

1 [Forming Infrastructure and Revitalization Financing District No. 1 (Treasure Island) - Adopting
2 an Infrastructure Financing Plan]

3 **Ordinance forming City and County of San Francisco Infrastructure and Revitalization**
4 **Financing District No. 1 (Treasure Island); and adopting an Infrastructure Financing**
5 **Plan for such district.**

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8 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
9 **Additions to Codes** are in *single-underline italics Times New Roman font*.
10 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
11 **Board amendment additions** are in double-underlined Arial font.
12 **Board amendment deletions** are in ~~strikethrough Arial font~~.
13 **Asterisks (* * * *)** indicate the omission of unchanged Code
14 subsections or parts of tables.

15 Be it ordained by the People of the City and County of San Francisco:

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17 Section 1. The Board of Supervisors of the City and County of San Francisco hereby
18 finds, determines and declares based on the record before it that:

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20 A. Naval Station Treasure Island (“NSTI”) is a former United States Navy base
21 located in the City and County of San Francisco (the “City”) that consists of two islands
22 connected by a causeway: (1) Treasure Island, and (2) an approximately 90-acre portion of
23 Yerba Buena Island.

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25 B. Under the Treasure Island Conversion Act of 1997, which amended Section
33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of
the Statutes of 1968, the California Legislature (i) designated the Treasure Island
Development Authority, a California non-profit public benefit corporation (“TIDA”) as a
redevelopment agency under California redevelopment law with authority over NSTI upon
approval of the City’s Board of Supervisors, and (ii) with respect to those portions of NSTI

1 which are subject to Tidelands Trust, vested in TIDA the authority to administer the public
2 trust for commerce, navigation and fisheries as to such property.

3 C. The Board of Supervisors approved the designation of TIDA as a redevelopment
4 agency for NSTI in 1997.

5 D. On January 24, 2012, the Board of Supervisors rescinded designation of TIDA
6 as the redevelopment agency for Treasure Island under California Community
7 Redevelopment Law in Resolution No. 11-12; but such rescission did not affect TIDA's status
8 as the Local Reuse Authority for NSTI or the Tidelands Trust trustee for the portions of NSTI
9 subject to the Tidelands Trust, or any of the other powers or authority.

10 E. The United States of America, acting by and through the Department of the
11 Navy ("Navy"), and TIDA entered into an Economic Conveyance Memorandum of Agreement
12 (as amended and supplemented from time to time, the "Conveyance Agreement") that
13 governs the terms and conditions for the transfer of NSTI from the Navy to TIDA; under the
14 Conveyance Agreement, the Navy has and will convey NSTI to TIDA in phases after the Navy
15 has completed environmental remediation and issued a Finding of Suitability to Transfer (as
16 defined in the Conveyance Agreement) for specified parcels of NSTI or portions thereof.

17 F. Treasure Island Community Development, LLC ("Developer") and TIDA
18 previously entered into a Disposition and Development Agreement (Treasure Island/Yerba
19 Buena Island) dated June 28, 2011 (the "DDA"), including a Financing Plan (Treasure
20 Island/Yerba Buena Island) (the "Financing Plan"), which governs the disposition and
21 development of a portion of NSTI (the "Project Site") after the Navy's transfer of NSTI to TIDA
22 in accordance with the Conveyance Agreement.

23 G. The DDA contemplates a project (the "Project") under which TIDA acquires the
24 Project Site from the Navy and conveys portions of the Project Site to Developer (or an
25 affiliate of the Developer) for the purposes of (i) alleviating blight in the Project Site through

1 development of certain improvements, (ii) geotechnically stabilizing the Project Site, (iii)
2 constructing public infrastructure to support the Project and other proposed uses on NSTI,
3 (iv) constructing and improving certain public parks and open spaces, (v) abatement of certain
4 existing hazardous substances, and (vi) selling and ground leasing lots to vertical developers
5 who will construct residential units and commercial and public facilities.

6 H. On April 21, 2011, the Planning Commission by Motion No. 18325 and the
7 Board of Directors of TIDA, by Resolution No. 11-14-04/21, as co-lead agencies, certified the
8 completion of the Final Environmental Impact Report for the Project, and unanimously
9 approved a series of entitlement and transaction documents relating to the Project, including
10 certain environmental findings under the California Environmental Quality Act (“CEQA”), a
11 mitigation and monitoring and reporting program (the “MMRP”), and the DDA and other
12 transaction documents.

13 I. On June 7, 2011, in Motion No. M11-0092, the Board of Supervisors
14 unanimously affirmed certification of the Final Environmental Impact Report. On that same
15 date, the Board of Supervisors, in Resolution No. 246-11, adopted CEQA findings and the
16 MMRP, and made certain environmental findings under CEQA (collectively, the “FEIR”). Also
17 on that date, the Board of Supervisors, in Ordinance No. 95-11, approved the DDA and other
18 transaction documents, including the Transportation Plan and Infrastructure Plan.

19 J. TIDA and the Developer have been working diligently since then to implement
20 the Project consistent with the DDA, the MMRP and other documents.

21 K. No additional environmental review is required because there are no substantial
22 changes to the project analyzed in the FEIR, no change in circumstances under which the
23 project is being undertaken, and no new information of substantial importance indicating that
24 new significant impacts would occur, that the impacts identified in the FEIR as significant
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1 impacts would be substantially more severe, or that mitigation or alternatives previously found
2 infeasible are now feasible.

3 L. Developer and the City previously entered into a Development Agreement
4 related to the Project Site to eliminate uncertainty in the City's land use planning for the
5 Project Site and secure orderly development of the Project consistent with the DDA and other
6 applicable requirements, and the Financing Plan is also an exhibit to the Development
7 Agreement.

8 M. The Financing Plan identifies certain financial goals for the Project and the
9 contractual framework for cooperation between TIDA, the City, and Developer in achieving
10 those goals and implementing the Project.

11 N. The Financing Plan, among other things, obligates TIDA and the City to take all
12 actions reasonably necessary for, and obligates Developer to cooperate reasonably with the
13 efforts of (i) the City to form requested community facilities districts (each, a "CFD"; together,
14 the "CFDs") and take related actions under the Mello-Roos Community Facilities Act of 1982
15 (the "Mello-Roos Act") to pay for Qualified Project Costs, Ongoing Park Maintenance and
16 Additional Community Facilities (as those terms are defined in the Financing Plan), (ii) the City
17 to form requested infrastructure financing districts and take related actions under applicable
18 provisions of the Government Code of the State of California to pay for Qualified Project Costs
19 (although the Financing Plan refers to a different infrastructure financing act than the IRFD
20 Law (as defined below) because the IRFD Law had not been created at the time, the City
21 finds that the provisions of the Financing Plan discussing infrastructure financing districts shall
22 apply to the IRFD (as defined herein) and the IRFD Law) and (iii) the City to issue bonds and
23 other debt for the CFDs and the infrastructure financing districts and other public financing
24 instruments described in the Financing Plan (defined in the Financing Plan as "Public
25 Financing").

1 O. Under Chapter 2.6 of Part 1 of Division 2 of Title 5 of the California Government
2 Code commencing with Section 53369 (the "IRFD Law"), this Board of Supervisors is
3 authorized to establish an infrastructure and revitalization financing district and to act as the
4 legislative body for an infrastructure and revitalization financing district.

5 P. Pursuant to IRFD Law Section 53369.5, an infrastructure and revitalization
6 financing district may be divided into project areas.

7 Q. The IRFD Law provides that the legislative body of an infrastructure and
8 revitalization financing district may, at any time, add territory to a district or amend the
9 infrastructure financing plan for the district by conducting the same procedures for the
10 formation of a district or approval of bonds as provided in the IRFD Law, and the Board of
11 Supervisors wishes to establish the procedure for future annexation of property on Yerba
12 Buena Island and Treasure Island into the proposed infrastructure district.

13 R. IRFD Section 53369.14(d)(5) provides that the legislative body of a proposed
14 infrastructure and revitalization financing district may specify, by ordinance, the date on which
15 the allocation of tax increment will begin and IRFD Law Section 53369.5(b) provides that
16 project areas within a district may be subject to distinct limitations established under the IRFD
17 Law, and the Board of Supervisors accordingly wishes to specify the date on which the
18 allocation of tax increment will begin for the proposed infrastructure district on a project area-
19 by-project area basis.

20 S. Pursuant to the Financing Plan and the IRFD Law, the Board of Supervisors
21 adopted its "Resolution of intention to establish City and County of San Francisco
22 Infrastructure and Revitalization Financing District No. 1 (Treasure Island) and project areas
23 therein to finance the construction and/or acquisition of facilities on Treasure Island and Yerba
24 Buena Island; to provide for future annexation; to call a public hearing on the formation of the
25 district and project areas therein and to provide public notice thereof; and determining other

1 matters in connection therewith” (the “Resolution of Intention to Establish IRFD”), on File with
2 the Clerk of the Board in File No. 161035, stating its intention to form (i) the “City and County
3 of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island)”
4 (the “IRFD”), (ii) “Project Area A of the City and County of San Francisco Infrastructure and
5 Revitalization Financing District No. 1 (Treasure Island)” (“Project Area A”) as a project area
6 within the IRFD, (iii) “Project Area B of the City and County of San Francisco Infrastructure
7 and Revitalization Financing District No. 1 (Treasure Island)” (“Project Area B”) as a project
8 area within the IRFD, (iv) “Project Area C of the City and County of San Francisco
9 Infrastructure and Revitalization Financing District No. 1 (Treasure Island)” (“Project Area C”) as
10 a project area within the IRFD, (v) “Project Area D of the City and County of San Francisco
11 Infrastructure and Revitalization Financing District No. 1 (Treasure Island)” (“Project Area D”) as
12 a project area within the IRFD, and (vi) “Project Area E of the City and County of San
13 Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island)” (“Project
14 Area E” and, together with Project Area A, Project Area B, Project Area C and Project Area D,
15 the “Initial Project Areas” and together with any future project areas that may be established in
16 the IRFD, the “Project Areas”) as a project area within the IRFD, pursuant to the IRFD Law.

17 T. In the Resolution of Intention to Establish IRFD, this Board of Supervisors
18 declared its intent to provide for future annexations of property on Yerba Buena Island and
19 Treasure Island into the IRFD any time after formation of the IRFD, but only if the Board of
20 Supervisors has completed the procedures set forth in the Infrastructure Financing Plan,
21 which shall be based on the following: (i) this Board of Supervisors adopts a resolution of
22 intention to annex property (the “annexation territory”) into the IRFD and describes whether
23 the annexation territory will be included in one of the then-existing Project Areas or in a new
24 Project Area and to issue Bonds, (ii) the resolution of intention is mailed to each owner of land
25 in the annexation territory and each affected taxing entity in the annexation territory, if any, in

1 substantial compliance with IRFD Law Sections 53369.11 and 53369.12, (iii) this Board of
2 Supervisors designates TIDA to prepare an amendment to the Infrastructure Financing Plan, if
3 necessary, and the designated official prepares any such amendment, in substantial
4 compliance with IRFD Law Sections 53369.13 and 53369.14, (iv) any amendment to the
5 Infrastructure Financing Plan is sent to each owner of land and each affected taxing entity (if
6 any) within the annexation territory, in substantial compliance with IRFD Law Sections
7 53369.15 and 53369.16, and approved by this Board of Supervisors, as the legislative body of
8 the only affected taxing entity that is subject to the division of taxes pursuant to the IRFD Law,
9 (v) this Board of Supervisors notices and holds a public hearing on the proposed annexation,
10 in substantial compliance with IRFD Law Sections 53369.17 and 53369.18, (vi) this Board of
11 Supervisors adopts a resolution proposing the adoption of any amendment to the
12 Infrastructure Financing Plan and annexation of the annexation territory to the IRFD, and
13 submits the proposed annexation to the qualified electors in the annexation territory, in
14 substantial compliance with IRFD Law Sections 53369.20-53369.22, with the ballot measure
15 to include the question of the proposed annexation of the annexation territory into the IRFD,
16 approval of the appropriations limit for the IRFD and approval of the issuance of bonds for the
17 IRFD, and (vii) after canvass of returns of any election, and if two-thirds of the votes cast upon
18 the question are in favor of the ballot measure, this Board may, by ordinance, adopt the
19 amendment to the Infrastructure Financing Plan, if any, and approve the annexation of the
20 annexation territory to the IRFD, in substantial compliance with IRFD Law Section 53369.23.

21 U. The Board of Supervisors also adopted its "Resolution authorizing and directing
22 the Director of the Office of Public Finance, or designee of the Director of the Office of Public
23 Finance to prepare an infrastructure financing plan for City and County of San Francisco
24 Infrastructure and Revitalization Financing District No. 1 (Treasure Island) and project areas
25 therein; and determining other matters in connection therewith," ordering preparation of an

1 infrastructure financing plan for the IRFD (“Infrastructure Financing Plan”), on file with the
2 Clerk of the Board of Supervisors in File No. 161036, consistent with the requirements of the
3 IRFD Law.

4 V. The Infrastructure Financing Plan includes a list of Facilities (as defined below)
5 to be financed by the IRFD.

6 W. As required by the IRFD Law, the Clerk of the Board of Supervisors caused to
7 be mailed a copy of the Resolution of Intention to Establish IRFD to each owner of land within
8 the proposed IRFD and each affected taxing entity (as defined in the IRFD Law).

9 X. As further required by the IRFD Law, the Director of the Office of Public Finance
10 prepared the Infrastructure Financing Plan and the Treasure Island Director sent the
11 Infrastructure Financing Plan, along with any report required by the California Environmental
12 Quality Act (Division 13) (commencing with Section 2100) of the Public Resources Code) that
13 pertains to the proposed Facilities or the proposed development project for which the Facilities
14 are needed, to (i) each owner of land within the proposed IRFD and (ii) each affected taxing
15 entity; the Treasure Island Director also sent the Infrastructure Financing Plan and the CEQA
16 Report to the City’s planning commission and the Board of Supervisors.

17 Y. The Clerk of the Board of Supervisors made the Infrastructure Financing Plan
18 available for public inspection, on file with the Clerk of the Board of Supervisors in File No.
19 161120.

20 Z. As required by the IRFD Law, the Board of Supervisors, as the legislative body
21 of the City, which is the only affected taxing entity which is proposed to be subject to the
22 division of taxes pursuant the IRFD Law, considered and adopted its resolution “Resolution
23 approving infrastructure financing plan for City and County of San Francisco Infrastructure
24 and Revitalization Financing District No. 1 (Treasure Island) and project areas therein; and
25 determining other matters in connection therewith,” on file with the Clerk of the Board of

1 Supervisors in File No. 161116, pursuant to which the Board of Supervisors approved the
2 Infrastructure Financing Plan.

3 AA. Following publication of a notice consistent with the requirements of the IRFD
4 Law, this Board of Supervisors held a public hearing relating to the proposed IRFD, the
5 proposed Project Areas and the proposed Infrastructure Financing Plan.

6 BB. Subsequent to the hearing, the Board of Supervisors adopted resolutions
7 entitled (i) "Resolution proposing adoption of infrastructure financing plan and formation of
8 City and County of San Francisco Infrastructure and Revitalization Financing District No. 1
9 (Treasure Island) and project areas therein and determining other matters in connection
10 therewith" (the "Resolution Proposing Adoption and Formation") on file with the Clerk of the
11 Board of Supervisors in File No. 161117, and (ii) "Resolution calling special election for City
12 and County of San Francisco Infrastructure and Revitalization Financing District No. 1
13 (Treasure Island) and determining other matters in connection therewith," on file with the Clerk
14 of the Board of Supervisors in File No. 161118, which resolutions proposed formation of the
15 IRFD and the Initial Project Areas, proposed approval of the Infrastructure Financing Plan,
16 proposed the process for future annexations of territory to the IRFD, proposed an
17 appropriations limit for the IRFD, proposed issuance of bonds and other debt ("Bonds") for the
18 IRFD to finance certain facilities (the "Facilities") and called a special election within the IRFD.

19 CC. A special election was held within the IRFD which the eligible landowner-electors
20 approved the propositions presented at the election by the two-thirds vote required by the IRFD Law.

21 Section 2. By the passage of this Ordinance this Board of Supervisors hereby declares
22 the IRFD and each of the Initial Project Areas to be fully formed with full force and effect of
23 law, approves the Infrastructure Financing Plan, declares the IRFD to have an appropriations
24 limit of \$192 million, and declares that the Board of Supervisors has the authority to issue
25 from time to time Bonds in one or more series for the IRFD in the maximum aggregate

1 principal amount of (i) \$780 million plus (ii) the principal amount of Bonds approved by this
2 Board of Supervisors and the qualified electors of annexation territory in connection with each
3 annexation of annexation territory to the IRFD, so long as the Board makes the finding
4 specified in IRFD Law Section 53369.41(f), all as provided in the proceedings for the IRFD
5 and in the IRFD Law.

6 Additional Project Areas may be designated in the future, and territory on Yerba Buena Island
7 and Treasure Island may be annexed to the IRFD in the future, as described in the Resolution of
8 Intention to Establish IRFD and the Resolution Proposing Adoption and Formation. It is hereby found
9 that all prior proceedings and actions taken by this Board of Supervisors with respect to the IRFD were
10 valid and in conformity with the IRFD Law.

11 Section 3. In accordance with IRFD Law Sections 53369.5(b) and 53369.14(d)(5), the Board of
12 Supervisors hereby establishes the date on which the allocation of tax increment shall begin for the
13 IRFD, which date shall be determined on a Project Area-by-Project Area basis (each such date, the
14 "Commencement Date"), and each Project Area may accordingly have a different Commencement
15 Date, with each Commencement Date being the first day of the fiscal year following the fiscal year in
16 which the applicable Project Area has generated and the City has received: (i) with respect to Project
17 Areas A, B and E, at least \$150,000 of tax increment, (ii) with respect to Project Areas C and D, at
18 least \$300,000 of tax increment, and (iii) with respect to all other Project Areas established in
19 connection with the annexation of territory to the IRFD, the amount of tax increment specified in the
20 ordinance annexing such Project Area to the IRFD.

21 Section 4. The Board of Supervisors has reviewed and considered the FEIR and finds that the
22 FEIR is adequate for its use for the actions taken by this resolution and incorporates the FEIR and the
23 CEQA findings contained in Board of Supervisors Resolution No. 246-11 by this reference.

24 Section 5. If any section, subsection, sentence, clause, phrase, or word of this
25 ordinance, or any application thereof to any person or circumstance, is held to be invalid or

1 unconstitutional by a decision of a court of competent jurisdiction, such decision shall not
2 affect the validity of the remaining portions or applications of this ordinance, this Board of
3 Supervisors hereby declaring that it would have passed this ordinance and each and every
4 section, subsection, sentence, clause, phrase, and word not declared invalid or
5 unconstitutional without regard to whether any other portion of this ordinance or application
6 thereof would be subsequently declared invalid or unconstitutional.

7 Section 6. This ordinance shall become effective 30 days after enactment. Enactment
8 occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or
9 does not sign the ordinance within 10 days of receiving it, or the Board of Supervisors
10 overrides the Mayor's veto of the ordinance.

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12 APPROVED AS TO FORM:
13 DENNIS J. HERRERA
14 City Attorney

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17 By: _____

18 MARK D. BLAKE
19 Deputy City Attorney
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