

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

3 **Resolution approving addition of territory to and adoption of amendments to the**
4 **Infrastructure Financing Plan for the City and County of San Francisco Infrastructure**
5 **and Revitalization Financing District No. 1 (Treasure Island) and project areas therein;**
6 **and determining other matters in connection therewith, as defined herein.**

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8 WHEREAS, Naval Station Treasure Island (“NSTI”) is a former United States Navy
9 base located in the City and County of San Francisco (the “City”) that consists of two islands
10 connected by a causeway: (1) Treasure Island, and (2) an approximately 90-acre portion of
11 Yerba Buena Island; and

12 WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended
13 California Health and Safety Code Section 33492.5 and added Section 2.1 to Chapter 1333 of
14 the Statutes of 1968, the California Legislature: (i) designated the Treasure Island
15 Development Authority, a California non-profit public benefit corporation (“TIDA”) as a
16 redevelopment agency under California redevelopment law with authority over NSTI upon
17 approval of the City’s Board of Supervisors, and (ii) with respect to those portions of NSTI
18 which are subject to Tidelands Trust, vested in TIDA the authority to administer the public
19 trust for commerce, navigation and fisheries as to such property; and

20 WHEREAS, The Board of Supervisors approved the designation of TIDA as a
21 redevelopment agency for NSTI in 1997; and

22 WHEREAS, On January 24, 2012, the Board of Supervisors rescinded designation of
23 TIDA as the redevelopment agency for Treasure Island under California Community
24 Redevelopment Law in Resolution No. 11-12; and such rescission does not affect TIDA’s
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1 status as the Local Reuse Authority for NSTI or the Tidelands Trust trustee for the portions of
2 NSTI subject to the Tidelands Trust, or any of the other powers or authority; and

3 WHEREAS, The United States of America, acting by and through the Department of
4 the Navy (“Navy”), and TIDA entered into an Economic Conveyance Memorandum of
5 Agreement (as amended and supplemented from time to time, the “Conveyance Agreement”)
6 that governs the terms and conditions for the transfer of NSTI from the Navy to TIDA; and
7 under the Conveyance Agreement, the Navy has and will convey NSTI to TIDA in phases
8 after the Navy has completed environmental remediation and issued a Finding of Suitability to
9 Transfer (as defined in the Conveyance Agreement) for specified parcels of NSTI or portions
10 thereof; and

11 WHEREAS, Treasure Island Community Development, LLC (“Developer”) and TIDA
12 have previously entered into a Disposition and Development Agreement (Treasure
13 Island/Yerba Buena Island) dated June 28, 2011 (the “DDA”), including a Financing Plan
14 (Treasure Island/Yerba Buena Island) (the “Financing Plan”), which governs the disposition
15 and development of a portion of NSTI (the “Project Site”) after the Navy’s transfer of NSTI to
16 TIDA in accordance with the Conveyance Agreement; and

17 WHEREAS, The DDA contemplates a project (the “Project”) under which TIDA
18 acquires the Project Site from the Navy and conveys portions of the Project Site to Developer
19 for the purposes of: (i) alleviating blight in the Project Site through development of certain
20 improvements, (ii) geotechnically stabilizing the Project Site, (iii) constructing public
21 infrastructure to support the Project and other proposed uses on NSTI, (iv) constructing and
22 improving certain public parks and open spaces, (v) remediating certain existing hazardous
23 substances, and (vi) selling and ground leasing lots to vertical developers who will construct
24 residential units and commercial and public facilities; and

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

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

14 WHEREAS, TIDA and the Developer had been working diligently since then to
15 implement the Project consistent with the DDA, the MMRP and other documents; and

16 WHEREAS, No additional environmental review was required because there were no
17 substantial changes to the project analyzed in the FEIR, no change in circumstances under
18 which the project was being undertaken, and no new information of substantial importance
19 indicating that new significant impacts would occur, that the impacts identified in the FEIR as
20 significant impacts would be substantially more severe, or that mitigation or alternatives
21 previously found infeasible were now feasible; and

22 WHEREAS, Developer and the City previously entered into a Development Agreement
23 related to the Project Site to eliminate uncertainty in the City’s land use planning for the
24 Project Site and secure orderly development of the Project consistent with the DDA and other
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1 applicable requirements, and the Financing Plan was also an exhibit to the Development
2 Agreement; and

3 WHEREAS, The Financing Plan identified certain financial goals for the Project and the
4 contractual framework for cooperation between TIDA, the City, and Developer in achieving
5 those goals and implementing the Project; and

6 WHEREAS, The Financing Plan, among other things, obligates TIDA and the City to
7 take all actions reasonably necessary for, and obligates Developer to cooperate reasonably
8 with the efforts of, (i) the City to form requested community facilities districts (each, a “CFD”;
9 together, the “CFDs”) and take related actions under the Mello-Roos Community Facilities Act
10 of 1982 (the “Mello-Roos Act”) to pay for Qualified Project Costs, Ongoing Park Maintenance
11 and Additional Community Facilities (as those terms are defined in the Financing Plan), (ii) the
12 City to form requested infrastructure financing districts and take related actions under
13 applicable provisions of the Government Code of the State of California to pay for Qualified
14 Project Costs and (iii) the City to issue bonds and other debt for the CFDs and the
15 infrastructure financing districts and other public financing instruments described in the
16 Financing Plan (defined in the Financing Plan as “Public Financing”); and

17 WHEREAS, Under Chapter 2.6 of Part 1 of Division 2 of Title 5 of the California
18 Government Code, commencing with Section 53369 (“IRFD Law”), this Board of Supervisors
19 is authorized to establish an infrastructure and revitalization financing district and to act as the
20 legislative body for an infrastructure and revitalization financing district; and

21 WHEREAS, Pursuant to IRFD Law, Section 53369.5, an infrastructure and
22 revitalization financing district may be divided into project areas; and

23 WHEREAS, Pursuant to the Financing Plan and the IRFD Law, the Board of
24 Supervisors adopted Ordinance No. 21-17 on January 31, 2017, which the Mayor signed on
25 February 9, 2017 (“IRFD Formation Ordinance”), pursuant to which the Board of Supervisors

1 declared City and County of San Francisco Infrastructure and Revitalization Financing District
2 No. 1 (Treasure Island) (“IRFD”) and the following project areas within the IRFD (collectively,
3 “Initial Project Areas,” and together with any future project areas that may be established in
4 the IRFD, the “Project Areas”) to be fully formed with full force and effect of law:

5 (i) Project Area A of the City and County of San Francisco Infrastructure and
6 Revitalization Financing District No. 1 (Treasure Island) (“Project Area A”);

7 (ii) Project Area B of the City and County of San Francisco Infrastructure and
8 Revitalization Financing District No. 1 (Treasure Island) (“Project Area B”);

9 (iii) Project Area C of the City and County of San Francisco Infrastructure and
10 Revitalization Financing District No. 1 (Treasure Island) (“Project Area C”);

11 (iv) Project Area D of the City and County of San Francisco Infrastructure and
12 Revitalization Financing District No. 1 (Treasure Island) (“Project Area D”); and

13 (v) Project Area E of the City and County of San Francisco Infrastructure and
14 Revitalization Financing District No. 1 (Treasure Island) (“Project Area E”); and,

15 WHEREAS, The City formed the IRFD and the Project Areas for the purpose of
16 financing the cost of certain facilities (the “Facilities”) as further provided in the IRFD
17 Formation Ordinance; and

18 WHEREAS, Pursuant to the IRFD Formation Ordinance, the Board of Supervisors also
19 approved an Infrastructure Financing Plan for the IRFD (“IFP”); and

20 WHEREAS, The IRFD Law provides that the legislative body of an infrastructure and
21 revitalization financing district may, at any time, add territory to a district or amend the
22 infrastructure financing plan for the district by conducting the same procedures for the
23 formation of a district or approval of bonds as provided in the IRFD Law; and

24 WHEREAS, The Board of Supervisors has been notified by the California State Board
25 of Equalization that the boundaries of the IRFD and the Project Areas must conform to the

1 boundaries of assessor parcel numbers established by the San Francisco Assessor-Recorder
2 in order for the Board of Equalization to assign tax rate areas to the Project Areas; and

3 WHEREAS, The Board of Supervisors wishes to amend the boundaries of the IRFD
4 and certain Initial Project Areas to reflect the final development parcels for certain portions of
5 Treasure Island and Yerba Buena Island, including the addition of territory to the IRFD, and to
6 approve an amended map for the IRFD; and

7 WHEREAS, Because the Board of Supervisors anticipates the need to make future
8 changes to the boundaries of the IRFD and the Project Areas in order to conform to final
9 development parcels approved by the Board of Supervisors so that the California State Board
10 of Equalization can assign tax rate areas to the Project Areas, the Board of Supervisors
11 wishes to amend the IFP to establish a procedure by which certain future amendments of the
12 boundaries of the IRFD may be approved by the Board of Supervisors as the legislative body
13 of the IRFD without further hearings or approvals, as long as the amendments will not
14 adversely affect the owners of bonds issued by or for the IRFD; and

15 WHEREAS, The Board of Supervisors wishes to further amend the IFP to reduce the
16 tax increment allocated to the IRFD in order to conform to existing law; and

17 WHEREAS, The Board of Supervisors wishes to further amend the IFP to provide that
18 actions related to the IRFD, the Project Areas and the IFP shall not require the approval of the
19 qualified electors in the IRFD if the IRFD Law is amended to eliminate any such requirement;
20 and

21 WHEREAS, On October 19, 2021, pursuant to Resolution No. 481-21, which the Mayor
22 signed on October 22, 2021 (“Resolution of Intention to Amend IRFD”), the Board of
23 Supervisors declared its intention to conduct proceedings to make the above-described
24 amendments to the IRFD and the IFP (“Amendments”), pursuant to Section 53369.5(b) of the
25 IRFD Law; and

1 WHEREAS, On October 26, 2021, pursuant to Resolution No. 497-21, which the Mayor
2 signed on November 5, 2021 (“Resolution Directing IFP Preparation”), the Board of
3 Supervisors authorized and directed the Director of the Office of Public Finance, or designee,
4 to prepare, or cause to be prepared, an amended IFP (“Amended IFP”) that is consistent with
5 the general plan of the City and includes all of the Amendments, pursuant to
6 Section 53369.13 of the IRFD Law; and

7 WHEREAS, As required by the IRFD Law and the Resolution of Intention to Amend
8 IRFD, the Clerk of the Board of Supervisors caused to be mailed a copy of the Resolution of
9 Intention to Amend IRFD to each owner of land (as defined in the IRFD Law) within the IRFD
10 and to any affected taxing entities, and in addition, in accordance with IRFD Law Section
11 53369.17, the Clerk of the Board of Supervisors caused notice of the public hearing to be
12 published not less than once a week for four successive weeks in a newspaper of general
13 circulation published in the City; and

14 WHEREAS, As further required by the IRFD Law and the Resolution Directing IFP
15 Preparation, the Director of the Office of Public Finance caused to be prepared the Amended
16 IFP, and the Treasure Island Director sent the Amended IFP to (i) the planning commission of
17 the City, (ii) this Board of Supervisors, (iii) each owner of land within the proposed IRFD and
18 (iv) each affected taxing entity (if any); and

19 WHEREAS, As further required by the IRFD Law, the Treasure Island Director sent to
20 the owners of land within the proposed amended IRFD, the affected taxing entities (if any), the
21 planning commission of the City and this Board of Supervisors any report required by CEQA
22 that pertains to the Project; and

23 WHEREAS, The Clerk of the Board of Supervisors made the Amended IFP and the
24 reports required by CEQA available for public inspection; and

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1 WHEREAS, As required by the IRFD Law, the Board of Supervisors, as the legislative
2 body of the City, which is the only affected taxing entity which is proposed to be subject to the
3 division of taxes pursuant the IRFD Law, wishes to consider and adopt a resolution approving
4 the addition of territory to the IRFD and the other Amendments; now, therefore, be it

5 RESOLVED, That the foregoing recitals are true and correct. The Board of Supervisors
6 has received all of the information it is required to have received under the IRFD Law prior to
7 adoption of this Resolution; and, be it

8 FURTHER RESOLVED, That the Board of Supervisors, as the legislative body of the
9 City, which is the only affected taxing entity which is proposed to be subject to the division of
10 taxes pursuant the IRFD Law, as further described in the Amended Infrastructure Financing
11 Plan, hereby approves the addition of territory to the IRFD and the other Amendments,
12 including the Amended IFP; and, be it

13 FURTHER RESOLVED, That this Resolution shall be filed with the Clerk of the Board
14 of Supervisors at or prior to the time of the public hearing for the proposed amended IRFD;
15 and, be it

16 FURTHER RESOLVED, That the Board of Supervisors has reviewed and considered
17 the FEIR and finds that the FEIR is adequate for its use for the actions taken by this
18 Resolution and incorporates the FEIR and the CEQA findings contained in Board of
19 Supervisors Resolution No. 246-11 by this reference; and, be it

20 FURTHER RESOLVED, That if any section, subsection, sentence, clause, phrase, or
21 word of this resolution, or any application thereof to any person or circumstance, is held to be
22 invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision
23 shall not affect the validity of the remaining portions or applications of this resolution, this
24 Board of Supervisors hereby declaring that it would have passed this resolution and each and
25 every section, subsection, sentence, clause, phrase, and word not declared invalid or

1 unconstitutional without regard to whether any other portion of this resolution or application
2 thereof would be subsequently declared invalid or unconstitutional; and, be it

3 FURTHER RESOLVED, That the Mayor, the Controller, the Director of the Office of
4 Public Finance, the Clerk of the Board of Supervisors and any and all other officers of the City
5 and TIDA are hereby authorized, for and in the name of and on behalf of the City and TIDA, to
6 do any and all things and take any and all actions, including execution and delivery of any and
7 all documents, assignments, certificates, requisitions, agreements, notices, consents,
8 instruments of conveyance, warrants and documents, which they, or any of them, may deem
9 necessary or advisable in order to effectuate the purposes of this Resolution, including any
10 conforming amendments to the Financing Plan; provided however that any such actions be
11 solely intended to further the purposes of this Resolution, and are subject in all respects to the
12 terms of the Resolution; and, be it

13 FURTHER RESOLVED, That all actions authorized and directed by this Resolution,
14 consistent with any documents presented herein, and heretofore taken are hereby ratified,
15 approved and confirmed by this Board of Supervisors; and, be it

16 FURTHER RESOLVED, That this resolution shall take effect from and after its
17 adoption. The provisions of any previous resolutions in any way inconsistent with the
18 provisions hereof in and for the issuance of the Bonds as herein described are hereby
19 repealed.

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21 APPROVED AS TO FORM:
22 DAVID CHIU
23 City Attorney

24 By: /s/ MARK D. BLAKE
25 MARK D. BLAKE
Deputy City Attorney
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