

FILE NO.

RESOLUTION NO.

18-39-11/14

1 [Apply for Grant – Mercy Housing California – Assumption of Liability – Affordable Housing  
2 and Sustainable Communities Program – Treasure Island Parcel C3.1 Project]

3 **RESOLUTION AUTHORIZING THE TREASURE ISLAND DEVELOPMENT AUTHORITY TO**  
4 **EXECUTE A GRANT APPLICATION, UNDER THE DEPARTMENT OF HOUSING AND**  
5 **COMMUNITY DEVELOPMENT AFFORDABLE HOUSING AND SUSTAINABLE**  
6 **COMMUNITIES (AHSC) PROGRAM, AS A JOINT APPLICANT WITH MERCY HOUSING**  
7 **CALIFORNIA, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, AC**  
8 **TRANSIT, AND/OR THE SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY**  
9 **FOR THE AFFORDABLE HOUSING PROJECT AT TREASURE ISLAND PARCEL C3.1;**  
10 **AND, IF SUCCESSFUL, AUTHORIZING THE AUTHORITY TO ASSUME ANY JOINT AND**  
11 **SEVERAL LIABILITY FOR COMPLETION OF THE PROJECT REQUIRED UNDER THE**  
12 **TERMS OF ANY GRANT AWARDED UNDER THE AHSC PROGRAM, SUBJECT TO**  
13 **BOARD OF SUPERVISOR APPROVAL; AND ADOPTING FINDINGS UNDER THE**  
14 **CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA), THE CEQA GUIDELINES AND**  
15 **CHAPTER 31 OF THE SAN FRANCISCO ADMINISTRATIVE CODE.**

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

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

21 WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97,  
22 authorizing the Mayor’s Treasure Island Project Office to establish a nonprofit public benefit  
23 corporation known as the Treasure Island Development Authority (the “Authority”) to act as a  
24 single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and  
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1 conversion of the Base for the public interest, convenience, welfare and common benefit of  
2 the inhabitants of the City and County of San Francisco; 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, the 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, Authority and the Developer negotiated the Disposition and Development Agreement  
13 ("DDA") to govern the disposition and subsequent development of the proposed development  
14 project (the "Project"); and,

15 WHEREAS, The Financing Plan, an exhibit to the DDA, 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 San Francisco Planning  
18 Commission, the Authority Board unanimously approved a series of entitlement and  
19 transaction documents relating to the Project, including certain environmental findings under  
20 the California Environmental Quality Act ("CEQA"), a mitigation and monitoring and reporting  
21 program, and the DDA 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, and approved the DDA and  
25 other transaction documents; and,

1           WHEREAS, The Authority Board of Directors has reviewed and considered the FEIR  
2 and confirms that the proposed Treasure Island Parcel C3.1 project resulting in the  
3 construction of low income housing is consistent with the planned Project, the FEIR, and the  
4 environmental findings it made under the California Environmental Quality Act when it  
5 approved the Project, on April 21, 2011. Further, the Authority Board of Directors finds that  
6 none of the circumstances that would require preparation of a supplemental or subsequent  
7 environmental study under Public Resources Code Section 21166 or CEQA Guidelines  
8 Section 15162 are present, in the sense that no changes to the Project or the Project  
9 circumstances have occurred that would result in additional environmental impacts, or in  
10 substantially increased severity of already identified environmental impacts, and there are no  
11 mitigation measures or alternatives that were previously identified to be infeasible but would in  
12 fact be feasible; and no new mitigation measures or alternatives that would substantially  
13 reduce the identified environmental impacts; and,

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

19           WHEREAS, The SGC is authorized to approve funding allocations for the AHSC  
20 Program, subject to the terms and conditions of the NOFA, AHSC Program Guidelines  
21 adopted by SGC on October 29, 2018, an application package released by the Department for  
22 the AHSC Program ("Application Package"), and an AHSC standard agreement with the State  
23 of California ("Standard Agreement"), the Department is authorized to administer the  
24 approved funding allocations of the AHSC Program; and

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

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

8           WHEREAS, Mercy Housing California, a nonprofit public benefit corporation  
9 (“Affordable Housing Developer”), requested that the City and County of San Francisco,  
10 acting by and through the Authority (the “City”), be a joint applicant for its project located at  
11 Treasure Island Parcel C3.1; and

12           WHEREAS, The Affordable Housing Developer and the Authority have consulted with  
13 the Treasure Island Mobility Management Agency (“TIMMA”) in developing the scope of a  
14 proposed application to include the upgrade of Macalla Road to accommodate one-way  
15 vehicular traffic, a Class 2 bike lane traveling towards Treasure Island, a separated 7’ wide  
16 pedestrian path, and a Class 1 bike lane that will benefit residents, workers, and visitors to  
17 Treasure Island; and

18           WHEREAS, The Affordable Housing Developer and the Authority have consulted with  
19 the TIMMA in developing additional scope to include funding for bus service related costs,  
20 including the purchase of up to five buses that will be operated by AC Transit from Oakland to  
21 Treasure Island for the benefit of Treasure Island residents; and

22           WHEREAS, AC Transit is seeking approval from the AC Transit Board of Directors to  
23 be a joint applicant for this application; and

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1           WHEREAS, The Authority desires to apply for AHSC Program funds and submit an  
2           Application Package as a joint applicant with the Affordable Housing Developer and AC  
3           Transit; and

4           WHEREAS, If it is determined necessary in order to secure the grant, The Authority  
5           desires to include the San Francisco County Transportation Authority (SFCTA) as another  
6           joint applicant; and

7           WHEREAS, the Board of Supervisors must approve resolutions delegating authority,  
8           on behalf of the City, to the Authority to proceed as a joint applicant on the grant application;  
9           now therefore be it

10          RESOLVED, That the Authority Board authorizes the Authority and the Treasure Island  
11          Director to execute an application to the AHSC Program as detailed in the NOFA dated  
12          November 1, 2018, for Round 4, in a total amount not to exceed \$20,000,000; and, be it

13          FURTHER RESOLVED, If the Application is successful, the Authority Board agrees  
14          that the Authority will assume any joint and several liability for completion of the Project  
15          required by the terms of any grant awarded to the Authority, the Affordable Housing  
16          Developer, AC Transit, and/or SFCTA under the AHSC Program, subject to approval by the  
17          City's Board of Supervisors; and be it

18          FURTHER RESOLVED, If the Application is successful, the Authority shall seek Board  
19          of Supervisors approval of the Standard Agreement, with AHSC Program funds to be used for  
20          allowable capital asset project expenditures to be identified in Exhibit A of the Standard  
21          Agreement, and that any and all activities funded, information provided, and timelines  
22          represented in the application are enforceable through the Standard Agreement; and, be it

23          FURTHER RESOLVED, That the Authority Board authorizes the Treasure Island  
24          Director to execute and deliver any documents in the name of the Authority that are  
25          necessary, appropriate or advisable to secure the AHSC Program funds from the Department,

1 and all amendments thereto, and complete the transactions contemplated herein and to use  
2 the funds for eligible capital asset(s) in the manner presented in the application as approved  
3 by the Department and in accordance with the NOFA and Program Guidelines and Application  
4 Package.

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7 **CERTIFICATE OF SECRETARY**

8 **I hereby certify that I am the duly elected and acting Secretary of the Treasure**  
9 **Island Development Authority, a California nonprofit public benefit corporation, and**  
10 **that the above Resolution was duly adopted and approved by the Board of Directors of**  
11 **the Authority at a properly noticed meeting on November 14, 2018.**

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14 **Mark Dunlop, Secretary**