



**U.S. Citizenship
and Immigration
Services**

Date: **FEB 05 2013**

Eric Chelini
San Francisco Bay Area Regional Center
One California Street, Suite 2708
San Francisco, CA 94111

Application: I-924, Application for Regional Center Under the Immigrant Investor Pilot Program
Applicant(s): Eric Chelini

Re: REQUEST TO AMEND REGIONAL CENTER DESIGNATION
San Francisco Bay Area Regional Center
RCW#1126350317 / RC ID#1031910162

**Actual Project Reviewed in
Conjunction with the Application:** Phase I of the Hunters Point Shipyard/Candlestick Point Project

Added Industry Category: 1. 23 (Construction)

Pursuant to Section 610 of the Appropriations Act of 1993, as amended, on October 7, 2009, San Francisco Bay Area Regional Center was designated as a regional center to participate in the Immigrant Investor Program.

I. Procedural History of San Francisco Bay Area Regional Center

On October 7, 2009, San Francisco Bay Area Regional Center was designated by USCIS as a regional center under the Immigrant Investor Pilot Program. The regional center is approved with a geographic scope that includes the following areas:

State	Counties	Approval Date
California	Contra Costa, Alameda	October 7, 2009
California	San Francisco, San Mateo, Santa Clara, Solano	May 21, 2010

Note: If any investment opportunities arise that are outside the approved geographic area, then an amendment would be required to add that area.

The regional center is authorized to focus investment activities in the industry categories listed below:

Industry Category	NAICS	Approval Date
Health Care	621	October 7, 2009
Logistics	541614	October 7, 2009
Digital Arts	5415	October 7, 2009
Food Manufacturing	311	October 7, 2009
Biotechnology	5417	October 7, 2009
Alternative Energy	237130	October 7, 2009
Manufacturing	339113	May 21, 2010
Real Estate	531	May 21, 2010
Construction	23	Date of this Notice

Note: If any investment opportunities arise that are beyond the scope of the approved industry categories, then an amendment would be required to add that category.

On April 15, 2010, San Francisco Bay Area Regional Center filed an amendment requesting to expand its geographic scope to include the following counties within the state of California (Amendment #1):

State	Counties	Approval Date
California	San Francisco, San Mateo, Santa Clara, Solano	May 21, 2010

The San Francisco Bay Area Regional Center also requested to add the following industry categories (Amendment #1):

Industry Category	NAICS	Approval Date
Manufacturing	339113	May 21, 2010
Real Estate	531	May 21, 2010

On May 21, 2010, the regional center was approved to amend its designation to include the following changes to the geographic scope and the NAICS industry categories (Amendment #1):

State	Counties	Approval Date
California	Contra Costa, Alameda	October 7, 2009
California	San Francisco, San Mateo, Santa Clara, Solano	May 21, 2010

Industry Category	NAICS	Approval Date
Health Care	621	October 7, 2009
Logistics	541614	October 7, 2009
Digital Arts	5415	October 7, 2009
Food Manufacturing	311	October 7, 2009
Biotechnology	5417	October 7, 2009
Alternative Energy	237130	October 7, 2009
Manufacturing	339113	May 21, 2010
Real Estate	531	May 21, 2010

Any changes to the supporting evidence for this application found in subsequent Form I-526, Immigrant Petition by Alien Entrepreneur (Form I-526 Petitions), or Form I-829, Petition by Entrepreneur to Remove

Conditions (Form I-829 Petitions) will be reviewed by USCIS to ensure that they meet EB-5 program requirements.

On December 7, 2010, San Francisco Bay Area Regional Center filed a second amendment requesting approval of an actual project supported by an exemplar Form I-526 petition titled Vertebral Technologies, Inc. (VTI). On May 16, 2011, the regional center was approved to amend its designation to include the addition of the Vertebral Technologies, Inc. actual project supported by an exemplar Form I-526 petition (Amendment #2). Any changes to the supporting evidence for this application found in subsequent Form I-526 or Form I-829 Petitions will be reviewed by USCIS to ensure that they meet EB-5 program requirements.

The following Projects are approved as Capital Investment Projects for the regional center:

PROJECT	Exemplar Form I-526 Petition	Organization Documents	Approval Date
Vertebral Technologies, Inc.	Exemplar Form I-526 Petition Project*	Private Placement Memorandum Subscription Agreement Limited Partnership Agreement Escrow Agreement	May 16, 2011
Phase I of the Hunters Point Shipyard/Candlestick Point Projects – Series A and Series B	Exemplar Form I-526 Petition Project*	Private Offering Memorandum Escrow Agreement Subscription Agreement Operating Agreement	Date of this notice

* Note: any changes to the supporting evidence for this project found in subsequent Form I-526 Petition or Form I-829 Petitions will be reviewed by USCIS to ensure compliance with EB-5 program requirements.

II. Amendment Application Currently Under Review by USCIS

On September 20, 2011, Eric Chelini submitted a Form I-924 Application for Regional Center Under the Immigrant Investor Pilot Program seeking to amend the approval and designation by U.S. Citizenship and Immigration Services (USCIS) of San Francisco Bay Area Regional Center as follows:

Approval of Exemplar Projects: San Francisco Bay Area Regional Center requests to include Phase I of the Hunters Point Shipyard/Candlestick Point Project (Series A and B) as new capital investment projects. These projects will allow EB-5 immigrant investors to proceed with the filing of their respective Form I-526 Petitions. Any changes or updates to an approved project must be supported by a new business plan and economic impact analysis. This would include any changes to the approved timeline for project completion.

Additional Industry Category: San Francisco Bay Area Regional Center also has requested and submitted business plans and supporting economic analysis that it will engage in the following added industry category: Construction (NAICS 23).

USCIS, hereby, approves the San Francisco Bay Area Regional Center amendment to incorporate the above requested changes. Any changes to the supporting evidence for this application found in subsequent Form I-526 or Form I-829 Petitions will be reviewed by USCIS to ensure compliance with EB-5 program requirements.

A. Project Approval Based on Current Amendment

The following Projects are approved based on the current amendment application:

Phase I of the Hunters Point Shipyard/Candlestick Point Projects (Series A and B) Supported by an Exemplar I-526 Petition

The current application requesting to amend the regional center designation is approved based on a business plan for actual projects, which utilize the RIMS II model to establish indirect job creation. A review of the supporting economic impact analysis applying the RIMS II model is found to be reasonable based on the business plan for actual projects that was presented.

The actual projects supported by an exemplar Form I-526 petition is for Series A (“Series A”) and Series B (“Series B”) of Phase I of the Hunters Point Shipyard/Candlestick Point redevelopment project (“Phase I” or the “Project”) located in San Francisco, California. Phase I is divided into Series A and Series B, which represent each stage of construction for the Hilltop and Hillside developments within Phase I. Each Series is to be a separate EB-5 offering with an independent EB-5 business plan and economic impact analysis report. The Regional Center is seeking pre-approval for only Series A and Series B, as these EB-5 projects are ready for actual project approval. The San Francisco Bay Area Regional Center will invest \$27 million into Series A and \$60 million into Series B. Eligible immigrant investors will be given the opportunity to invest in the proposed projects as limited liability partners. A total of 54 limited liability partnerships will be sold for Series A. A total of 120 limited liability partnerships will be sold for Series B.

Series A:

Phase I of the redevelopment is divided into two neighborhoods, Hilltop and Hillside, and is planned to contain approximately 1,400 homes on 75 acres. The Hilltop section will hold 950 homes, while the Hillside section will contain 450 units. At least 250 of these will be developed by affordable housing developers in partnership with the San Francisco Redevelopment Agency. Series A will fund the horizontal construction of HPS Phase I.

Series B:

This phase of the funding involves the residential construction of 247 homes across seven parcels of land on four blocks located within the Hilltop neighborhood in Phase I. Construction of these homes can commence almost immediately as building permits have been issued and preliminary construction bids have been obtained.

The economic impact analysis takes the total construction cost from the business plan and estimates net job creation.

Job Creation Estimates (Series A)

Activity	NAICS	Input	Multiplier	Total Jobs
Real Estate	5311/53132	\$1.73 million	10.27	17.8
Construction	237	\$17.12 million	15.61	267.2
Sales & Marketing	5418	\$5.49 million	13.62	74.8
Financial	52211	\$3.69 million	9.77	36.1
General & Administrative	56111	\$3.37 million	18.11	61.1
Maintenance	56173/5617	\$5.34 million	27.40	146.4

Job Creation Estimates (Series B)

Activity	NAICS	Input	Multiplier	Total Jobs
Real Estate	53121	\$2.87 million	10.27	29.5
Construction	23891/236	\$72.23 million	15.61	1,127.3
Sales & Marketing	5418	\$1.02 million	13.62	14.0
Architects & Engineering	5413/54138	\$2.97 million	14.28	42.4
Insurance	5241	\$2.37 million	11.83	28.1
Legal & Title	5411	\$0.26 million	13.62	3.5
Maintenance	5617	\$1.19 million	27.40	32.5
Management	55111	\$4.17 million	12.60	52.5

The estimate of job creation is based on the following factors:

- Hard construction cost estimate of \$36.74 million for the Series A Project
- Hard construction cost estimate of \$87.08 million for the Series B Project

It should also be mentioned that the job creation derived from lease revenue comprises only about three percent of the project's employment impacts.

If a new economic model is used, or inputs have changed at the time of filing individual immigrant investor's Form I-526 Petitions, the new evidence that is being used to establish indirect job creation must be submitted and it must indicate the number of jobs that will be created as a result of the capital investment. USCIS will review the new evidence to determine its compliance with the EB-5 statute and regulations.

III. Guidelines for Filing Form I-526 Petitions Based on Phase I of the Hunters Point Shipyard/Candlestick Point Project (Series A and Series B)

Based on its review and analysis of the amendment application, USCIS hereby designates **Phase I of the Hunters Point Shipyard/Candlestick Point Project (Series A and Series B)** as approved Capital Investment Projects for the San Francisco Bay Area Regional Center.

Each individual petition, in order to demonstrate that it is associated with the Regional Center, in conjunction with addressing all the requirements for an individual immigrant investor petition, shall also contain as supporting evidence relating to this Regional Center designation, the following:

1. A copy of this letter, the Regional Center approval and designation.
2. A copy of the USCIS approved Regional Center narrative proposal, Executive Summary, and Business Plan for **Phase I of the Hunters Point Shipyard/Candlestick Point Project (Series A and Series B) (Submitted with Form I-924 on September 20, 2011)**. Note: If the project timeline has changed significantly from the original Business Plan, then please also provide a narrative that explains the changes in the project timeline, along with a timeline that realistically reflects the status of the project.
3. A copy of the job creation methodology required in 8 CFR 204.6(j)(4)(iii), as contained in the Regional Center economic analysis based on the RIMS II model (September 20, 2011) which has been approved by USCIS, and reflects that the capital investment by an individual immigrant investor will create not fewer than ten (10) full-time employment positions, either directly or indirectly.

4. A legally executed and unchanged copy of the USCIS approved:

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|---------------------------------|-----------------------------------|
| a. Private Offering Memorandum; | (Sample dated November 27, 2012) |
| b. Subscription Agreement; | (Sample dated September 1, 2011) |
| c. Operating Agreement; and | (Sample dated November 8, 2012) |
| d. Escrow Agreement. | (Sample dated September 20, 2011) |

If the regional center elects to change this organizational documentation for this capital investment opportunity, then a narrative should be provided which outlines the specific changes that were made.

IV. Designee's Responsibilities in the Operations of the Regional Center

As provided in 8 CFR 204.6(m)(6), to ensure that the regional center continues to meet the requirements of section 610(a) of the Appropriations Act, a regional center must provide USCIS with updated information to demonstrate the regional center is continuing to promote economic growth, improved regional productivity, job creation, and increased domestic capital investment in the approved geographic area. Such information must be submitted to USCIS on an annual basis, on a cumulative basis, and/or as otherwise requested by USCIS. San Francisco Bay Area Regional Center must monitor all investment activities under the sponsorship of the Regional Center and to maintain records in order to provide the information required on the Form I-924A Supplement to Form I-924. Form I-924A, Supplement to Form I-924 Application is available in the "Forms" section on the USCIS website at www.uscis.gov.

Effective November 23, 2010, the failure to timely file a Form I-924A Supplement for each fiscal year in which the regional center has been designated for participation in the Immigrant Investor Pilot Program will result in the issuance of an intent to terminate the participation of the regional center in the Pilot Program, which may ultimately result in the termination of the designation of the regional center.

Note: Regional centers that remain designated for participation in the pilot program as of September 30th of a calendar year are required to file Form I-924A Supplement in that year. The I-924A Supplement with the required supporting documentation must be filed on or before December 29th of the same calendar year.

The Regional Center designation is non-transferable, as any changes in management of the Regional center will require the approval of an amendment to the approved Regional Center designation.

If the applicant has any questions concerning the Regional Center designation under the Immigrant Investor Pilot Program, please contact the USCIS by Email at USCIS.ImmigrantInvestorProgram@dhs.gov.

Sincerely,



Dan Renaud
Acting Director
California Service Center

cc: Carolyn S. Lee, Esq.