

FILE NO. 990126

RESOLUTION NO. 146-99

1 [Sublease of up to 766 Housing Units on Treasure Island]  
2 APPROVING AND AUTHORIZING TREASURE ISLAND DEVELOPMENT AUTHORITY TO  
3 EXECUTE A SUBLEASE, DEVELOPMENT, MARKETING AND PROPERTY MANAGEMENT  
4 AGREEMENT WITH THE JOHN STEWART COMPANY FOR UP TO 766 HOUSING UNITS  
5 ON TREASURE AND YERBA BUENA ISLANDS.

6 WHEREAS, On May 2, 1997, the Board of Supervisors (the "Board") passed  
7 Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a  
8 nonprofit public benefit corporation known as the Treasure Island Development Authority (the  
9 "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction,  
10 rehabilitation, reuse and conversion of former Naval Station Treasure Island (the "Base") for  
11 the public interest, convenience, welfare and common benefit of the inhabitants of the City  
12 and County of San Francisco; and,

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

20 WHEREAS, The Tidelands Trust prohibits the sale of trust property into private  
21 ownership, generally requires that Tidelands Trust property be accessible to the public and  
22 encourages public-oriented uses of trust property that, among other things, attract people to  
23 the waterfront, promote public recreation, protect habitat and preserve open space; and,

24 WHEREAS, There are approximately 1,000 units of housing on the Base, 904 on  
25 Treasure Island and 96 on Yerba Buena Island (the "Base-Wide Housing Units"); and,  
MAYOR WILLIE L. BROWN, JR., SUPERVISORS AMMIANO, YEE, YAKI, BIERMAN and  
BROWN, LENO, KATZ, NEWSOM  
BOARD OF SUPERVISORS

1           WHEREAS, The Authority seeks to have up to 766 of the Base-Wide Housing Units  
2 rehabilitated, marketed and leased to residential tenants in order to (i) generate revenues for  
3 the operation and improvement of the Base, thereby reducing the likelihood that the City's  
4 General Fund revenues will have to be used for such purposes, (ii) alleviate the critical  
5 shortage of housing in the City, (iii) encourage San Francisco life/safety personnel and other  
6 employees (including teachers) providing important services to the Base, and students and  
7 faculty of a consortium of San Francisco's higher education institutions, to live on the Base,  
8 (iv) develop a critical mass of persons who live and work on the Base by creating a residential  
9 community that reflects the socioeconomic and cultural diversity of the City and the San  
10 Francisco Bay Area, and (v) prevent the further physical deterioration of these housing units  
11 by entering into a Sublease, Development, Marketing and Property Management Agreement  
12 (the "Agreement") with the John Stewart Company ("JSCO"), in substantially the form of the  
13 Agreement filed with the Clerk of the Board in File No. 990126; and,

14           WHEREAS, On January 28, 1998, the Authority and the City issued a Request for  
15 Qualifications ("RFQ"), soliciting interest from, and establishing a means to evaluate the  
16 qualifications of, prospective entities to rehabilitate, market, lease, and manage the Base-  
17 Wide Housing Units; and,

18           WHEREAS, After a selection committee appointed by the Project Office completed its  
19 evaluation of all responses to the RFQ, the Authority adopted a resolution confirming the  
20 selection of JSCO as the most qualified respondent and authorizing the Project Office to begin  
21 negotiations with JSCO; and,

22           WHEREAS, the premises to be subleased to JSCO under the Agreement will be  
23 leased from the United States Navy in two phases, with 574 immediately available housing  
24 units to be included in the first phase, and 192 additional units to be added to the subleased

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BROWN  
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1 premises under the Agreement upon the completion of certain environmental remediation by  
2 the Navy; and,

3 WHEREAS, The terms of the Agreement are described in the staff summary filed with  
4 the Clerk of the Board in File No. 990126; and,

5 WHEREAS, Pursuant to the requirements of the California Environmental Quality Act,  
6 California Public Resources Code, Sections 21000 et seq., ("CEQA"), the Guidelines for  
7 Implementation of CEQA, Title 15 California Code of Regulations Sections 15000 et seq.,  
8 ("CEQA Guidelines") and Chapter 31 of the San Francisco Administrative Code ("Chapter  
9 31"), entitled Environmental Quality, the San Francisco Planning Department prepared two (2)  
10 categorical exemptions affecting the decision by this Board of Supervisors to approve the  
11 agreement that is the subject of this resolution; and,

12 WHEREAS, On September 24, 1997, the Planning Department issued a Categorical  
13 Exemption under Guidelines sections 15301(a) and 15301(d) on the basis that the renovation  
14 and occupancy by civilians of approximately 204 existing Series 1400 housing units would not  
15 result in a change in use or intensity from previous uses; and,

16 WHEREAS, On November 3, 1997, the Planning Department issued a Categorical  
17 Exemption under Guidelines sections 15301, 15303 and 15304(e) and a General Rule  
18 Exclusion under Guidelines section 15061(b)(3) for the interim reuse of all facilities on  
19 Treasure Island, including but not limited to housing units, on the basis that interim uses that  
20 are consistent with the intensity and use of said facilities as documented in the 1995 Existing  
21 Conditions Report would not nor could not have a reasonable probability to cause or  
22 contribute to a significant effect on the environment; and,

23 WHEREAS, Both categorical exemptions are filed with the Clerk of the Board in File  
24 No. 990126 and the 1995 Existing Conditions Report is on file with the  
25 Secretary of the Authority; Now therefore, be it,

MAYOR WILLIE L. BROWN, JR., SUPERVISORS AMMIANO, YEE, YAKI, BIERMAN and  
BROWN  
BOARD OF SUPERVISORS

1 RESOLVED, That the Board hereby approves and authorizes the Authority to enter into  
2 the Agreement; and, be it

3 FURTHER RESOLVED, That the Board's approval is conditioned on the following: (i )  
4 Section 4.2 of the Agreement shall be amended to provide that increases to the Capital  
5 Budget in excess of 5% above the estimated amount of the Capital Budget referenced in  
6 Exhibit G to the Agreement (\$9, 186,612) shall require the prior approval of the Board of  
7 Supervisors and (ii) the Authority shall provide the Finance Committee of the Board of  
8 Supervisors and the Mayor's Budget Director with written notice of the occurrence of any  
9 condition or event which could reasonably lead to or result in a Special Authority Default  
10 under the Agreement, and the Authority shall deliver to the Finance Committee of the Board of  
11 Supervisors and the Mayor's Budget Director copies of any notices of default delivered to the  
12 Authority by JSCO within three (3) business days of receipt thereof; and be it

13 FURTHER RESOLVED, That the Board authorizes the Authority to enter into  
14 modifications to the Agreement (including, without limitation, the attachment or modification of  
15 exhibits) that are in the best interests of the Authority and the City, do not materially change  
16 the terms of the Agreement, and are necessary and advisable to effectuate the purpose and  
17 intent of this resolution.

18  
19 RECOMMENDED:

20  
21 see original legislation for signature

22 ANNEMARIE CONROY  
23 Executive Director  
24 Treasure Island Development Authority  
25

MAYOR WILLIE L. BROWN, JR., SUPERVISORS AMMIANO, YEE, YAKI, BIERMAN and  
BROWN  
BOARD OF SUPERVISORS



# City and County of San Francisco

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

## Tails

### Resolution

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**File Number:** 990126

**Date Passed:**

Resolution approving and authorizing Treasure Island Development Authority to execute a sublease, development, marketing and property management agreement with the John Stewart Company for up to 766 housing units on Treasure and Yerba Buena Islands.

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February 22, 1999 Board of Supervisors — ADOPTED

Ayes: 11 - Ammiano, Becerril, Bierman, Brown, Katz, Kaufman, Leno, Newsom, Teng, Yaki, Yee

File No. 990126

I hereby certify that the foregoing Resolution was ADOPTED on February 22, 1999 by the Board of Supervisors of the City and County of San Francisco.

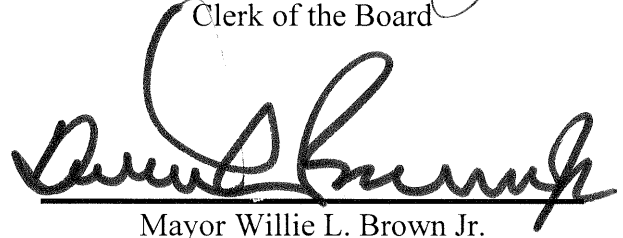


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Gloria L. Young  
Clerk of the Board

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MAR - 5 1999  
Date Approved



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Mayor Willie L. Brown Jr.

File No. 990126 continued...