

1 [Accept and Expend Grant - California Department of Housing and Community Development -  
2 Affordable Housing and Sustainable Communities Program - Treasure Island - \$20,000,000]

3 **Resolution authorizing the Treasure Island Development Authority (“Authority”) to**  
4 **execute a Standard Agreement with the California Department of Housing and**  
5 **Community Development (“HCD”) under the Affordable Housing and Sustainable**  
6 **Communities Program for a total award of \$20,000,000 including \$13,753,000 to be**  
7 **disbursed as a loan from HCD to the project sponsor of a 100% affordable housing**  
8 **project at Treasure Island Parcel C3.1 and \$6,247,000 to be disbursed as a grant from**  
9 **HCD to the Authority for public transportation improvements on Treasure Island, for**  
10 **the period starting on the execution date of the Standard Agreement to June 30, 2039;**  
11 **and authorizing the Authority to accept and expend the grant of \$6,247,000 for ferry**  
12 **terminal and Bay Bridge connection improvements and other transit oriented**  
13 **programming and improvement approved by HCD.**

14  
15 WHEREAS, Former Naval Station Treasure Island is a military base located on  
16 Treasure Island and Yerba Buena Island (together, the "Base"); and

17 WHEREAS, The Base was selected for closure and disposition by the Base  
18 Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its  
19 subsequent amendments; and

20 WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97,  
21 authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit  
22 corporation known as the Treasure Island Development Authority (the "Authority") to act as a  
23 single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and  
24 conversion of the Base for the public interest, convenience, welfare and common benefit of  
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1 the inhabitants of the City and County of San Francisco, which is on file with the Clerk of the  
2 Board of Supervisors in File No. 244-97-3 and is incorporated herein by reference; and

3 WHEREAS, The Authority, acting by and through its Board of Directors (the "Authority  
4 Board"), has the power, subject to applicable laws, to sell, lease, exchange, transfer, convey  
5 or otherwise grant interests in or rights to use or occupy all or any portion of the Base; and

6 WHEREAS, In 2003, Treasure Island Community Development, LLC (the "Master  
7 Developer") was selected as master developer for the Base following a competitive process;  
8 and

9 WHEREAS, The Authority, the Authority Board, the Treasure Island Citizens Advisory  
10 Board, the City, and the Master Developer worked for more than a decade to plan for the  
11 reuse and development of Treasure Island, and as a result of this community-based planning  
12 process, the Authority and Master Developer negotiated the Disposition and Development  
13 Agreement ("DOA") to govern the disposition and subsequent development of the proposed  
14 development project (the "Project"); and

15 WHEREAS, The Financing Plan, an exhibit to the ODA, calls for the Authority and  
16 Master Developer to work together to seek appropriate grants for the Project; and

17 WHEREAS, On April 21, 2011, in a joint session with the Planning Commission, the  
18 Authority Board unanimously approved a series of entitlement and transaction documents  
19 relating to the Project, including certain environmental findings under the California  
20 Environmental Quality Act ("CEQA"), Mitigation Monitoring and Reporting Program, and DOA  
21 and other transaction documents; and

22 WHEREAS, On June 7, 2011, the Board of Supervisors unanimously confirmed  
23 certification of the final environmental impact report and made certain environmental findings  
24 under CEQA (collectively, the "FEIR") by Resolution No. 246-11, which is on file with the Clerk  
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1 of the Board of Supervisors in File No. 110328 and is incorporated herein by reference, and  
2 approved the ODA and other transaction documents; and

3 WHEREAS, The Authority Board of Directors has reviewed and considered the FEIR  
4 and confirms that the proposed Treasure Island Parcel C3.1 project resulting in the  
5 construction of low income housing is consistent with the planned Project, FEIR, and  
6 environmental findings it made under the California Environmental Quality Act when it  
7 approved the Project on April 21, 2011; and

8 WHEREAS, Further, the Authority Board of Directors finds that none of the  
9 circumstances that would require preparation of a supplemental or subsequent environmental  
10 study under Public Resources Code, Section 21166, or CEQA Guidelines, Section 15162, are  
11 present, in the sense that no changes to the Project or the Project circumstances have  
12 occurred that would result in additional environmental impacts, or in substantially increased  
13 severity of already identified environmental impacts, and there are no mitigation measures or  
14 alternatives that were previously identified to be infeasible but would in fact be feasible; and  
15 no new mitigation measures or alternatives that would substantially reduce the identified  
16 environmental impacts; and

17 WHEREAS, The State of California, the Strategic Growth Council (“SGC”) and the  
18 Department of Housing and Community Development (“HCD”) issued a Notice of  
19 Funding Availability (“NOFA”) dated November 1, 2018, under the Affordable Housing and  
20 Sustainable Communities (“AHSC”) Program established under Division 44, Part 1 of the  
21 Public Resources Code commencing with Section 75200; and

22 WHEREAS, The SGC is authorized to approve funding allocations for the AHSC  
23 Program, subject to the terms and conditions of the NOFA, AHSC Program Guidelines  
24 adopted by SGC on October 29, 2018 (“Program Guidelines”), an application package  
25 released by HCD for the AHSC Program (“Application Package”), and an AHSC standard

1 agreement with the State of California (“Standard Agreement”), HCD is authorized to  
2 administer the approved funding allocations of the AHSC Program; and

3 WHEREAS, The AHSC Program provides grants and loans to applicants identified  
4 through a competitive process for the development of projects that, per the Program  
5 Guidelines, will achieve greenhouse gas reductions and benefit disadvantaged communities  
6 through increased accessibility to affordable housing, employment centers and key  
7 destinations via low-carbon transportation; and

8 WHEREAS, The AHSC Program requires that joint applicants for a project will be held  
9 jointly and severally liable for completion of such project; and

10 WHEREAS, Mercy Housing California, a California public benefit corporation  
11 (“Affordable Housing Developer”), requested that the City and County of San Francisco (the  
12 “City”), acting by and through the Authority, be a joint applicant for AHSC Program funds for  
13 its project located at Treasure Island Parcel C3.1 consisting of new construction of 135 total  
14 units, of these, 66 units will be replacement units of existing supporting housing,  
15 approximately 23 units will be set aside for over-income pre-development agreement  
16 households, and the remaining will be tax credit qualified affordable units (the “Affordable  
17 Housing Project”); and

18 WHEREAS, The Affordable Housing Developer and the Authority have consulted with  
19 the Treasure Island Mobility Management Agency (“TIMMA”) and the Master Developer in  
20 developing the scope of work for the upgrade of Macalla Road to accommodate one-way  
21 vehicular traffic, a Class 2 bike lane traveling towards Treasure Island, a separated seven-foot  
22 wide pedestrian path, and a Class 1 bike lane that will benefit residents, workers, and visitors  
23 to Treasure Island (“Road and Pedestrian Improvements”); and

24 WHEREAS, The Affordable Housing Developer and the Authority have consulted with  
25

1 TIMMA and the Master Developer in developing additional scope of work to include funding  
2 for a ferry service plaza improvements and bus service related costs, including the purchase  
3 of up to five buses that will be operated by AC Transit from Oakland to Treasure Island for the  
4 benefit of Treasure Island residents (“Transit Work”); and

5 WHEREAS, The Board of Supervisors authorized the Authority to apply for AHSC  
6 Program funds and submit an Application Package as a joint applicant with the Affordable  
7 Housing Developer through Resolution No. 39-19; and

8 WHEREAS, Through an award letter dated July 8, 2019, HCD made an award in the  
9 total amount of \$20,000,000, which includes \$13,753,000 to be disbursed as a loan to the  
10 Affordable Housing Developer for the Affordable Housing Project, and \$6,247,000 to be  
11 disbursed as a grant to the Authority for the Road and Pedestrian Improvements, Transit  
12 Work, and other transit oriented programming and improvements approved by HCD, pursuant  
13 to the Application Package submitted by the Authority and the Affordable Housing Developer,  
14 and a copy of the award letter and the Application Package are on file with the Clerk of the  
15 Board of Supervisors in File No. \_\_\_\_\_; and

16 WHEREAS, After completion of the Affordable Housing Project, the Affordable Housing  
17 Developer will execute loan documents (including a promissory note, deed of trust, and  
18 affordable housing regulatory agreement) for the benefit of HCD to obtain the \$13,753,000  
19 permanent loan, and the Authority will have no obligations under such HCD loan documents;  
20 and

21 WHEREAS, The grant terms prohibit including indirect costs in the grant budget; now,  
22 therefore, be it

23 RESOLVED, That the Board Supervisors authorizes the City to accept and expend the  
24 grant funds disbursed under a Standard Agreement; and, be it

1 FURTHER RESOLVED, That the Board of Supervisors approves and authorizes the  
2 Authority, in consultation with the City Attorney, to enter into a Standard Agreement with HCD  
3 under terms and conditions approved by the City Attorney that AHSC Program funds are to be  
4 used for allowable capital asset project expenditures identified in in the Application Package  
5 and Program Guidelines; and, be it

6 FURTHER RESOLVED, That the final version of the Standard Agreement with HCD  
7 shall be provided to the Clerk of the Board of Supervisors for inclusion in the official file within  
8 30 days (or as soon thereafter as final documents are available) of execution by all parties;  
9 and, be it

10 FURTHER RESOLVED, That the Board of Supervisors hereby waives inclusion of  
11 indirect costs in the grant budget; and, be it

12 FURTHER RESOLVED, That the Board of Supervisors authorizes the Executive  
13 Director of the Authority (or his designee) to execute and deliver any documents in the name  
14 of the Authority that are necessary, appropriate or advisable to accept and expend the AHSC  
15 Program funds from the HCD, and all amendments thereto, and complete the transactions  
16 contemplated herein and to use the funds for eligible capital asset(s) in the manner presented  
17 in the application as approved by the HCD and in accordance with the NOFA and Program  
18 Guidelines and Application Package; and, be it

19 FURTHER RESOLVED, That all actions authorized and directed by this Resolution and  
20 heretofore taken are ratified, approved and confirmed by this Board of Supervisors.

1 Recommended:

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3  / s /  
Robert Beck, Director, Treasure Island Development Authority

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5 Approved:

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7  / s /  
London N. Breed, Mayor

/ s /  
Ben Rosenfield, Controller

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