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1	[Authorizing Stage 2 Contribution - City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island)]	
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3	Resolution authorizing the Stage 2 Contribution as debt of the City and County of San	
4	Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island),	
5	and determining other pertinent matters in connection therewith.	
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7	WHEREAS, The City and County of San Francisco ("City") created the Treasure Island	
8	Development Authority ("Authority") in 1997 to serve as the entity responsible for the reuse	
9	and development of Naval Station Treasure Island, which encompasses Treasure Island (also	
10	referred to as "TI") and portions of Yerba Buena Island (also referred to as "YBI"); and	
11	WHEREAS, In 2003, the Authority Board of Directors selected Treasure Island	
12	Community Development, LLC ("TICD" or "Developer") as the master developer for portions	
13	of Treasure Island and Yerba Buena Island; and	
14	WHEREAS, The Board of Supervisors approved the DDA (as defined below) pursuant	
15	to Resolution No. 241-11 on June 7, 2011, which the Mayor signed on June 13, 2011; on	
16	June 28, 2011, the Authority and the Developer entered into the Disposition and Development	
17	Agreement ("DDA"); and	
18	WHEREAS, The Board of Supervisors approved the DA (as defined below) on	
19	June 14, 2011, pursuant to Ordinance No. 95-11, which the Mayor signed on June 15, 2011;	
20	on June 28, 2011, the City and the Developer entered into the Development Agreement	
21	("DA"); and	
22	WHEREAS, The DA, DDA, and the Special Use District in Planning Code, Section	
23	249.52 contemplate a project ("Treasure Island Project") on Treasure Island and Yerba Buena	
24	Island that includes up to 8,000 units of housing, 140,000 square feet of commercial and retain	

space, 100,000 square feet of office space, and up to approximately 300 acres of parks and

open space, a ferry terminal, new and upgraded streets, and extensive bicycle, pedestrian, and transit facilities; and

WHEREAS, On April 21, 2011, the Planning Commission by Motion No. 18325 and the Board of Directors of the Authority, by Resolution No. 11-14-04/21, as co-lead agencies, certified the completion of the Final Environmental Impact Report ("FEIR") for the Treasure Island Project; unanimously approved a series of entitlement and transaction documents relating to the Project; made certain environmental findings under the California Environmental Quality Act ("CEQA"), and adopted a mitigation and monitoring and reporting program ("MMRP") for the Treasure Island Project; and

WHEREAS, On June 7, 2011, in Motion No. M11-0092, the Board of Supervisors unanimously affirmed certification of the FEIR, and in Resolution No. 246-11, adopted the CEQA findings and the MMRP; and

WHEREAS, On April 23, 2024, pursuant to Resolution No. 196-24, which the Mayor signed on May 3, 2024, the Board of Supervisors approved an amendment and restatement of the DDA, including an amendment and restatement of the Financing Plan, and encouraged City staff to (i) finalize the terms of a general fund-backed public financing that will generate a maximum of \$115,000,000 of net proceeds ("Stage 2 Alternative Financing") for the Qualified Project Costs (as defined in the DDA) related to development within the boundaries of Stage 2 of the Treasure Island Project, or as required to serve development within the boundaries of Stage 2, that are eligible to be financed by CFD Bonds and IFD Debt (as defined in the DDA) the interest on which is excluded from gross income for federal income tax purposes ("Stage 2 Qualified Project Costs") and (ii) bring the final terms to the Board of Supervisors for authorization within the time frame City staff reasonably believe is beneficial for the Treasure Island Project; and

1	WHEREAS, On April 30, 2024, pursuant to Ordinance No. 93-24, which the Mayor
2	signed on May 10, 2024, the Board of Supervisors approved an amendment to the
3	Development Agreement, to amend and restate the Financing Plan in a manner consistent
4	with the amendment and restatement of the Financing Plan as attached to the DDA; and
5	WHEREAS, The amended and restated Financing Plan provides for a Stage 2
6	Contribution, which is defined as follows (capitalized terms used below have the meanings
7	given to them in the amended and restated Financing Plan):
8	"Stage 2 Contribution" means, beginning in the first Fiscal Year in which in
9	the initial tranche of Certificates of Participation is executed and delivered
10	and continuing through the Fiscal Year in which the Stage 2 Contribution
11	Termination Date occurs, an annual amount equal to \$550,000 that is
12	payable from a combination of Remainder Taxes and Net Available
13	Increment as set forth in this Financing Plan. The City will use the Stage 2
14	Contribution, in its discretion, either (i) to pay lease payments related to
15	the Certificates of Participation, or (ii) with respect to any portion of the
16	Stage 2 Contribution funded from Net Available Increment, to pay debt
17	service on IFD Debt or (iii) with respect to any portion of the Stage 2
18	Contribution funded from Remainder Special Taxes, to pay debt service
19	on CFD Bonds; and
20	WHEREAS, The Board of Supervisors wishes to authorize the Stage 2 Contribution as
21	a debt of the City and County of San Francisco Infrastructure and Revitalization Financing
22	District No. 1 (Treasure Island) ("IRFD") in a maximum principal amount of \$25,000,000, as
23	set forth in greater detail below; and
24	WHEREAS, Under Chapter 2.6 of Part 1 of Division 2 of Title 5 of the California
25	Government Code commencing with Section 53369 ("IRFD Law"), the Board of Supervisors

has conducted proceedings to (a) form the IRFD and five initial project areas ("Initial Project
Areas" and together with any future project areas that may be established in the IRFD,
"Project Areas"), (b) approve an infrastructure financing plan for the IRFD and the Project
Areas ("Infrastructure Financing Plan") pursuant to Ordinance No. 29-22, adopted by the
Board of Supervisors on February 15, 2022, (c) provide a process for the future annexation of
territory to the IRFD, (d) establish an annual appropriations limit, as defined by subdivision (h)
of Section 8 of Article XIII B of the California Constitution, for the IRFD, and (e) authorize the
issuance from time to time of bonds or other debt in one or more series for the IRFD for the
purpose of financing certain improvements described in the Infrastructure Financing Plan in
the maximum aggregate principal amount of (i) \$780 million plus (ii) the principal amount of
bonds or other debt approved by the Board of Supervisors and the qualified electors of
annexation territory in connection with each annexation of annexation territory to the IRFD, so
long as the Board of Supervisors makes the finding specified in IRFD Law, Section
53369.41(f), all as described in those proceedings; and
WHEREAS, Capitalized terms used in this Resolution but not defined herein have the

WHEREAS, Capitalized terms used in this Resolution but not defined herein have the meanings given them in the Infrastructure Financing Plan; and

WHEREAS, The Infrastructure Financing Plan provides for the allocation of Net Available Increment by the City to the IRFD to finance IRFD Improvements, and further provides that (i) 17.5% of the Net Available Increment ("Housing Increment") shall be put in a segregated account to be used by the Authority for Housing Costs and (ii) 82.5% of the Net Available Increment ("Facilities Increment") will be used to finance certain Facilities (improvements required to serve development of Treasure Island and Yerba Buena Island that will be provided by the private sector); and

WHEREAS, The Infrastructure Financing Plan also provides for the allocation to the IRFD of Conditional City Increment for the limited purpose of paying debt service on bonds

and other debt of the IRFD in the event that Net Available Increment is insufficient for that
purpose, and the Infrastructure Financing Plan also provides for the repayment of the City by
the IRFD from Net Available Increment for any Conditional City Increment used by the IRFD
to pay debt service in an amount equal to the Conditional City Increment used to pay debt
service plus interest through the date of repayment; and

WHEREAS, The IRFD previously issued the following bonds payable from the Facilities Increment:

- (i) \$24,270,000 City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2022A (Facilities Increment) ("2022 Facilities Bonds") and
- (ii) \$7,615,000 City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) Tax Increment Revenue Bonds, Series 2023A (Facilities Increment); and

WHEREAS, The Board of Supervisors wishes to authorize the Stage 2 Contribution as a debt of the IRFD, with a principal amount of \$25,000,000; and

WHEREAS, On the date this Resolution has been presented to the Board of Supervisors, an Ordinance has been introduced and placed before the Board of Supervisors to authorize certificates of participation in the maximum principal amount of \$65,000,000 ("Certificates"), which Certificates constitute the first tranche of the Stage 2 Alternative Financing and, in accordance with California Government Code, Section 5852.1, the Board of Supervisors has obtained a good faith estimates prepared by the City's independent municipal advisor of (i) the true interest cost of the Certificates, (ii) the finance charge of the Certificates, (iii) the amount of proceeds received by the public body for sale of the Certificates less the finance charge and any reserves or capitalized interest paid or funded with proceeds of the Certificates, and (iv) the sum total of all payments the City will make to pay the lease payment

1	evidenced by the Certificates plus the finance charge of the Certificates not paid with the
2	proceeds of the Certificates; and
3	WHEREAS, The Stage 2 Contribution is a fixed annual amount that the Board of
4	Supervisors expects to use to pay the lease payments represented by the Certificates, and,
5	as such, the disclosure of such good faith estimates constitutes compliance with California
6	Government Code, Section 5852.1 with respect to the Stage 2 Contribution; and
7	WHEREAS, The City, for itself and for and on behalf of the City and County of San
8	Francisco Community Facilities District No. 2016-1 (Treasure Island), the Authority, the IRFD,
9	and Zions Bancorporation, National Association have entered into a Special Fund
10	Administration Agreement, dated as of September 1, 2022 ("Special Fund Administration
11	Agreement"), and the Board of Supervisors, as legislative body with respect to the IRFD,
12	wishes to authorize an amendment to the Special Fund Administration Agreement to the
13	extent necessary to provide for the Stage 2 Alternative Financing and the payment of the
14	Stage 2 Contribution; and
15	WHEREAS, All conditions, things and acts required to exist, to have happened and to
16	have been performed precedent to the authorization of the Stage 2 Contribution as
17	contemplated by this Resolution exist, have happened and have been performed in due time,
18	form and manner as required by the laws of the State of California, including the IRFD Law;
19	now, therefore, be it
20	RESOLVED, That the foregoing recitals are all true and correct; and, be it
21	FURTHER RESOLVED, That the Board of Supervisors is acting in its capacity as
22	legislative body with respect to the IRFD; and, be it
23	FURTHER RESOLVED, That pursuant to the IRFD Law and this Resolution, the Board
24	of Supervisors hereby authorizes the Stage 2 Contribution as a debt of the IRFD in a principal

amount not to exceed \$25,000,000; and, be it

FURTHER RESOLVED, That the Facilities Increment (and not the Housing Increment) shall be available to fund the Stage 2 Contribution, but such Facilities Increment is not pledged as security for the Stage 2 Contribution and the Facilities Increment shall be available to fund the Stage 2 Contribution in the priority order specified in the amended and restated Financing Plan; and, be it

FURTHER RESOLVED, That the Conditional City Increment shall not be available to fund the Stage 2 Contribution; and, be it

FURTHER RESOLVED, That all actions heretofore taken by the officers and agents of the City with respect to the establishment of the IRFD and the Initial Project Areas, the performance by the City and the Authority of the amended and restated Financing Plan, and authorization of the Stage 2 Contribution are hereby approved, confirmed and ratified, and the Mayor, the Controller and the Director of the Office of Public Finance, or such other official of the City as may be designated by such officials (each, an "Authorized Officer"), are hereby authorized and directed, on behalf of the IRFD, to do any and all things and take any and all actions and execute any and all certificates, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the payment of the Stage 2 Contribution in accordance with this Resolution; all actions to be taken by an Authorized Officer on behalf of the IRFD may be taken by such Authorized Officer or any designee, with the same force and effect as if taken by the Authorized Officer; any such actions are solely intended to further the purposes of this Resolution, and are subject in all respects to the terms of this Resolution; no such actions shall increase the risk to the IRFD or require the IRFD to spend any resources not otherwise granted herein; final versions of any such documents shall be provided to the Clerk of the Board of Supervisors for inclusion in the official file within 30 days (or as soon thereafter as final documents are available) of execution by all parties; and, be it

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1 FURTHER RESOLVED, That the IRFD is hereby authorized and directed to execute 2 and deliver any amendment to the Special Fund Administration Agreement that an Authorized 3 Officer, on behalf of the IRFD, determines is necessary to provide for the Stage 2 Alternative 4 Financing and the payment of the Stage 2 Contribution; and, be it FURTHER RESOLVED, That the CEQA findings adopted by the Board of Supervisors 5 6 in Resolution No. 246-11 are incorporated in this Resolution as if set forth in their entirety 7 herein; no changes have occurred in the project studied in the FEIR, or in the circumstances 8 under which that project will be undertaken, and no new information that was not available at 9 the time the FEIR was certified has become available that would warrant preparation of a subsequent or supplemental environmental impact report; and, be it 10 FURTHER RESOLVED, That if any section, subsection, sentence, clause, phrase, or 11 12 word of this Resolution, or any application thereof to any person or circumstance, is held to be 13 invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision 14 shall not affect the validity of the remaining portions or applications of this Resolution, the 15 Board of Supervisors hereby declaring that it would have passed this Resolution and each 16 and every section, subsection, sentence, clause, phrase, and word not declared invalid or 17 unconstitutional without regard to whether any other portion of this Resolution or application 18 thereof would be subsequently declared invalid or unconstitutional; and, be it FURTHER RESOLVED, That this Resolution shall take effect upon its enactment; 19 20 enactment occurs when the Mayor signs the Resolution, the Mayor returns the Resolution 21 unsigned or does not sign the Resolution within 10 days of receiving it, or the Board of 22 Supervisors overrides the Mayor's veto of the Resolution; and, be it 23 ///

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1	FURTHER RESOLVED, The provisions of any previous Resolutions in any way					
2	inconsistent with the provisions hereof in and for the authorization of the Stage 2 Contribution					
3	as debt of the IRFD are hereby repealed.					
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5	APPROVED AS TO FORM: DAVID CHIU, City Attorney					
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7	Ву:	<u>/s/ MARK D. BLAKE</u> MARK D. BLAKE				
8		Deputy City Attorney				
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