

1 [Amended and Restated Disposition and Development Agreement - Treasure Island  
2 Community Development, LLC - Treasure Island and Yerba Buena Island]

3 **Resolution approving an Amended and Restated Disposition and Development**  
4 **Agreement between the Treasure Island Development Authority and Treasure Island**  
5 **Community Development, LLC, for certain real property located on Treasure Island and**  
6 **Yerba Buena Island, including changes to the attached Financing Plan, as defined**  
7 **herein; making findings under the California Environmental Quality Act; and affirming**  
8 **findings of conformity with the General Plan, and with the eight priority policies of**  
9 **Planning Code, Section 101.1(b).**

10  
11 WHEREAS, In 1997, the City created the Treasure Island Development Authority (the  
12 “Authority” or “TIDA”) to serve as the entity responsible for the reuse and development of  
13 former Naval Station Treasure Island consisting of approximately 550 acres on Treasure  
14 Island and Yerba Buena Island; and

15 WHEREAS, In 2003, the Authority Board of Directors selected Treasure Island  
16 Community Development, LLC (“TICD” or “Developer”) as the master developer for portions of  
17 Treasure Island and Yerba Buena Island; and

18 WHEREAS, The Developer proposed developing the Treasure Island/Yerba Buena  
19 Island Project (“Project”), which Project anticipated 1) up to 8,000 new residential units, at  
20 least 25% of which (2,000 units) will be made affordable to a broad range of very-low to  
21 moderate income households; 2) adaptive reuse of approximately 311,000 square feet of  
22 historic structures; 3) up to approximately 140,000 square feet of new retail uses and 100,000  
23 square feet of commercial office space; 4) approximately 300 acres of parks and open space;  
24 5) new and/or upgraded public facilities, including a joint police/fire station, a school, facilities  
25 for the Treasure Island Sailing Center, and other community facilities; 6) a 400-500 room

1 hotel; 7) landside improvements for a new 400 slip marina; and 8) transportation  
2 infrastructure, including a ferry/quay intermodal transit center; and

3 WHEREAS, On June 7, 2011, pursuant to Resolution No. 241-11, which the Mayor  
4 signed on June 13, 2011, the Board of Supervisors unanimously approved the Disposition and  
5 Development Agreement (“2011 DDA”) and other transaction documents, which resolution is  
6 on file with the Clerk of the Board of Supervisors in File No. 110291 and is incorporated herein  
7 by reference; and

8 WHEREAS, Transforming Treasure Island and Yerba Buena Island into a new San  
9 Francisco neighborhood has required a staggering amount of upfront engineering work to  
10 geotechnically transform the land and install brand new infrastructure and utilities; and

11 WHEREAS, Since 2011, the Developer has invested over \$800,000,000 into the  
12 Project which has resulted in significant progress towards completion of the first stage of  
13 construction with nearly 1,000 new homes along with completed public parks and utilities,  
14 public art, new streets, and regular ferry service; and

15 WHEREAS, Over 100 units of new affordable housing attributable to the Project are  
16 open and occupied on Treasure Island, with another approximately 200 units currently under  
17 construction; and

18 WHEREAS, The progress on Treasure Island and Yerba Buena Island is a reflection of  
19 the collaboration between island residents and community organizations that have been  
20 committed to the vision for a new Treasure Island for the past twelve years; and

21 WHEREAS, Continuing the Project is more important now than ever, as Treasure  
22 Island’s 8,000 planned housing units represent one-tenth of the City’s housing production  
23 goals established under its Housing Element 2022 Update of the General Plan and the  
24 Mayor’s Housing for All implementation strategy, and Treasure Island Project is the City's  
25

1 largest project underway in a moment when there is a tremendous push to build new housing  
2 in San Francisco; and

3 WHEREAS, Various factors such as increases in construction and labor costs, a  
4 worldwide pandemic, rising interest rates and a slowing of the real estate market have put  
5 unanticipated pressures on the Project that could delay construction of the next construction  
6 phase without near-term accelerated public financing; and

7 WHEREAS, TIDA and the Developer are committed to ensuring that the Project does  
8 not lose momentum, particularly as the island and its services become more integrated into  
9 the City fabric as a result of the new housing units, parks, utilities, public art, ferry terminal,  
10 and streets that have been completed to date; and

11 WHEREAS, TIDA and the Developer are proposing to amend certain terms of the  
12 existing transaction documents for the Project that will, among other things, 1) accelerate  
13 reimbursement of eligible project costs through public financing for the next construction  
14 phase, called Stage 2, which phase will include infrastructure necessary to allow for the  
15 construction of new parks and shoreline improvements, and market rate and affordable  
16 housing parcels for approximately 1,300 units of new housing; 2) retain the existing public  
17 benefits package as approved in the 2011 DDA, such as the overall affordable housing  
18 requirement of 27.2% and delivery of parks and open space; 3) defer accrual of costs where  
19 possible to improve financial feasibility such as extending the completion dates for certain  
20 facilities and reallocation of a limited number of inclusionary units to future phases;  
21 4) increase flexibility on timing of Developer subsidies and how they can be used; 5) increase  
22 flexibility on how certain parcel lots may be sold to allow for earlier additional funds into the  
23 Project; and 6) update the 2011 DDA to reflect current City practice, such as any public art fee  
24 be paid to the Department of Building Inspection instead of TIDA; and

25

1           WHEREAS, TIDA and the Developer have agreed to retain the general framework of  
2 the 2011 DDA whereby the Developer will continue to 1) be obligated to invest hundreds of  
3 millions of dollars of private capital in the initial construction of public infrastructure, affordable  
4 housing, and community benefits, and 2) have the right to develop the Project in a series of  
5 major phases and sub-phases and to sell or ground lease developable lots to vertical  
6 developers for development, all in accordance with all of the governing land use and  
7 entitlement documents; and

8           WHEREAS, The proposed amendments will be set forth in an Amended and Restated  
9 Disposition and Development Agreement (“A&R DDA”), which A&R DDA includes, among  
10 certain exhibits, the Financing Plan and Housing Plan, all of which are on file with the Clerk of  
11 the Board of Supervisors in File No. 240202 and incorporated herein by reference; and

12           WHEREAS, Stage 2 includes two planned affordable housing buildings with  
13 approximately 250 units total and a 240-bed behavioral health building project to be delivered  
14 by the Department of Public Health; and

15           WHEREAS, The amendments to the Financing Plan describe the City’s intent to  
16 accelerate up to a maximum of \$115 million of general fund-backed public financing into the  
17 Project (“Stage 2 Alternative Financing”), expected to be structured as one or more lease  
18 certificates of participation, with the City reserving the discretion to structure the Stage 2  
19 Alternative Financing through other public financing vehicles that are not secured by a pledge  
20 of Project special taxes or net available increment, to support continued construction of  
21 Stage 2 infrastructure necessary to allow for the development of new parks and shoreline  
22 improvements, and market rate and affordable housing parcels for approximately 1,300 units  
23 of new housing anticipated to occur within the next three to five years, by reimbursing the  
24 Developer for eligible Stage 2 qualified project costs sooner than they otherwise would be  
25 reimbursed through the existing public financing structure; and

1           WHEREAS, The Stage 2 Alternative Financing is anticipated to be structured over the  
2 next three to five years, tied to the expected capital expenditures for the Stage 2  
3 infrastructure, and the Developer would be reimbursed after the Developer has satisfied  
4 various conditions for issuance of such public financing and reimbursement from such  
5 proceeds; and

6           WHEREAS, A fiscal impact study was completed by City fiscal consultant Keyser  
7 Marston Associates and projects that Treasure Island and Yerba Buena Island will generate  
8 an average of approximately \$4,400,000 per year in ongoing net recurring revenues from  
9 fiscal year 2025 thru fiscal year 2030, with an additional approximately \$10,000,000 per year  
10 in transfer taxes and one-time construction related revenues contingent on assumed land  
11 sales and unit sales in this time period, and that by fiscal year 2040, the net recurring  
12 revenues generated from Treasure Island and Yerba Buena Island (not including transfer  
13 taxes or one-time construction related revenues) are projected to exceed annual required debt  
14 service payments for up to \$115,000,000 of Stage 2 Alternative Financing; and

15           WHEREAS, Once the terms of the Stage 2 Alternative Financing are finalized,  
16 including conditions for issuance and disbursement, City staff will return at a future date to  
17 request Board of Supervisors authorization to proceed with the Project specific Stage 2  
18 Alternative Financing; and

19           WHEREAS, The A&R DDA was presented to the TIDA Board of Directors at a duly  
20 noticed public meeting on March 13, 2024, and the TIDA Board voted to approve the A&R  
21 DDA pursuant to Resolution No. 24-10-0313, a copy of which is on file with the Clerk of the  
22 Board of Supervisors in File No. 240202 and incorporated herein by reference; and

23           WHEREAS, The Planning Department and TIDA prepared an Environmental Impact  
24 Report for the Project under the California Environmental Quality Act ("CEQA," Public  
25

1 Resources Code Sections 21,000 et. seq;) and the CEQA Guidelines (14 Cal. Code Regs.  
2 Sections 15,000 et seq,); and

3 WHEREAS, On April 21, 2011, pursuant to Authority Resolutions Nos. 11-1404/21 and  
4 11-18-04/21 and Planning Commission Motion No. 18325, the Planning Commission and the  
5 Authority Board in a joint session unanimously approved a series of entitlement and  
6 transaction documents for the Project, including certain environmental findings under CEQA,  
7 a Mitigation Monitoring and Reporting Program, a Development Agreement for the Project,  
8 and other transaction documents; and

9 WHEREAS, On June 7, 2011, pursuant to Resolution No. 246-11, the Board of  
10 Supervisors unanimously confirmed certification of the Final Environmental Impact Report  
11 (“FEIR”) for the Project, and made certain environmental findings under CEQA, including  
12 adoption of a Mitigation Monitoring and Reporting Program and a Statement of Overriding  
13 Considerations, which resolution is on file with the Clerk of the Board of Supervisors in File  
14 No. 110328 and is incorporated herein by reference; and

15 WHEREAS, CEQA mandates that “when an environmental impact report has been  
16 prepared for a project, no subsequent or supplemental environmental impact report shall be  
17 required by the lead agency,” unless the lead agency determines, on the basis of substantial  
18 evidence that the project or its circumstances have changed, or there is new information, and  
19 that those changes or new information would cause new significant impacts, or a substantial  
20 increase in the severity of previously identified impacts (CEQA Section 21166; CEQA  
21 Guidelines Section 15162); and

22 WHEREAS, CEQA authorizes lead agencies to prepare addenda to previously-  
23 prepared environmental documents when they consider adopting a revised project, and the  
24 conditions for requiring additional environmental review are not met (CEQA Guidelines  
25 Section 15164); and

1           WHEREAS, The Planning Department prepared an Addendum to the FEIR to analyze  
2 the impacts of the A&R DDA (including changes to the Financing Plan and the Housing Plan,  
3 both of which are exhibits to the A&R DDA) and concurrent changes proposed to the  
4 Development Agreement and Planning Code and Zoning Map controls for the Project; and

5           WHEREAS, The addendum concluded that no supplemental or subsequent  
6 environmental review is required for the A&R DDA (including changes to the Financing Plan  
7 and the Housing Plan, both of which are exhibits to the A&R DDA) and concurrent changes  
8 proposed to the Development Agreement, Planning Code and Zoning Map controls for the  
9 Project, because the environmental impacts of these actions were adequately identified and  
10 analyzed under CEQA in the FEIR, and the A&R DDA (including changes to the Financing  
11 Plan and the Housing Plan, both of which are exhibits to the A&R DDA) and concurrent  
12 changes proposed to the Development Agreement and Planning Code and Zoning Map  
13 controls for the Project would not result in any new or more severe environmental impacts  
14 than were identified previously; and

15           WHEREAS, On April 4, 2024, the Planning Commission, in Resolution No. 21541,  
16 adopted findings that the actions contemplated in this resolution are consistent, on balance,  
17 with the City's General Plan and eight priority policies of Planning Code Section 101.1, a copy  
18 of which is on file with the Clerk of the Board in File No. 240198, and is incorporated herein by  
19 reference; and

20           WHEREAS, Concurrently with this Resolution, the Board of Supervisors will adopt an  
21 Ordinance to amend the Planning Code and the Zoning Map to implement adjustments to the  
22 Project controls, a copy of which is on file with the Clerk of the Board of Supervisors in File  
23 No. 240199; and

24           WHEREAS, Concurrently with this Resolution, the Board of Supervisors will adopt a  
25 separate Ordinance approving the amendment to the Development Agreement for the Project

1 that was necessary to reflect the changes to the Financing Plan which is an exhibit to the  
2 Development Agreement, a copy of which is on file with the Clerk of the Board of Supervisors  
3 in File No. 240198; and, now, therefore, be it

4 RESOLVED, That the Board of Supervisors has reviewed and considered the  
5 addendum and the FEIR, and concurs with the Planning Department analysis and  
6 conclusions, finding that the addendum adequately identified and analyzed the  
7 environmental impacts of the proposed amendments, and that no additional environmental  
8 review is required under CEQA Section 21166 and CEQA Guidelines Sections 15162-  
9 15164, for the following reasons:

10 (A) The Project with the proposed amendments will not have any new  
11 significant environmental effects or a substantial increase in the severity of previously  
12 identified significant impacts, beyond what was analyzed in the FEIR; and,

13 (B) No substantial changes have occurred with respect to the circumstances  
14 under which the Project with the proposed amendments would be carried out that would  
15 lead to the involvement of new significant environmental effects, or a substantial increase in  
16 the severity of effects identified in the FEIR; and,

17 (C) No new information of substantial importance to the Project analyzed in  
18 the FEIR has become available, which would indicate that (i) the Project with the proposed  
19 amendments will have significant effects not discussed in the FEIR; (ii) significant  
20 environmental effects identified in the FEIR will be substantially more severe; (iii) mitigation  
21 measures or alternatives found not feasible, which would reduce one or more significant  
22 effects, have become feasible but the City and TIDA refuse to implement them; or  
23 (iv) mitigation measures or alternatives, which are considerably different from those in the  
24 FEIR, will substantially reduce one or more significant effects, but the City and TIDA refuse  
25 to implement them; and, be it



1 FURTHER RESOLVED, That the Board of Supervisors affirms the findings of the  
2 Planning Commission that the actions contemplated in this resolution are consistent, on  
3 balance, with the General Plan, and eight priority policies of Planning Code, Section 101.1,  
4 for the reasons set forth in Planning Commission Resolution No. 21541, and the Board of  
5 Supervisors incorporates these findings by reference and adopts these findings as its own;  
6 and, be it

7 FURTHER RESOLVED, That the Board of Supervisors hereby approves the A&R DDA  
8 and authorizes the Director of the Treasure Island Development Authority ("Director") to  
9 execute the A&R DDA between TIDA and the Developer, with all exhibits to the A&R DDA,  
10 including, but not limited to the Financing Plan and the Housing Plan in substantially the form  
11 filed with the Clerk of the Board, and any additions, amendments, or other modifications to  
12 such agreements (including, without limitation, its exhibits) that the Director, on behalf of  
13 TIDA, determines, in consultation with the City Attorney, are in the best interests of TIDA and  
14 the City, do not otherwise materially increase the obligations or liabilities of TIDA or the City or  
15 materially decrease the benefits to TIDA or the City, and are necessary or advisable to  
16 effectuate the purpose and intent of this Resolution; and, be it

17 FURTHER RESOLVED, That the Board of Supervisors encourages City staff to finalize  
18 the terms of the Stage 2 Alternative Financing and bring the final terms to the Board of  
19 Supervisors for authorization within the time frame City staff reasonably believe is beneficial  
20 for the Project; and, be it

21 FURTHER RESOLVED, That to the extent that implementation of the A&R DDA  
22 involves the execution and delivery of additional agreements, notices, consents, and other  
23 instruments or documents by TIDA that have a term in excess of 10 years or anticipated  
24 revenues of \$1,000,000 or more, including, without limitation, instruments conveying  
25 developable lots to vertical developers (including, without limitation, vertical disposition and

1 development agreements, ground leases, lease disposition and development agreements,  
2 assignment and assumption agreements and permits to enter) (collectively, "Subsidiary  
3 Agreements"), TIDA and the Director, in consultation with the City Attorney, are hereby  
4 authorized to enter into all such Subsidiary Agreements so long as the transactions governed  
5 by such Subsidiary Agreements are contemplated in the A&R DDA, do not otherwise  
6 materially increase the obligations or liabilities of TIDA, and are necessary and advisable to  
7 effectuate the purpose and intent of this Resolution, such determination to be conclusively  
8 evidenced by the execution and delivery by such person or persons of any such documents;  
9 and, be it

10 FURTHER RESOLVED, That the Board of Supervisors authorizes and urges the  
11 Mayor, Controller, and any other officers, agents, and employees of the City to take any and  
12 all steps (including the execution and delivery of any and all agreements, notices, consents  
13 and other instruments or documents) as they or any of them deem necessary or appropriate,  
14 in consultation with the City Attorney, in order to consummate the A&R DDA and any  
15 Subsidiary Agreement in accordance with this Resolution, or to otherwise effectuate the  
16 purpose and intent of this Resolution, such determination to be conclusively evidenced by the  
17 execution and delivery by such person or persons of any such documents.

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