

FILE NO.

RESOLUTION NO. 25-08-0416

1 [Resolution Authorizing the Treasure Island Director to execute an Affordable Housing Loan
2 Agreement under the Bay Area Housing Finance Authority Priority Sites Pilot Program to
3 accept and expend funds of up to \$3,000,000 to fund design, permitting or construction of
infrastructure improvements serving the Treasure Island parcel E1.2 affordable Senior
Housing project]

4 **Resolution authorizing the Treasure Island Director to execute an Affordable Housing**
5 **Loan Agreement with the Bay Area Housing Finance Authority (“BAHFA”) under the**
6 **Regional Early Action Planning Grant 2.0 (“REAP 2.0”) Priority Sites Pilot Program for a**
7 **total award of up to \$3,000,000 to be disbursed as an unsecured low-interest loan from**
8 **BAHFA to the Authority to fund design, permitting, or construction of infrastructure**
9 **improvements serving the affordable housing parcel E1.2 Senior Housing project on**
10 **Treasure Island; authorizing the Authority to accept and expend the funds of up to**
11 **\$3,000,000 for eligible costs approved by BAHFA; authorizing the Treasure Island**
12 **Director to execute and deliver any documents, including a Memorandum of Agreement**
13 **with Treasure Island Community Development LLC, in the name of the Authority that**
14 **are necessary, appropriate or advisable to accept and expend the Priority Sites funds**
15 **from the BAHFA.**

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

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

22 WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97,
23 authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit
24 corporation known as the Treasure Island Development Authority (the "Authority") to act as a
25

1 single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and
2 conversion of the Base for the public interest, convenience, welfare and common benefit of
3 the inhabitants of the City and County of San Francisco, which is on file with the Clerk of the
4 Board of Supervisors and is incorporated herein by reference; and,

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

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

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

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

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

23 WHEREAS, On June 7, 2011, the Board of Supervisors unanimously confirmed
24 certification of the final environmental impact report and made certain environmental findings
25 under CEQA (collectively, the "FEIR") by Resolution No. 246-11, which is on file with the Clerk

1 of the Board of Supervisors and is incorporated herein by reference, and approved the ODA
2 and other transaction documents; and

3 WHEREAS, the Developer is preparing to begin construction of the next phase of
4 street improvements and infrastructure on Treasure Island (“Stage 2”); and,

5 WHEREAS, The Authority Board of Directors has reviewed and considered the FEIR
6 and confirms that the proposed Treasure Island Stage 2 work resulting in the completion of
7 infrastructure (the “Improvements”) serving the Treasure Island Parcel E1.2 Senior Housing
8 development is consistent with the planned Project, the FEIR, and the environmental findings
9 it made under the California Environmental Quality Act when it approved the Project, on April
10 21, 2011 and thereafter. Further, the Authority Board of Directors finds that none of the
11 circumstances that would require preparation of a supplemental or subsequent environmental
12 study under Public Resources Code Section 21166 or CEQA Guidelines Section 15162 are
13 present, in the sense that no changes to the Project or the Project circumstances have
14 occurred that would result in additional environmental impacts, or in substantially increased
15 severity of already identified environmental impacts, and there are no mitigation measures or
16 alternatives that were previously identified to be infeasible but would in fact be feasible; and
17 no new mitigation measures or alternatives that would substantially reduce the identified
18 environmental impacts; and,

19 WHEREAS, the Authority parcels within the Stage 2 area include an affordable housing
20 building for seniors totaling 100 units (“Parcel E1.2 Senior Project”), an affordable housing
21 building for families of 150 units, and a 240-bed behavioral health building project to be
22 delivered by the Department of Public Health; and,

23 WHEREAS, the design, permitting and construction of Stage 2 improvements serving
24 the Parcel E1.2 Senior Project are necessary for site access and completion of the Parcel
25 E1.2 Senior Project and the project must adhere to its funding sources timelines; and,

1 WHEREAS, The Bay Area Housing Finance Authority (“BAHFA”) issued a Funding
2 Application Notice dated November 17, 2023, under the Regional Early Action Planning Grant
3 2.0 (“REAP 2.0”) Priority Sites Pilot Program, originating from a \$28M grant from the
4 California Department of Housing and Community Development (“HCD”); and

5 WHEREAS, A grantee receiving funds under this program must comply with all
6 Federal, State, and local laws, orders, and regulations applicable to its activities, including
7 those prohibiting housing discrimination as well as those governing construction, land use,
8 and building operations; and

9 WHEREAS, The Priority Sites Program is a pilot program that provides unsecured low-
10 interest loans to developers and public agencies for predevelopment activities necessary to
11 advance development projects that provide deed-restricted affordable homes on sites adopted
12 by the Metropolitan Transportation Commission (“MTC”) and Association of Bay Area
13 Governments (“ABAG”) as Priority Sites; and,

14 WHEREAS, The Authority submitted a Letter of Interest for Priority Sites Program
15 funds and was subsequently invited to submit an application (“Application Package”), and in
16 May 2024 was awarded \$3.0M in Priority Sites Pilot Program funds; and,

17 WHEREAS, Through an award letter dated August 27, 2024, the BAHFA made an
18 award in the total amount of \$3,000,000 to be disbursed as an unsecured low-interest loan
19 with a 3-5 year term to the Authority for the Stage 2 improvements approved by the BAHFA,
20 pursuant to the Application Package submitted by the Authority, and a copy of the award letter
21 is included as an attachment to this resolution; and,

22 WHEREAS, The Authority and Developer will enter into a Memorandum of Agreement
23 (“MOA”) to make commitments related to the eligible use of the Priority Sites funds, and the
24 Developer will be responsible for repayment of interest costs accrued from the use of Priority
25 Sites funds; and,

1 WHEREAS, the Board of Supervisors must approve the Authority's ability to accept
2 and expend funds under the Priority Sites Pilot Program; now therefore be it

3 RESOLVED, That the Authority Board authorizes the Authority and the Treasure Island
4 Director to accept and expend the funds for eligible expenses disbursed under an Affordable
5 Housing Loan Agreement, for a total amount not to exceed \$3,000,000, subject to the
6 approval of the Board of Supervisors; and, be it

7 FURTHER RESOLVED, The Authority Board approves and authorizes the Authority
8 and the Treasure Island Director, in consultation with the City Attorney, to enter into an
9 Affordable Housing Loan Agreement and other related documents with the BAHFA under
10 terms and conditions approved by the City Attorney for eligible costs identified in the Priority
11 Sites Pilot Program Guidelines, subject to authorization and approval by the Board of
12 Supervisors; and, be it

13 FURTHER RESOLVED, That the Authority Board authorizes the Treasure Island
14 Director to execute and deliver any documents, including the MOA, in the name of the
15 Authority that are necessary, appropriate or advisable to accept and expend the Priority Sites
16 Pilot Program funds from the BAHFA, and all amendments thereto, and complete the
17 transactions contemplated herein and to use the funds for eligible costs as approved by the
18 BAHFA and in accordance with the Funding Application Notice and Program Guidelines; and,
19 be it

20 FURTHER RESOLVED, That all actions authorized and directed by this Resolution and
21 heretofore taken are ratified, approved and confirmed by the Authority Board.

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CERTIFICATE OF SECRETARY

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I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on April 16, 2025.

DocuSigned by:
Jeanette Howard
974540452282437...

Jeanette Howard, Secretary



BAY AREA
HOUSING FINANCE
AUTHORITY

Bay Area Metro Center
375 Beale Street, Suite 800
San Francisco, CA 94105
415.778.6700
www.mtc.ca.gov

Alfredo Pedroza, Chair
Napa County and Cities

August 27, 2024

Nick Josefowitz, Vice Chair
San Francisco Mayor's Appointee

Robert P. Beck, Director
Treasure Island Development Authority
39 Treasure Island Road, Ste. 241
San Francisco, CA 94130

Margaret Abe-Koga
Cities of Santa Clara County

Eddie Abn
San Francisco Bay Conservation
and Development Commission

David Canepa
San Mateo County

RE: BAHFA REAP 2.0 Priority Sites Predevelopment Loan Commitment Letter

Cindy Chavez
Santa Clara County

Dear Robert P. Beck:

Carol Dutra-Vernaci
Cities of Alameda County

Dina El-Tawansy
California State
Transportation Agency

Victoria Fleming
Sonoma County and Cities

Dorene M. Giacopini
U.S. Department of Transportation

Federal D. Glover
Contra Costa County

Matt Mahan
San Jose Mayor's Appointee

Nate Miley
Alameda County

Stephanie Moulton-Peters
Marin County and Cities

Sue Noack
Cities of Contra Costa County

Gina Papan
Cities of San Mateo County

David Rabbitt
Association of Bay Area Governments

Hillary Ronen
City and County of San Francisco

Libby Schaaf
U.S. Department of Housing
and Urban Development

James P. Spring
Solano County and Cities

Sheng Thao
Oakland Mayor's Appointee

Andrew B. Fremier
Executive Director

Alix Bockelman
Chief Deputy Executive Director

Brad Paul
Deputy Executive Director,
Local Government Services

On May 22, 2024, the Bay Area Housing Finance Authority (BAHFA) Board adopted Board Resolution [No. 0035](#), attached hereto as [Exhibit A](#), which provides a commitment of Regional Early Action Plan (REAP) 2.0 Priority Sites Predevelopment Loan Pilot Program funding to the borrower, Treasure Island Development Authority, a California non-profit public benefit corporation, for the development of Treasure Island Parcel E1.2 ("Project"), at a value of up to \$3,000,000. Funding will be awarded to the development as a predevelopment loan bearing 3% simple interest, with principal and interest due on or before the end of the loan's three-year term.

BAHFA's award will be contingent upon:

- The borrower's execution of BAHFA's loan documents, which include, among other things, the terms, regulatory restrictions, and compliance requirements outlined in the program's Terms and Underwriting Guidelines (Appendix A to the [Funding Application Notice](#)), and the requirements of the California Department of Housing Community Development (HCD)'s Regional Early Action Planning Grant (REAP 2.0) funding.

BAHFA looks forward to working with project developers towards the project's successful completion. Please contact Kate Hartley with any questions at khartley@bayareametro.gov or (415) 778-6679.

Sincerely,

Kate Hartley
BAHFA, Director

Exhibit A

Date: May 22, 2024
W.I.: 1620
Referred by: BAHFA Oversight

ABSTRACT

Resolution No. 0035

This resolution authorizes the Executive Director or designee to negotiate and enter into loan agreements and all ancillary documents necessary to implement such loans to the developer or a single purpose entity formed by such developer for the Priority Site Pilot Projects and in the amounts identified in Attachment A to this Resolution, for a cumulative not to exceed amount of \$28 million from the Regional Early Action Planning Grant 2.0 (REAP 2.0), subject to the receipt of the required REAP 2.0 funding from the California Department of Housing and Community Development and MTC.

Date: May 22, 2024
W.I.: 1620
Referred by: BAHFA Oversight

RE: Authorization to negotiate and enter into loan agreements and all ancillary documents necessary to implement such loans to ten Priority Site Pilot Projects, for a cumulative amount not to exceed \$28 million in REAP 2.0 funding from the California Department of Housing and Community Development, subject to the funds being received.

BAY AREA HOUSING FINANCE AUTHORITY
RESOLUTION NO. 0035

WHEREAS, the Metropolitan Transportation Commission (MTC) is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code Section 66500 *et seq.*; and

WHEREAS, MTC is the designated Metropolitan Planning Organization (MPO) for the nine-county San Francisco Bay Area region; and

WHEREAS, the California Department of Housing and Community Development (HCD) is authorized to provide up to \$510,000,000 to Metropolitan Planning Organizations and Councils of Government (“Applicant”) listed in Health and Safety Code Section 50515.08, subdivisions (a)(1)-(6) under the Regional Early Action Planning grants program (REAP 2.0), as detailed in Health and Safety Code Section 50515.08-10; and

WHEREAS, HCD issued a Notice of Funding Availability on July 26, 2022, for REAP 2.0 formula grants available to MPOs and Councils of Government and a Notice of Funding Availability on November 7, 2022, for REAP 2.0 Higher Impact Transformative (HIT) competitive grants; and

WHEREAS, MTC approved a request for an allocation of REAP 2.0 formula funds in an amount not to exceed \$102,842,103.03 by Resolution 4548 on November 16, 2022 and a request for REAP 2.0 HIT competitive funds in an amount not to exceed \$10 million by Resolution 4555 on January 25, 2023; and

WHEREAS, MTC further agreed by Resolution 4548 to use all such REAP 2.0 funds only for eligible activities as set forth in California Health and Safety Code section 50515.08(c)(1) and in accordance with REAP 2.0 requirements and guidelines, which include, among other activities, affordable housing preservation and affordable housing predevelopment funding; and

WHEREAS, Title 6.8 of the Government Code, commencing with Government Code Section 64510 (AB 1487, Chiu, October 8, 2019) creates the Bay Area Housing Finance Authority (BAHFA) with jurisdiction extending throughout the San Francisco Bay Area and provides that BAHFA shall be governed by the same board that governs the Metropolitan Transportation Commission (MTC); and

WHEREAS, per Government Code Section 64510(c), BAHFA's purpose is to raise, administer, and allocate funding and provide technical assistance at a regional level for tenant protection, affordable housing preservation, and new affordable housing production; and

WHEREAS, on March 22, 2023, MTC adopted Resolution No. 4565, which grants REAP 2.0 funds to BAHFA, for the Housing Preservation Pilot and for the Priority Sites Predevelopment Pilot, contingent upon MTC receiving the REAP 2.0 funds as requested by MTC Resolution No. 4548 and subject to applicable terms and conditions of the grant agreement to be executed between MTC and HCD for the REAP 2.0 funds ("MTC Grant"); and

WHEREAS, BAHFA will implement the Priority Sites Predevelopment Pilot in compliance with California Health and Safety Code section 50515.08(c)(1), all REAP 2.0 requirements and guidelines, all applicable state and federal statutes, rules, regulations, the Standard Agreement that will be executed by and between MTC and HCD for REAP 2.0 funding and MTC Resolution No. 4565; and

NOW, THEREFORE, THE BAHFA BOARD HEREBY RESOLVES AS FOLLOWS:

Section 1. The BAHFA Board hereby finds and determines that the foregoing recitals are true and correct.

Section 2. The BAHFA Board authorizes the Executive Director or designee to negotiate and enter into loan agreements and all ancillary documents necessary to implement such loans (“Loan Documents”) for the Priority Site Pilot Projects with the respective developer or a single purpose entity formed by such developer in the amount shown in Attachment A to this Resolution, for a cumulative not to exceed amount of \$28 million from the Regional Early Action Planning Grant 2.0 (REAP 2.0), subject to the receipt of the required REAP 2.0 funding from the California Department of Housing and Community Development and MTC. In the event that BAHFA receives less than the \$28 million, the Executive Director or designee shall prioritize negotiation and execution of Loan Documents based on the Phases shown in Attachment A, with Phase One receiving the highest priority.

Section 3. This Resolution shall take effect immediately.

BAY AREA HOUSING FINANCE AUTHORITY BOARD



Alfredo Pedroza, Chair

The above resolution was entered into by the Bay Area Housing Finance Authority Board at a duly called and noticed meeting held in San Francisco, California and at other remote locations, on May 22, 2024.

Date: May 22, 2024
 Referred by: BAHFA Oversight

Attachment A
 Resolution No. 0035

ATTACHMENT A

List of Priority Sites Predevelopment Pilot projects recommended for a funding award.

Development Name	Borrowing Entity	Jurisdiction	County	Funding Requested	Funding Awarded	Loan Type
Phase One: 4 projects, \$11.1 million						
Mandela Station	Mandela Station Affordable, LLC	Oakland	Alameda	\$4,000,000	\$3,000,000	Permanent
SSF PUC	SSF PUC Housing Partners, LLC	South San Francisco	San Mateo	\$5,000,000	\$2,100,000	Predevelopment
Lake Merritt BART	East Bay Asian Local Development Corporation	Oakland	Alameda	\$3,000,000	\$3,000,000	Permanent
North Berkeley BART	North Berkeley Housing	Berkeley	Alameda	\$3,000,000	\$3,000,000	Predevelopment
Phase Two: 1 Project, \$3 million						
Blossom Hill	Blossom Hill NC, L.P.	San Jose	Santa Clara	\$3,000,000	\$3,000,000	Predevelopment
Phase Three: 5 projects, \$13.9 million						
Midway Village	Midway Associates 2, L.P.	Daly City	San Mateo	\$2,500,000	\$2,500,000	Permanent
Treasure Island	Treasure Island Development Authority	San Francisco	San Francisco	\$4,500,000	\$3,000,000	Predevelopment
Capitol Station	MP Capitol Station Associates I, L.P.	San Jose	Santa Clara	\$3,000,000	\$3,000,000	Permanent
El Cerrito Plaza	ECP Parcel A South Housing Partners, L.P and ECP Parcel C East Housing Partners, L.P.	El Cerrito	Contra Costa	\$3,850,000	\$2,400,000	Permanent
Orbisonia Village	Pacific West Companies Inc.(or affiliated borrowing entity)	Unincorporated Contra Costa County	Contra Costa	\$3,000,000	\$3,000,000	Predevelopment
Total Awards: 10 projects, \$28 million						