

1 [Infrastructure Financing Plan and Related Documents and Actions - San Francisco Enhanced
2 Infrastructure Financing District No. 2 (Stonestown)]

3 **Resolution approving the Infrastructure Financing Plan for the San Francisco**
4 **Enhanced Infrastructure Financing (EIFD) District No. 2 (Stonestown), including the**
5 **division of taxes set forth therein, an EIFD Acquisition and Financing Agreement, and**
6 **documents and actions related thereto, as defined herein; and authorizing the filing of**
7 **a judicial validation action.**

8
9 WHEREAS, Stonestown NW Parcel LLC, a Delaware limited liability company ("NW
10 Parcel Owner"), Stonestown Shopping Center, L.P., a Delaware limited partnership
11 ("Shopping Owner"), and Stonestown Anchor Acquisition, L.P, a Delaware limited partnership
12 ("Anchor Owner"; together with NW Parcel Owner and Shopping Owner, "Developer") own the
13 approximately 30 acres of developed land located in the southwest part of the City and
14 County of San Francisco ("City"), generally bounded by 19th Avenue to the east, Buckingham
15 Way to the south and west, and Rolph Nicol Jr. Playground and Eucalyptus Drive to the north
16 ("Developer Property"); and

17 WHEREAS, The Developer Property is fully developed and comprises approximately
18 27 acres of surface parking lots and operational uses, a vacant building, and approximately
19 three acres of existing privately-owned streets; and

20 WHEREAS, Temple Baptist Church or its successor owns approximately 0.8 acres of
21 land located adjacent to 19th Avenue along the eastern boundary of the Developer Property
22 (Assessor's Parcel Block No. 7295, Lot No. 002) that is improved with a church building, as
23 further described on Exhibit A-2 to the Development Agreement ("Variant Sub-Area"); and

24 WHEREAS, The City owns the approximately three-acre open space known as Rolph
25 Nicol Jr. Playground adjacent to the Developer Property ("RPD Parcel"); and

1 WHEREAS, The City also owns approximately 0.2 acres of developed and
2 undeveloped public rights-of-way, consisting of portions of Winston Drive and Monte Vista
3 Drive ("Existing City-Owned Rights-of-Way"; and together with portions of the RPD Parcel, the
4 Developer Property, and the Variant Sub-Area, "Project Site"); and

5 WHEREAS, Shopping Owner and Anchor Owner also own the existing Stonestown
6 Galleria, which is not a part of the Project Site but is included as part of the development
7 agreement relating to the Project Site ("Development Agreement") for the limited purposes
8 specified in the Development Agreement; and

9 WHEREAS, Developer proposes a mixed-use development to be developed on the
10 Project Site that may include residential, retail, commercial, open space, parking and related
11 uses to be developed on the Project Site, all as more particularly described in the
12 Development Agreement ("Stonestown Project"); and

13 WHEREAS, On May 9, 2024, by Motion No. 21559, the Planning Commission certified
14 as adequate, accurate and complete the Final Environmental Impact Report ("FEIR") for the
15 Project pursuant to the California Environmental Quality Act (California Public Resources
16 Code, Section 21000 et seq.) ("CEQA"); a copy of Planning Commission Motion No. 21559 is
17 on file with the Clerk of the Board of Supervisors in File No. 240681; also, on May 9, 2024, by
18 Motion No. 21560, the Planning Commission adopted findings, including a rejection of
19 alternatives and a statement of overriding considerations ("CEQA Findings") and a Mitigation
20 Monitoring and Reporting Program ("MMRP"); these Motions are on file with the Clerk of the
21 Board of Supervisors in File No. 240681; in the Ordinance contained in File No. 240410, the
22 Board of Supervisors adopted as its own and incorporated by reference as though fully set
23 forth therein the CEQA Findings, including the statement of overriding considerations, and the
24 MMRP; and

1 WHEREAS, Pursuant to Resolution No. 66-11, which was adopted by the Board of
2 Supervisors on February 8, 2011, and signed by the Mayor on February 18, 2011, and a copy
3 of which is in File No. 110036, the Board of Supervisors adopted Final Board of Supervisors
4 Guidelines for the Establishment and Use of Infrastructure Financing Districts in San
5 Francisco ("Guidelines") that describe minimum threshold criteria and strategic criteria for the
6 City to consider when evaluating the proposed formation of an infrastructure financing district;
7 and

8 WHEREAS, On February 27, 2023, the Capital Planning Committee adopted an
9 interpretative supplement to the Guidelines ("Interpretive Supplement") to provide guidance to
10 City staff and the development community about application of the Guidelines, and pursuant
11 to Resolution No. 113-24, which was adopted by the Board of Supervisors on March 19, 2024,
12 and signed by the Mayor on March 21, 2024, and a copy of which is in File No. 240139, the
13 Board of Supervisors ratified the Interpretive Supplement; and

14 WHEREAS, Under the minimum threshold criteria set forth in the Guidelines, the
15 maximum incremental property tax revenue that may be allocated to an infrastructure
16 financing district is 50% of the total incremental property tax revenue, although the City may
17 allocate all or a portion of the remaining 50% of the incremental property tax revenue on a
18 conditional basis to provide debt service coverage for the infrastructure financing district's
19 bonds or other debt; and

20 WHEREAS, Under the Guidelines, the "incremental property tax revenue" that can be
21 allocated by the City to an infrastructure financing district includes: (1) "general property tax
22 increment," i.e., property tax revenue annually allocated to the City and generated by the levy
23 of the 1% ad valorem tax rate upon the increased assessed values of taxable property in the
24 infrastructure financing district above the values shown upon the assessment roll that was
25 last equalized before the formation of the IFD and (2) "MVILF tax increment," i.e., that

1 portion of any ad valorem property tax revenue annually allocated to the City pursuant to
2 Revenue and Taxation Code, Section 97.70 and that corresponds to the increase in the
3 assessed valuation of taxable property; and

4 WHEREAS, The Stonestown Project will provide significant public benefits to the City,
5 including: (i) conversion of parking lots to housing, including affordable housing; (ii)
6 construction and maintenance of new pedestrian pathways, and landscape areas for a total of
7 approximately six acres of publicly accessible open areas, (iii) transportation demand
8 management measures that exceed the level otherwise required; (iv) street and infrastructure
9 improvements, including enhancement of existing public rights-of-way; (v) workforce
10 obligations; (vi) on-site child care facilities; (vii) a replacement on-site senior center; and (viii)
11 improvements to Rolph Nicol Jr. Playground, all as set forth in greater detail in the
12 Development Agreement; and

13 WHEREAS, The Stonestown Project is eligible for financial assistance from an
14 infrastructure financing district under the Guidelines; and

15 WHEREAS, Under Chapter 2.99 of Part 1 of Division 2 of Title 5 of the California
16 Government Code (commencing with Section 53398.50, and herein referred to as the “EIFD
17 Law”), the Board of Supervisors is authorized to initiate the process to establish an enhanced
18 infrastructure financing district (including project areas therein) and approve an infrastructure
19 financing plan allocating tax revenues to such enhanced infrastructure financing district; and

20 WHEREAS, Under the EIFD Law, the California Legislature has determined that the
21 allocation and payment to an enhanced infrastructure financing district of the portion of
22 property tax revenues for the purpose of paying principal of, or interest on, loans, advances,
23 or indebtedness incurred by the district pursuant to this chapter, shall not be deemed the
24 receipt by a district of proceeds of taxes levied by or on behalf of the district within the
25 meaning or for the purposes of Article XIII B of the California Constitution, nor shall that

1 portion of taxes be deemed receipt of proceeds of taxes by, or an appropriation subject to
2 limitation of, any other public body within the meaning or for purposes of Article XIII B of the
3 California Constitution or any statutory provision enacted in implementation of Article XIII B of
4 the California Constitution; and

5 WHEREAS, Pursuant to Resolution No. 399-24, adopted by the Board of Supervisors
6 on July 16, 2024, and signed by the Mayor on July 26, 2024 ("Resolution of Intention"), the
7 Board of Supervisors declared its intention to establish San Francisco Enhanced
8 Infrastructure Financing District No. 2 (Stonestown) ("Stonestown EIFD") over the Stonestown
9 Project Site, including project areas (each, "Project Area"; collectively, "Project Areas")
10 pursuant to the EIFD Law, to finance (i) the purchase, construction, expansion, improvement,
11 seismic retrofit or rehabilitation of certain real or other tangible property with an estimated
12 useful life of 15 years or longer that are public capital facilities or other projects of
13 communitywide significance that provide significant benefits to the Stonestown EIFD or the
14 surrounding community, including any directly-related planning and design work and (ii) the
15 costs described in Government Code, Sections 53398.56, 53398.57 and 53398.58 (as
16 applicable), all as more fully described in Exhibit A attached to the Resolution of Intention; and

17 WHEREAS, Under the EIFD Law, the Stonestown EIFD shall be a legally constituted
18 governmental entity separate and distinct from the City and its sole purpose shall be to
19 finance public capital facilities and projects of communitywide significance; and

20 WHEREAS, The Board of Supervisors established the Enhanced Infrastructure
21 Financing District Public Financing Authority No. 1 ("EIFD Public Financing Authority No. 1")
22 pursuant to Ordinance No. 44-23, which was adopted on April 4, 2023, and signed by the
23 Mayor on April 7, 2023 ("Ordinance Establishing PFA"), which Ordinance established Article
24 XLVIII of Chapter 5 of the Administrative Code to govern the EIFD Public Financing Authority
25 No. 1; and

1 WHEREAS, Pursuant to Ordinance No. 210-24. which was passed by the Board of
2 Supervisors on July 23, 2024, and signed by the Mayor on August 1, 2024, Article XLVIII of
3 Chapter 5 of the Administrative Code was amended to provide for the EIFD Public Financing
4 Authority No. 1 to act as the governing body of multiple enhanced infrastructure financing
5 districts on such terms and conditions as the Board of Supervisors shall determine in the
6 resolution of intention for such districts; and

7 WHEREAS, In the Resolution of Intention, the Board of Supervisors designated the
8 EIFD Public Financing Authority No. 1 to act as the governing board of the Stonestown EIFD;
9 and

10 WHEREAS, The EIFD Public Financing Authority No. 1 is responsible for causing
11 preparation of the infrastructure financing plan for the Stonestown EIFD ("Stonestown IFP"),
12 which will describe, among other things, the allocation by the City to the Stonestown EIFD of
13 certain incremental property tax revenue for the purpose of financing public capital facilities or
14 other specified projects of communitywide significance that provide significant benefits to the
15 Stonestown EIFD or the surrounding community and the issuance by the Stonestown EIFD of
16 bonds and other debt; and

17 WHEREAS, On July 17, 2025, pursuant to Resolution No. 2025-02, the EIFD Public
18 Financing Authority No. 1 directed the Executive Director of the EIFD Public Financing
19 Authority No. 1 to work with the necessary City staff and professionals to prepare a draft of
20 the Stonestown IFP and make such Stonestown IFP available to interested parties as
21 required by the EIFD Law; and

22 WHEREAS, On November 20, 2025, the EIFD Public Financing Authority No. 1 held a
23 public meeting at which the draft Stonestown IFP was presented; and

24 WHEREAS, On January 8, 2026, the EIFD Public Financing Authority No. 1 held its
25 first public hearing on the draft Stonestown IFP and considered written and oral comments,

1 after which the EIFD Public Financing Authority No. 1 adopted a Resolution modifying the
2 draft IFP; and

3 WHEREAS, The draft Stonestown IFP, which is included as Exhibit A to this Resolution
4 and is incorporated herein in its entirety by this reference, has been presented to the Board of
5 Supervisors for its review and approval; and

6 WHEREAS, Among other things, the Stonestown IFP provides that the proposed
7 Stonestown EIFD will consist of two original project areas and, upon subdivision of certain
8 properties within the original Project Areas and the creation of new Project Areas, will consist
9 of nine Project Areas, and that the creation of the new Project Areas and the replacement of
10 all or a part of the Original Project Areas shall occur automatically without any public hearing
11 and without further approval by the EIFD Public Financing Authority No. 1 or the Board of
12 Supervisors; and

13 WHEREAS, The Stonestown IFP further provides for changes to the boundaries of one
14 or more Project Areas in the future in order to conform such Project Areas to the final
15 development parcels established by the recordation of one or more final subdivision maps for
16 the Subject Property (as defined in the Stonestown IFP) so that the California State Board of
17 Equalization can assign tax rate areas to all of the development parcels comprising the
18 Stonestown Project, which changes will not require the approval of the Board of Supervisors;
19 and

20 WHEREAS, In accordance with the Resolution of Intention, the Clerk of the Board (i)
21 published a notice of public hearing in the San Francisco Examiner and (ii) mailed a copy of
22 such notice to (A) each owner of land (as defined in the EIFD Law) within the proposed EIFD,
23 (B) each affected taxing entity (as defined in the EIFD Law), if any, and (C) the EIFD Public
24 Financing Authority No. 1; and

1 WHEREAS, The Budget and Finance Committee of the Board of Supervisors held a
2 noticed public hearing relative to the Stonestown IFP on January 14, 2026; and

3 WHEREAS, At the hearing all interested persons desiring to be heard on all matters
4 pertaining to the Stonestown IFP were heard and a full and fair hearing was held; and

5 WHEREAS, In accordance with Section 53398.68 of the EIFD Law, the Board of
6 Supervisors desires to approve the Stonestown IFP pursuant to which incremental property
7 tax revenue from the City within the boundary of the Stonestown EIFD (including the initial
8 Project Areas and the successor Project Areas as described in the Stonestown IFP) will be
9 used to finance the activities of the Stonestown EIFD, subject to, and in accordance with, the
10 terms and conditions of the Stonestown IFP; and

11 WHEREAS, The Stonestown IFP provides that the Stonestown EIFD's sole purpose is
12 to provide financing for the public capital facilities or other projects (whether publicly- or
13 privately-owned) of communitywide significance, including affordable housing, described in
14 Exhibit C thereto ("Facilities"), and that the financing purpose will be documented in an EIFD
15 Acquisition and Financing Agreement ("EIFD Acquisition and Financing Agreement") among
16 the City, the Developer and the Stonestown EIFD to be executed simultaneously with the
17 formation of the Stonestown EIFD; and

18 WHEREAS, The Stonestown IFP further provides that the EIFD Acquisition and
19 Financing Agreement will describe (1) the conditions under which the City will acquire
20 Acquisition Facilities (as defined in the EIFD Acquisition and Financing Agreement) or
21 reimburse the Actual Costs (as defined in the EIFD Acquisition and Financing Agreement) of
22 the Developer for construction of the Privately-Owned Facilities (as defined in the EIFD
23 Acquisition and Financing Agreement), (2) the circumstances in which the Stonestown EIFD
24 may finance Privately-Owned Facilities at the request of the Developer, including issuing
25 bonds to finance construction of Privately-Owned Facilities constructed by parties other than

1 the Developer, (3) the Stonestown EIFD's use of bond proceeds, Allocated Tax Revenue (as
2 defined in the Stonestown IFP), and Conditional Tax Revenue (as defined in the Stonestown
3 IFP) to finance the City's payment obligations and other authorized purposes, and (4) the
4 items described in Section 3.1(g) of the Financing Plan included as Exhibit N of the
5 Development Agreement; and

6 WHEREAS, A form of the EIFD Acquisition and Financing Agreement is on file with the
7 Clerk of the Board of Supervisors in File No. _____, and the Board of Supervisors wishes to
8 approve the form of such EIFD Acquisition and Financing Agreement and to authorize the
9 execution and delivery of such EIFD Acquisition and Financing Agreement; and

10 WHEREAS, In accordance with Section 53398.57 of the EIFD Law, the EIFD Public
11 Financing Authority No. 1 and/or the City may file an action in the Superior Court of the City
12 and County of San Francisco to determine the validity of the creation of the Stonestown EIFD
13 and the Project Areas (including the initial Project Areas and any successor Project Areas, as
14 described in the Stonestown IFP), the adoption of the Stonestown IFP, including the division
15 of taxes thereunder, and related matters; and

16 WHEREAS, In accordance with Section 53398.58 of the EIFD Law, the EIFD Public
17 Financing Authority No. 1 and/or the City may file an action in the Superior Court of the City
18 and County of San Francisco to determine the validity of bonds issued pursuant to the EIFD
19 Law; now, therefore, be it

20 RESOLVED, That the Board of Supervisors hereby finds that the recitals are true and
21 correct; and, be it

22 FURTHER RESOLVED, That the Board of Supervisors further finds and determines
23 that all prior proceedings taken by EIFD Public Financing Authority No. 1 and the City with
24 respect to the proposed establishment of the Stonestown EIFD and the Project Areas
25 (including the initial Project Areas and the successor Project Areas, as described in the

1 Stonestown IFP) and adoption of the Stonestown IFP are valid and in conformity with
2 applicable law; and, be it

3 FURTHER RESOLVED, That the Board of Supervisors hereby approves the
4 Stonestown IFP in the form attached hereto as Exhibit A and incorporated herein, and hereby
5 finds that the proposed Stonestown EIFD and the Project Areas (including the initial Project
6 Areas and the successor Project Areas, as described in the Stonestown IFP), including the
7 properties included therein, and the Stonestown IFP including the division of taxes
8 thereunder, are consistent with the Guidelines and Interpretive Supplement; and, be it

9 FURTHER RESOLVED, That the Board of Supervisors hereby finds and determines
10 that the Stonestown IFP is consistent with the General Plan; and, be it

11 FURTHER RESOLVED, That pursuant to the Stonestown IFP, incremental property tax
12 revenue from the City within the boundary of the Stonestown EIFD (including the Project
13 Areas) will be used to finance the activities of the Stonestown EIFD, subject to, and in
14 accordance with, the terms and conditions of the Stonestown IFP; and, be it

15 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes an
16 Authorized Officer to make such changes to the Stonestown IFP in the form attached hereto
17 as Exhibit A as such Authorized Officer determines are consistent with and furthers the
18 purposes of the Stonestown EIFD and the Stonestown IFP and does not materially increase
19 the City's liability under the Stonestown IFP or otherwise change the core purposes of the
20 Stonestown EIFD; and, be it

21 FURTHER RESOLVED, That the Board of Supervisors hereby approves the execution
22 and delivery of the EIFD Acquisition and Financing Agreement, among the City, the
23 Stonestown EIFD and the Developer in substantially the form on file with the Clerk of the
24 Board of Supervisors; each of the Mayor, the Controller, the Director of Public Works and the
25 Director of the Office of Public Finance, or such other official of the City as may be designated

1 by such officials (each, an "Authorized Officer"), is hereby authorized and directed to execute
2 and deliver, and the Clerk of the Board of Supervisors is hereby authorized and directed to
3 attest to, the EIFD Acquisition and Financing Agreement, together with such additions or
4 changes that do not increase the financial liability of the City as are approved by such
5 Authorized Officer upon consultation with the City Attorney; and, be it

6 FURTHER RESOLVED, That an Authorized Officer and the City Attorney, in
7 consultation with Jones Hall LLP, as bond counsel, are hereby authorized and directed to
8 initiate a judicial validation action with respect to the creation of the Stonestown EIFD and the
9 Project Areas, the adoption of the Stonestown IFP, the allocation of incremental property tax
10 revenue from the City within the boundary of the Stonestown EIFD (including the Project
11 Areas) to the Stonestown EIFD for the purpose of financing the activities of the Stonestown
12 EIFD, the validity of the issuance of bonds pursuant to the EIFD Law and all the proceedings
13 relating thereto, and such other matters as the City Attorney and bond counsel deem
14 appropriate in order to carry out the purposes of the Stonestown IFP, pursuant to Sections
15 53398.57 and 53398.58 of the EIFD Law and Section 860 et seq. of Code of Civil Procedure;
16 and, be it

17 FURTHER RESOLVED, That the Board of Supervisors has reviewed and considered
18 the FEIR, and finds that the FEIR is adequate for their use for the actions taken by this
19 Resolution and incorporates the FEIR and the CEQA findings contained in the Ordinance
20 contained in File No. 240410 and further finds that, pursuant to CEQA Guidelines, Section
21 15162, no additional environmental review is required because there are no substantial
22 changes to the Stonestown Project analyzed in the FEIR, no change in circumstances under
23 which Stonestown Project is being undertaken, and no new information that was not known
24 and could not have been known shows that new significant impacts would occur, that the
25

1 impacts identified in the FEIR as significant impacts would be substantially more severe, or
2 that mitigation or alternatives previously found infeasible are now feasible; and, be it

3 FURTHER RESOLVED, That the Board of Supervisors has found the Development
4 Agreement for the Stonestown Project to conform with the General Plan, and the eight priority
5 policies of Planning Code, Section 101.1 by the findings set forth in Section 3 of Ordinance
6 No. 205-24 (File No. 240410), and the Board of Supervisors incorporates the foregoing
7 findings and determines that such findings are adequate for the actions taken by this
8 Resolution; and, be it

9 FURTHER RESOLVED, That if any section, subsection, sentence, clause, phrase, or
10 word of this Resolution, or any application thereof to any person or circumstance, is held to be
11 invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision
12 shall not affect the validity of the remaining portions or applications of this Resolution, this
13 Board of Supervisors hereby declaring that it would have passed this Resolution and each
14 and every section, subsection, sentence, clause, phrase, and word not declared invalid or
15 unconstitutional without regard to whether any other portion of this Resolution or application
16 thereof would be subsequently declared invalid or unconstitutional; and, be it

17 FURTHER RESOLVED, That the Mayor, the Controller, the Director of the Office of
18 Public Finance, the Clerk of the Board of Supervisors and any and all other officers of the City
19 are hereby authorized, for and in the name of and on behalf of the City, to do any and all
20 things and take any and all actions, including execution and delivery of any and all
21 documents, assignments, certificates, requisitions, agreements, notices, consents,
22 instruments of conveyance, warrants and documents, which they, or any of them, may deem
23 necessary or advisable in order to effectuate the purposes of this Resolution; provided
24 however that any such actions be solely intended to further the purposes of this Resolution,
25 and are subject in all respects to the terms of the Resolution; and, be it

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

4 FURTHER RESOLVED, That this Resolution shall take effect upon its enactment.
5 Enactment occurs when the Mayor signs the resolution, the Mayor returns the Resolution
6 unsigned or does not sign the Resolution within ten days of receiving it, or the Board of
7 Supervisors overrides the Mayor's veto of the Resolution.

8
9 APPROVED AS TO FORM:
10 DAVID CHIU, City Attorney

11
12 By: /s/ Mark D. Blake
13 Mark D. Blake
Deputy City Attorney

14 4912-7891-0593, v. 2
15
16
17
18
19
20
21
22
23
24
25

EXHIBIT A

Infrastructure Financing Plan

4912-7891-0593, v. 2