Resolution was ADOPTED on 6/26/2018 by the Board of Supervisors of the City and County of San Francisco.

Angela Camillo
Clerk of the Board

Mark Farrell
Mayor