

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
CALIFORNIA RECYCLE UNDERUTILIZED SITES REMEDIATION PROGRAM
Meeting Date: November 19, 2008
Request Infill Grant Approval**

Prepared by: *Center for Creative Land Recycling (CCLR) and Doreen Smith, CPCFA*

Applicant:	San Francisco Redevelopment Agency	Type of Funding Requested:	Grant
Developer:	Lennar/BVHP, LLC	Amount Requested:	\$12,444, 063 000
Project Name:	Hunters Point Shipyard	Amount Recommended:	\$ 5,000,000
Project Location	San Francisco (San Francisco Cnty)	Strategic Partner:	CCLR

Summary. San Francisco Redevelopment Agency (the “Applicant”) requests approval of a grant in an amount not to exceed \$12,444,000 to finance the remediation of a brownfield to develop Hunters Point Shipyard and Candlestick Point (“Shipyard/Candlestick” project or “Project”) into a mixed use development area. Staff is recommending the Authority approve \$5,000,000 at this time and pre-approve the remaining \$7,444,000 contingent on additional program funds being available and re-confirmation of the approval at a future Board meeting. The Applicant anticipates the Development Project will create 2,625 residential units of which 23.5% will be affordable. This includes 202 for-sale units at 50-120% AMI, 267 rental units at 40-50% AMI and 67 units at less than or equal to 40% AMI. Additionally, there will be supportive rental housing for the elderly that includes 20 units at 50-60% AMI, 30 units at 40-50% AMI, and 30 units at less than or equal to 40% AMI.

Applicant. The applicant is a redevelopment agency established in San Francisco in 1948, it is a public body, corporate and politic of the State of California.

Legal Questionnaire. The Strategic Partner and staff have reviewed the Applicant’s responses to the questions contained in the Legal Status portion of the Application. No information was disclosed that raises questions concerning the financial viability or legal integrity of this applicant.

Is the Brownfield a Federal NPL Site with an Identified Viable Responsible Party? The Project is a site listed on the National Priorities List (NPL) and has a known viable responsible party – the United States Navy. The Applicant, however, is requesting funds that the Navy is not obligated to abate or remediate. CPCFA legal counsel has advised staff that the Project is eligible for the Program’s Tier 1 status given the U.S Department of Defense (DoD) policies on asbestos, lead paint and radon at base realignment and closure (BRAC) properties.

To describe in more detail, the United States Navy is performing Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) remedial actions under the supervision of US EPA. The scope of work to be funded by this grant is for abatement of lead-based paint and asbestos- containing material in buildings. The Navy takes a consistent position at closed bases that lead-based paint or asbestos-containing materials in buildings do not constitute releases to the environment under CERCLA, and therefore the Navy does not believe it is obligated to abate or remediate those materials prior to transfer.

The Navy and SFRA are presently discussing the terms of a proposed Early Transfer Cooperative Agreement (“ETCA”) under which the Navy would provide a grant to the Applicant to fund the Navy’s remaining environmental remediation responsibilities. In the Navy’s proposal form of the ETCA presented to SFRA, it has proposed that cleanup of lead-based paint and asbestos-containing materials incorporated into building materials in their original location is “Ineligible Work” which cannot be funded by the Navy grant funds.

Brownfield Project Description. In the 1880’s, a dry dock facility was constructed off the northeast quadrant of the current Shipyard and was in use (and was increased in size) over time until 1939. In 1939, the Navy took ownership of the area, filled large portions of the bay to create more space for its activities, constructed the bulk of the buildings and other support structures now in existence at the site, performed ship building, ship decommissioning, testing of various defense-related equipment (rocket engines and missile silos, for example), and created and ran the National Radiological Defense Laboratory. The Navy operated the base until 1974, at which time the Navy leased the Shipyard to large scrap steel companies to dismantle commercial vessels and sell the steel for scrap. Machine shops and metalworking operations were a secondary type of business present on the Shipyard.

Contaminants of concern related to Navy operations include volatile organic compounds, hydrocarbons, heavy metals, PCBs and radiological constituents. The Navy, via its CERCLA obligations, has spent years characterizing the extent of both shallow groundwater and soil contamination. Currently, the Navy is focusing its efforts on removing radiological constituents by removing all storm and sanitary sewers across the Shipyard. The Navy has also conducted many hot-spot (soil) removal actions and other pilot studies on how best to remediate groundwater plumes. It is the stated position of the Navy, and the desire of the Applicant, that the Navy conduct all remedial actions related to radiological constituents. Via the early transfer process, the Agency and its development partner will execute the cleanup of the more “traditional” environmental contaminants.

As stated above, the Navy is required to remediate soil and/or groundwater to certain levels that support reuse of the project site in accordance with federal superfund law. However, this remediation does not include the abatement and demolition of existing structures which are required for development of the parks, housing, and job-generating uses.

Description of Activity	Cost	Amount Financed by Infill Grant
Preparation of Bid Specification and Process	\$ 696,000	\$498,000 *
Asbestos/Lead Paint Abatement	7,608, 063,000	3,933,000 *
Oversight Costs	580,000	239,000 *
Preparation/Implementation SWPPP	440,000	330,000 *
Asbestos Monitoring (during abatement)	<u>3,120,000</u>	<u>0</u> *
TOTAL ESTIMATED COST:	<u>\$12,444,063,000</u>*	<u>\$5,000,000</u>

**The difference between the amount requested by the Applicant (\$12,444,~~063,000~~) and the amount recommended by staff (\$5,000,000) is due to the maximum award cap. ~~Staff will work~~*

~~with the applicant to identify the appropriate activities/costs for the recommended \$5,000,000 prior to entering into the grant agreement.~~

A map of Hunter’s Points outlining the Infill Development Project and the various parcels of the development area can be found in Attachment A. A detailed breakdown of the Applicant’s requested award by parcel can be found in Attachment B.

Oversight Agency. Bay Area Air Quality Management District.

Infill Development Project Description. The “Infill Development Project” is defined as the residential district of the Brownfield Infill Project (Shipyards). The complexity and scale of the site’s infrastructure needs (including the creation of significant new open space, infrastructure for bus rapid transit, new roads where there are currently none, and new wet and dry utilities) require that the Shipyards be developed and financed as a single project. Without complete remediation of the parcels described in this application, the Infill Development Project on its own is not viable. When developed as a single project, the Shipyards presents an opportunity to return to the City and the Bayview Hunters Point Community a waterfront site that has stood dilapidated, underutilized and disconnected since the base closure in 1974.

The project includes 2,625 new homes, approximately 23.5% of which will be offered as affordable. The commercial component will provide 2,880,000 square feet of space; 125,000 feet of which will be neighborhood-serving retail, 255,000 feet of which will be artist’s studios and emphasis on attracting “green tech” businesses to the project area, providing much needed jobs to the City and the Bayview. Lastly, 243 acres of parks are scheduled to be built primarily along the waterfront, with a system of open space that seeks to bring this resource into the Hunters Point hill neighborhoods and the Bayview, a community that has been historically deprived of passive and active open space and outdoor recreation facilities. The global development will include the complete redevelopment of Candlestick Point State Park, a portion of which is on the Shipyards site.

The Shipyards/Candlestick project will require substantial new public infrastructure, including new roads and transit centers, significant improvements to regional transit hubs, and the creation of new connections to existing City transit centers. The Project places a great emphasis on transit accessibility – the Shipyards will be well connected to the City and the region via bus rapid transit, standard buses, and possibly by ferry. The efficiency, visibility, and desirability of transit will be supported by the streetscape design. Dedicated and physically separate travel lanes will enable bus rapid transit to move through the development, unhindered by automobile traffic. Small block sizes centered on a dense, compact development pattern of mixed-use transit nodes will shorten walking distances to transit, while extensive bicycle routes will create a desirable alternative to the automobile.

A principle goal of the project is to reintegrate Shipyards with the Hunters Point and broader Bayview neighborhood, both physically and economically. A workforce training and development program will be tailored to the needs of this community, ensuring that as new job-generating commercial uses are developed, existing residents from Hunters Point and Bayview are prepared to benefit. These workforce development programs will be paired with local hiring and contracting opportunities for locally-owned businesses.

Permits. The Redevelopment Agency is in the process of finalizing transfer of property from the Navy. Full development timeline estimates the process will be completed in July 2013.

Anticipated Timeline.

- Cleanup to Begin: August 2009
- Cleanup to be Completed: June 2012
- Development to Begin: Early 2011
- Development to be Completed: 2013

Local Government Support. Throughout the planning process for the Hunters Point Shipyard and Candlestick Point, there has been sustained and intensive consultation with the local community and the broader public. In May 2007, the Redevelopment Agency, the Board of Supervisors and the Mayor adopted the “Conceptual Framework” for the development project, articulating a 21-page list of principles by which the project must move forward. In June 2008, San Francisco voters overwhelmingly approved Proposition G, which confirmed these principles and provided the City with a go-ahead to continue to develop the plan with the community.

The Project has undertaken a process to seek significant community review and input into the development plan and continue to meet and consult with community groups throughout the planning process, including the Bayview Hunters Point Project Area Committee (PAC), the Hunters Point Shipyard Citizens Advisory Committee (CAC), the Shipyard artists, residents from Morgan Heights, India Basin, Visitacion Valley, Bayview Hill, Candlestick Point and Candlestick Cove, Alice Griffith public housing residents, the City’s Park Recreation and Open Space Advisory Committee (PROSAC), San Francisco Neighborhood Parks Council, the Bayview Transportation Improvement Project Ad Hoc Community Advisory Committee, the Southeast Facility Commission, and the San Francisco Planning and Urban Research Association.

Letters of support for the project have been received for the project including:

Local Community Support.

- Dr. Veronica Hunnicutt, Chair, The Hunters Point Shipyard Citizen Advisory Committee (C-1)

Government Officials Support.

- Dianne Feinstein, United States Senator (C-2)
- Gavin Newsom, Mayor of San Francisco (C-3)
- Betty T. Yee, Vice Chairwoman of the State Board of Equalization (C-4)

Request to Waive Minimum/Maximum Award Amount. The Applicant represents that the integrated Shipyard/Candlestick development is the single largest infill development project in the Bay Area. The Applicant considers the opportunity to accelerate delivery of the myriad public benefits to be in the public’s interest and thereby warranting a grant amount that exceeds the regulation’s suggested maximum. The remediation program described in this application will make possible:

- 10,500 new homes, more than 3,300 of which are affordable
- 10,000 new permanent and construction jobs
- 350 acres of open space
- More than \$82 million in additional community facilities and economic and workforce development programs
- Access to goods and services in a historically underserved community.

The Applicant further states that the exceptional scale of this Project is the deep and long-standing community need. Once a source of economic opportunity and optimism for the community, the former Shipyard has stood abandoned and dilapidated for more than 30 years. This once integral asset to the community now stands as a barrier to public health, open space, and the waterfront and blight on the surrounding neighborhoods. Failure to remediate the site and to rebuild the Shipyard has been a historical environmental justice issue that has earned the Bayview a national reputation as a neglected community in San Francisco.

After years of community debate, legions of public health studies, and on-going environmental and physical analysis, the Applicant represents that returning this resource to the Bayview neighborhood and San Francisco requires significant public investment from the City, State, and federal government.

Application Score. The project earned a score of **100** out of **120** points in the following categories:

(a) Readiness to Proceed. TOTAL - 35/40.

- (1) Applicant has demonstrated that environmental review can be completed and all necessary entitlements can be received from the local jurisdiction within two years if receiving the award - 10/10.** The applicant declares that they can EIR will be finalized by the end of 2009.
- (2) Funding commitments are in place, or financing applications are under review, for the Infill Development Project - 10/10.** Funding commitments totaling full construction costs of \$2.1 Billion are under review.
- (3) The Infill Development Project has local community and government support - 10/10.** The Project has a letter of support from the Hunters Point Shipyard Citizen's Advisory Committee and a strong letter of support from Mayor Gavin Newsom.
- (4) Cleanup Plan has been approved by Oversight Agency - 5/5.** Project has permit pending for Asbestos Abatement from the Bay Area Air Quality Management Board.
- (5) Applicant has building permits, and all other governmental permits (i.e. encroachment, ROW, etc.) in place or under review - 0/5.**

(b) Location within an Economically Distressed Community. TOTAL - 30/30. Project is within a redevelopment project area.

- (c) **Location within a Priority Development of a Local Governmental Entity. TOTAL - 10/10.** Project is located within Association of Bay Area Governments' Priority Development Area Plan.
- (d) **Depth of Affordability. TOTAL - 5/10.** 15.01% of the Project's 2,625 units are restricted to residents at or below 50% AMI, above the 15% threshold for 5 points.
- (e) **Percentage of Affordability. TOTAL - 5/15.** 23.5% of the Project's 2,625 units are Affordable, well above the 15% threshold for 5 points.
- (f) **Utilization of Green Building Methods. TOTAL - 5/5.** The Project is planned for LEED certification for 5 points.
- (g) **Cleanup Plan for the Brownfield Infill Project does not require Ongoing Operation and Maintenance. TOTAL - 10/10.** The Project does not include any long term operation and maintenance activities.

Tie-Breaker.

- (a) Total Brownfield Infill Project Cleanup Plan Cost: \$12,444,~~063000~~
- (b) Total no. residential housing units produced and/or promoted by Infill Development Project: 2,625
- (c) Tie-breaker ratio [(a) / (b)]: \$4,741 / unit

Financing Details.

- Amount of Overall Financing to be Leveraged:
 - Total Project Cost = \$2,118,700,000
 - Total CALReUSE Infill Grant Funding = \$12,~~444777~~,063
 - CALReUSE remediation funding is leveraged **166 to 1**
- Sources of Financing for Brownfield Infill Project: CALReUSE Grant Funds
- Sources of Financing for Infill Development Project: Developer equity, Tax Increment Revenue and Bonds, Mello Roos Bonds

Staff Recommendation. Staff recommends a) approval of the attached Resolution for San Francisco Redevelopment Agency for (1) a grant in an amount not to exceed \$5,000,000 and (2) pre-approval of the Hunters Point Shipyard for additional grant funding in an amount not to exceed \$7,444,~~063000~~ subject to the conditions that the Authority (a) receives sufficient additional funding for the CALReUSE Remediation Program and (b) reconfirms the Project funding in a subsequent meeting.

A RESOLUTION OF THE CALIFORNIA POLLUTION CONTROL FINANCING
AUTHORITY APPROVING EXECUTION AND DELIVERY OF GRANT FUNDING FOR
SAN FRANCISCO REDEVELOPMENT AGENCY
CALIFORNIA RECYCLE UNDERUTILIZED SITES REMEDIATION PROGRAM

November 19, 2008

WHEREAS, the California Pollution Control Financing Authority (the “Authority”), a public instrumentality of the State of California, is authorized by the Regulations adopted to implement and make specific the statutory provisions of the California Recycle Underutilized Sites (CALReUSE) Remediation Program;

WHEREAS, the statutory provisions of the CALReUSE Remediation Program authorize grant and loan funding for the purpose of brownfield cleanup that promotes infill residential and mixed-use development, consistent with regional and local land use plans;

WHEREAS, the Authority solicited applications for the CALReUSE Remediation Program and such applications were evaluated and scored pursuant to the Authority’s Regulations;

WHEREAS, San Francisco Redevelopment Agency (“Applicant” and “Grantee”) has submitted an application for the CALReUSE Remediation Program for a grant in the amount of \$12,444,~~063000~~ for the Hunters Point Shipyard Project (the “Project”);

WHEREAS, subject to meeting all the conditions set forth in this resolution the Authority reasonably expects that financing in an amount not to exceed \$5,000,000 may be funded for the Project;

WHEREAS, the Strategic Partner, Center for Creative Land Recycling, has reviewed the application and determined to recommend Hunters Shipyard Project to the Authority for funding consideration;

WHEREAS, the Authority staff has reviewed the Strategic Partner’s recommendation and has determined to recommend the Hunters Shipyard Project for funding; and

WHEREAS, the Authority staff recommends an additional reservation of funds of additional \$7,444,~~063000~~ for the Hunters Shipyard Project if the Program is allocated additional funds, and with subsequent approval by the Authority; and

WHEREAS, the Authority finds that the project finds that this project is in the public interest and advances the purposes of the program; and

WHEREAS, approval of a grant for the “Applicant” by the Authority is now sought;

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

Section 1. Pursuant to the Regulations, the Authority hereby finds that the Project is eligible for financing and hereby approves a grant in an amount not to exceed \$5,000,000 for the

Project described in the staff summary and the Applicant’s CALReUSE Infill Application to the Authority.

Section 2. The Project is pre-approved for additional grant funding in an amount not to exceed \$7,444,~~063,000~~ subject to the conditions that (i) the Authority shall have received sufficient additional funding for the CALReUSE Remediation Program and (ii) the Authority reconfirms the Project funding in a subsequent meeting.

Section 3. The Executive Director is hereby authorized for and on behalf of the Authority to take all steps necessary with respect to the Applicant including (i) notifying the Applicant that its Application has been approved for funding in an amount not to exceed \$5,000,000, (ii) preparing a commitment letter that contains the terms and conditions of funding for the Grantee, (iii) preparing and executing the final form of grant agreement and (iv) disbursing funds pursuant to the grant agreement and the Authority’s Regulations.

Section 4. The Executive Director is hereby authorized for and on behalf of the Authority to approve any changes in the Project described in Exhibit A of the grant agreement as the Executive Director shall deem appropriate and authorized under the Regulations (provided that the amount of the grant may not be increased above the amount approved by the Authority).

Section 5. The Executive Director is hereby authorized and directed, for and on behalf of the Authority, to draw money from the Proposition 1C (2006) funds allocated to this Program not to exceed those amounts approved by the Authority for the Project approved in Section 1. The Executive Director is further authorized and directed, for and on behalf of the Authority, to execute and deliver for the Project identified in Section 1 any and all documents necessary to complete the transfer of funds. The authority of the Executive Director is limited to payment of claims made by the Grantee in accordance with the Regulations and the grant Agreement.

Section 6. Any notice to the Applicant approved hereunder shall indicate that the Authority shall not be liable to the Applicant in any manner whatsoever should such funding not be completed for any reason whatsoever. Notice to the Applicant shall include a provision making it clear that continued funding under the program is not guaranteed but is entirely dependent upon funds being available to the CALReUSE Program and the Grantee’s continued compliance with the grant agreement and the regulations governing the CALReUSE Program.

Section 7. The Executive Director of the Authority is hereby authorized and directed, to do any and all things and to execute and deliver any and all documents which they deem necessary or advisable in order to effectuate the purposes of this Resolution and the transactions contemplated hereby, and which have heretofore been approved as to form by the Authority.

EXHIBIT A

TERM SHEET

Name of Project: Hunters Point Shipyard

Maximum Amount of Grant: \$12,444,000

Strategic Partner: Center for Creative Land Recycling

Grantee: San Francisco Redevelopment Agency

Financing Structure: Grant

Maximum Grant/Loan Term: Not to exceed 6 years from first draw on funds

Oversight Agency: CA Department of Toxic Substance Control

Project Location: Hunters Point and Candlestick Point
San Francisco, CA 94124

Infill Development Description: 2,625 Residential Units; including 202 for sale units at 50-120% AMI, 267 rental units at 40-50% AMI, and 67 units at less than or equal to 40% AMI. Senior Rental Housing includes 20 units at 50-60% AMI, 30 units at 40-50% AMI, and 30 units at less than or equal to 40% AMI. Housing, commercial and retail development

Description of Activity	Cost	Amount Financed by Infill Grant
Preparation of Bid Specification and Process	\$ 696,000	<u>\$498,000*</u>
Asbestos/Lead Paint Abatement	7,608, 063000	<u>3,933,000*</u>
Oversight Costs	580,000	<u>239,000*</u>
Preparation/Implementation SWPPP	440,000	<u>330,000*</u>
Asbestos Monitoring (during abatement)	<u>3,120,000</u>	<u>0*</u>

TOTAL ESTIMATED COST: \$12,444,063000* \$5,000,000

**The difference between the amount requested by the Applicant (\$12,444,~~063000~~) and the amount recommended by staff (\$5,000,000) is due to the maximum award cap. Staff will work with the applicant to identify the appropriate activities/costs for the recommended \$5,000,000 prior to entering into the grant agreement.*

Attachment A

HPS Parcel Breakdown

October 16, 2008



COST SUMMARY
Hunters Point Shipyard Abatement Project

Task	Assumptions ^{1,2,3,4}	Parcel B	Parcel C	Parcel D1/D2	Parcel G	Total ⁵
Bid Specification Package Preparation and Bid Process Management	\$5,000 per building bid package preparation and an additional \$1,000 per building bid process management.	\$126,000	\$198,000	\$192,000	\$180,000	\$696,000
Asbestos/Lead Paint/Mercury Switch/PCB Ballast Abatement	\$3.50 per square foot abatement cost (includes all labor, materials, containment, transportation and disposal of all waste)	\$1,106,900	\$2,327,276	\$1,471,173	\$2,702,714	\$7,608,000
Oversight/Reporting Costs	\$5,000 per building and includes oversight of abatement process, testing to confirm abatement performed correctly/completely, preparation of certification report	\$105,000	\$165,000	\$160,000	\$150,000	\$580,000
Preparation and Implementation of Stormwater Pollution Prevention Plan (SWPPP)	A SWPPP will be prepared for each parcel as the abatement work is bid. Assumes \$10,000 per parcel and \$100,000 per parcel implementation cost	\$110,000	\$110,000	\$110,000	\$110,000	\$440,000
Asbestos Monitoring (during demolition)	5 monitoring locations for each parcel and a duration of one year for each. Further assumes cost will be \$65,000 per month to operate the monitors (includes all labor, equipment, materials, analytical laboratory charges, data reporting and management and is based on experience for the past 2 years on parcel A)	\$780,000	\$780,000	\$780,000	\$780,000	\$3,120,000
Total		\$2,227,900	\$3,580,276	\$2,713,173	\$3,922,714	\$12,444,000

Notes:

1. For bid package prep, a single average cost is presented. Actual costs will vary and will be a function of building square footage.
2. The presented cost of \$3.50 per square foot abatement cost was checked against an abatement cost estimate prepared by Ferris Corporation in 2008 for the Navy. Additional checks were conducted with local abatement oversight firms and abatement contractors.
3. For oversight and reporting cost, a single average cost is presented. Actual costs will vary and will be a function of building square footage.
4. Presented cost of \$10,000 per SWPPP document and \$100,000 implementation cost is based on our experience on Parcel A as well as costs experienced by the developer in Mission Bay.
5. Rounded to nearest thousand.

Attachment C



**THE MAYOR'S HUNTERS POINT SHIPYARD
CITIZEN'S ADVISORY COMMITTEE**

BVHP SHIPYARD SITE OFFICE PHONE: 415.822.4622
P. O. Box 882408 FAX: 415.822.4840
SAN FRANCISCO, CA 94188 EMAIL: SANFRANCISCOCAC@AOL.COM

September 9, 2008

California Pollution Control Financing Authority
915 Capitol Mall, Room 457
Sacramento, California, 95814
Attention: California Recycle Underutilized Sites (CALReUSE) Program

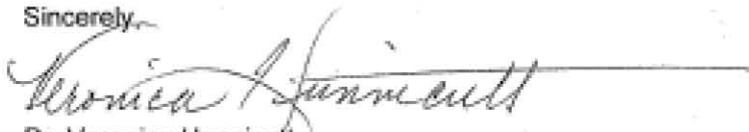
To whom it may concern,

On behalf of the Hunters Point Shipyard Citizen Advisory Committee (CAC), I am writing in support of the San Francisco Redevelopment Agency's (Agency) grant application for the CALReUSE program. The CAC fully endorses the Agency's plans to use these funds to accelerate clean up of the shuttered Hunters Point Shipyard. We understand that this program is funded by Proposition 1C, the Housing and Emergency Shelter Trust Fund Act, which set aside \$2.85 billion for housing in California and is targeted for the purpose of brownfield cleanup that promotes infill residential and mixed-used development, consistent with regional and local land use plans.

The CAC has been integrally involved in the decades of community-based planning for the Shipyard. In June 2008 San Francisco voters overwhelmingly approved Proposition G, which lays out the baseline principles for redevelopment of the area. We are confident that the Agency's grant application will aptly demonstrate how the endorsed plans exceed a number of the infill and community investment metrics that voters had in mind when this program was created. Our community has suffered greatest since the Shipyard's closure more than 30 years ago. Now, with the first new neighborhood currently under construction, we are gaining momentum to realize a new future for the Shipyard. The CALReUSE grant funds will be a timely, wise and much appreciated investment by the State.

We commend the City and Redevelopment Agency for applying for this grant.

Sincerely,



Dr. Veronica Hunnicutt
CAC, Chair

Attachment C

DIANNE FEINSTEIN
CALIFORNIA



COMMITTEE ON APPROPRIATIONS
COMMITTEE ON THE JUDICIARY
COMMITTEE ON RULES AND
ADMINISTRATION - CHAIRMAN
SELECT COMMITTEE ON INTELLIGENCE

United States Senate

WASHINGTON, DC 20510-0504

<http://feinstein.senate.gov>

October 29, 2008

The Honorable Bill Lockyer
State Treasurer
California Pollution Financing Authority
915 Capital Mall, Room 457
Sacramento, CA 95814

Re: Support for CalReUse Program Grant Application, Hunters Point Shipyard

Dear Treasurer Lockyer:

I write in strong support of the City and County of San Francisco's application to the State of California Pollution Control Financing Authority's "California Recycle Underutilized Sites (CALReUSE)" Brownfield Remediation Program. The grant application is for \$12 million of funding to help accelerate the environmental remediation of key parcels at the former Hunters Point Naval Shipyard. I have personally been involved in hard fought efforts to provide federal funding for remediation and clean-up of the Shipyard for the last decade. The State's investment now would be timely and prudent.

Despite years of hard work and advocacy, and the help of my colleagues Speaker Pelosi and Senator Boxer, the funding needs for the environmental remediation at the Shipyard still far outstrips the United States Navy's resources. Furthermore, the Navy is not required to remediate the existing buildings as part of their legal obligation. However, that work is critical to building the infrastructure for the new homes, parks, possible 49er stadium and green/clean technology cluster that was approved by San Francisco voters in June of this year. The CALReUSE program is a strategic fit for funding these remaining brownfield barriers at the Shipyard.

During and since my tenure as Mayor, the City has been working to transform the site from an economic and environmental blight on one of San Francisco's poorest communities into a source of jobs and economic development, parks and affordable housing. Delays in redevelopment have contributed to unemployment rates in the Bayview Hunters Point community that are twice the City's average. Now with the first phase of the Shipyard under construction, we are gaining momentum to realize a new future for the Bayview neighborhood. I invite you to join me in my commitment to tap every possible resource available to return the Southeast corner of San Francisco once again into an economic engine for Bayview residents and the City.

Sincerely,

A handwritten signature in black ink, appearing to read "Dianne Feinstein".

Dianne Feinstein
United States Senator

Attachment C

Office of the Mayor
City & County of San Francisco



Gavin Newsom

October 3, 2008

California Pollution Financing Authority
915 Capital Mall, Room 457
Sacramento, CA 95814

Re: Support for CalReUse Program Grant Application, Hunters Point Shipyard

To Whom It May Concern:

On behalf of the City and County of San Francisco, I write in strong support of the San Francisco Redevelopment Agency's application to the State of California Pollution Control Financing Authority's "California Recycle Underutilized Sites (CALReUSE)" Brownfield Remediation Program. This application is being submitted in partnership and through the California Center for Land Recycling ("CCLR"). The grant application is for \$15 million of funding to help accelerate the environmental remediation of key parcels at the former Hunters Point Naval Shipyard ("the Shipyard"). I am confident you will find the Shipyard's application to be a compelling and wise investment.

The Shipyard was closed in 1974, and the City has been working to transform the site from an economic and environmental blight on one of San Francisco's poorest communities into a source of jobs and economic development, parks and affordable housing. Delays in redevelopment have contributed to unemployment rates in the Bayview Hunters Point community that are twice the City's average. The neighborhood also suffers from the highest rates of breast and cervical cancer, asthma and infant mortality in San Francisco by a wide margin. Despite years of leadership by Speaker Pelosi and Senators Feinstein and Boxer, with unparalleled resources secured by this stellar federal delegation, the environmental remediation need far outstrips the United States Navy's resources.

The CALReUSE grant funds would be a timely, prudent and much appreciated investment by the State. In June of 2008 San Francisco voters overwhelmingly approved Proposition G, which endorses the City and Agency's transformative vision for the Shipyard. Now with the first phase of the Shipyard under construction, we are gaining momentum to realize a new future for the Bayview neighborhood. I invite you to join me in my commitment to tap every possible resource available to return the Southeast corner of San Francisco once again into an economic engine for Bayview residents and the City.

Sincerely,

Gavin Newsom
Mayor

1 Dr. Carlton B. Goodlett Place, Room 200, San Francisco, California 94102-4641
gavin.newsom@sfgov.org • (415) 554-6141

Attachment C



BETTY T. YEE - 余淑婷
VICE CHAIRWOMAN
STATE BOARD OF EQUALIZATION

OCT 27 '08 AM 9:0

October 24, 2008

Honorable Bill Lockyer, State Treasurer and Chairman
California Pollution Control Financing Authority
915 Capitol Mall, Room 457
Sacramento, CA 95814

Dear State Treasurer Lockyer:

I write to respectfully request your support and approval of the San Francisco Redevelopment Agency's application for brownfield remediation grant funding from the California Recycle Underutilized Sites (CALReUSE) Program under the California Pollution Control Financing Authority (CPCFA). Submitted in strategic partnership with the California Center for Land Recycling, this grant application requests \$12.44 million for abatement of lead, asbestos, polychlorinated biphenyls (PCBs), and mercury on and/or within buildings located within the former Hunters Point Naval Shipyard.

Since the Shipyard closed in 1974, plans to redevelop it have been subject to numerous delays. In June 2008, San Francisco voters approved Proposition G, that envisions revitalization of the Shipyard to include new housing, retail, offices, and open space. This integrated, mixed-use project is the largest infill development project in the San Francisco Bay Area that will reconnect the Bayview community with the waterfront and the rest of San Francisco.

Although there has been significant federal investment in the clean-up of the site by the United States Navy for its obligations, California law requires the San Francisco Redevelopment Agency along with its development partner to satisfy this obligation to prepare the site for development. The clean-up will consist of the abatement of hazardous materials as well as the design and implementation of a stormwater pollution prevention plan, oversight of the abatement process by a construction manager, and monitoring perimeter dust concentrations throughout the abatement to ensure compliance with San Francisco Department of Public Health guidelines.

The community surrounding the Shipyard has some of the highest rates of poverty, unemployment, premature births, asthma, and homicide rates in the city and the region. This long-overdue project will result in a multitude of benefits for the Bayview community, with the creation of a mixed-use community that includes housing, parks and open space, improved local and regional transit access,

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Attachment C

Page 2: Letter to Honorable Bill Lockyer

and a new employment base. Therefore, in light of these significant benefits for the southeast corner of San Francisco that has long been ignored, I believe exceeding the maximum grant amount of \$5 million is justified, and respectfully urge your support for the entire grant application amount of \$12.44 million to support the remediation efforts of the Shipyard that will make way for the integrated Shipyard/Candlestick project.

Thank you for your consideration of the San Francisco Redevelopment Agency/California Center for Land Recycling grant application. Please do not hesitate to contact me if you have any questions.

Sincerely,



BETTY T. YEE
Vice Chairwoman

cc: Honorable John Chiang, State Controller
Member, CPCFA

Mr. Mike Genest, Director of Finance
Member, CPCFA

Mr. Mike Papanian, Executive Director
CPCFA