

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY (CPCFA)
CALIFORNIA RECYCLE UNDERUTILIZED SITES REMEDIATION PROGRAM
Meeting Date: December 10, 2024**

**Request to Extend Infill Grant Agreement under the California Recycle
Underutilized Sites (CALReUSE) Remediation Program**

Prepared by: *Ryan Dannewitz*

Applicant: Office of Community Investment and Infrastructure
as Successor Agency to the Redevelopment
Agency of the City and County of San Francisco

Project Name: Hunters Point Shipyard

Project Location: San Francisco (San Francisco County)

Type of Funding: Grant

Amount Awarded: \$5,000,000

Amount Disbursed: \$4,985,103

Resolution No.: 24-03-004

Prior Actions: Approved 11/19/2008
Amended 09/17/2019
Amended 11/15/2022
Amended 06/20/2023
Amended 12/12/2023

Summary

The Office of Community Investment and Infrastructure, also known as the Successor Agency to the Redevelopment Agency of the City and County of San Francisco, (the “Grantee”) requests approval of an amendment to extend the term of the Infill Grant Agreement (“Grant Agreement”), dated November 19, 2008, from December 31, 2024, to December 31, 2026, under the CALReUSE Remediation Program (“Program”).

Project Background

On November 19, 2008, the CPCFA Board approved a grant in the amount of \$5,000,000 for remediation at the former Hunters Point Naval Shipyard (“Shipyard”). CPCFA and, after a modification to the affordability mix approved by the Executive Director under her delegated authority, the Grantee executed the Grant Agreement dated as of October 10, 2010. All reimbursable costs have been submitted by the Grantee and the disbursement of the \$4,985,103 Grant is complete. The original brownfield cleanup proposed an initial Infill Development Project that consisted of 2,625 housing units (616 affordable).

In October of 2015, the Grantee requested an extension to the term of the Grant Agreement and a further reduction in housing units listed in the infill development project description. The Grantee cited challenges with the dissolution of the

Agenda Item 4.A.1
Resolution No. 24-03-004

Redevelopment Agency, challenges with the California Department of Finance on enforceable obligations, and delays with the conveyance of U.S. Navy parcels to the City of San Francisco. In January of 2016, the CPCFA Executive Director, under their delegated authority, approved the extension to the term of the Grant Agreement for approximately 22 months to October 7, 2019, and to reduce the number of housing units in the infill development project description from 1,128 (221 affordable) to 884 (209 affordable).

In September of 2019, the Grantee requested, and the board approved, an extension of approximately 38 months, from the previous October 7, 2019, to December 31, 2022. The grantee cited the economic infeasibility of the design of Block 52 and the subsequent redesign requiring lot line adjustment and lot consolidation approval.

In November 2022, the Grantee requested, and the board approved, an additional extension until July 31, 2023, to obtain a certificate of occupancy, and complete the Infill Development Report. In addition, the Grantee agreed to fulfilling five benchmarks, four of which have been met.

In June 2023, the Grantee requested, and the board approved, an extension until December 31, 2023. The Grantee cited shipping delays for key equipment that impacted the Grantee's ability to obtain a Certificate of Final Completion and Occupancy and complete the Infill Development Report.

In December 2023, the Grantee requested, and the board approved, an extension until December 31, 2024. The Grantee cited continued missing critical components for key equipment impacting the Grantee's ability to obtain a Certificate of Final Completion and Occupancy and complete the Infill Development Report.

Current Status and Request

The Grantee is requesting an extension to December 31, 2026, due to the area surrounding the building awaiting an ADA inspection sign-off before issuing a Certificate of Final Completion and Occupancy (CFCO). The ADA inspection of the surrounding sidewalk revealed that some additional work may be needed before the issuance of the Final Certificate of Occupancy, which will push the completion date beyond the current December 31, 2024, deadline.

To date, 811 units have been completed and 73 units remain to be completed to meet the Infill Development Plan (IDP) unit requirement. These units are located on Block 52 (which consists of a total of 77 units, 4 more units than the original unit projection when IDP program was developed for the Grant) in the Hilltop neighborhood of Hunters Point Shipyard Phase 1.

The review and delay of submitting the final closeout documentation will require a minimum of six months of review, so the grantee is requesting an extension through December 2026.

Staff Analysis

Extending the term of the Infill Grant Agreement through December 31, 2026, allows the Grantee to make any ADA-related changes needed to pass inspection, obtain certificates of occupancy, complete the Brownfield Remediation Final Report and Infill Development Report, and give CPCFA staff time to close out the grant, which the Board may determine is in the public interest.

Board Action

Staff recommends approval of Resolution No. 24-03-004 extending the term of the Infill Grant Agreement from December 31, 2024, to December 31, 2026, for the Hunters Point Shipyard project.

**A RESOLUTION OF
THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
APPROVING THE REQUEST TO AMEND THE GRANT DOCUMENTS UNDER THE
CALIFORNIA RECYCLE UNDERUTILIZED SITES REMEDIATION PROGRAM**

December 10, 2024

WHEREAS, the California Pollution Control Financing Authority (the “Authority”), a public instrumentality of the State of California, on November 19, 2008, approved a California Recycle Underutilized Sites Remediation Program (“CALReUSE”) grant for the Hunters Point Shipyard project (the “Project”) in the amount of \$5,000,000 as reflected in the meeting minutes (the “Resolution”); and

WHEREAS, the Authority amended the Infill Grant Agreement on November 27, 2012, to add the Successor Agency to the Redevelopment Agency of the City and County of San Francisco (“Grantee” or “Successor Agency”), which has the authority and responsibility to complete the Brownfield Infill Project and Infill Development Project as described in the Infill Grant Agreement dated October 18, 2010; and

WHEREAS, under the authority delegated to the executive director, the Authority amended the Infill Grant Agreement on January 13, 2016, to extend the term of the Infill Grant Agreement to October 7, 2019, and amended the number of housing units in the infill development project description to 884 (209 affordable); and

WHEREAS, the Authority amended the Infill Grant Agreement on September 17, 2019, to extend the term of the Infill Grant Agreement to December 31, 2022; and

WHEREAS, the Authority amended the Infill Grant Agreement on November 20, 2022, to extend the term of the Infill Grant Agreement to July 31, 2023; and

WHEREAS, the Authority amended the Infill Grant Agreement on June 20, 2022, to extend the term of the Infill Grant Agreement to December 31, 2023; and

WHEREAS, the Authority amended the Infill Grant Agreement on December 12, 2023, to extend the term of the Infill Grant Agreement to December 31, 2024; and

WHEREAS, the Authority finds that further extending the term of the Infill Grant Agreement until December 31, 2026, is in the public interest and advances the purposes of CALReUSE.

NOW, THEREFORE, BE IT RESOLVED by the California Pollution Control Financing Authority, as follows:

Section 1. The Infill Grant Agreement dated November 19, 2008, is hereby extended until December 31, 2026.

Section 2. Except as specifically amended by this Resolution, all provisions and conditions of the Infill Grant Agreement dated November 19, 2008, as amended thereafter, shall remain unchanged and in full force and effect.