

1 [Standard Agreement - California Department of Housing and Community Development
2 California Housing Accelerator Program - Treasure Island Parcel C3.1 - \$55,601,514]

3 **Resolution authorizing Treasure Island Development Authority (the “Authority”) to**
4 **execute a Standard Agreement and other related documents with the State of California**
5 **Department of Housing and Community Development (“HCD”) under the California**
6 **Housing Accelerator Program which the Standard Agreement includes an award not to**
7 **exceed \$55,601,514 as a loan to Mercy Housing California 82, L.P. (“Developer”), as**
8 **sole borrower, for construction of a development affordable to low- and moderate-**
9 **income families at Treasure Island Parcel C3.1, located at Avenue C (old address)/78**
10 **Johnson (new address) for a term of five years to commence upon execution of the**
11 **Standard Agreement by HCD.**

12
13 WHEREAS, Former Naval Station Treasure Island is a military base located on
14 Treasure Island and Yerba Buena Island (together, the "Base"); and

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

18 WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97,
19 authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit
20 corporation known as the Treasure Island Development Authority (the “Authority”) to act as a
21 single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and
22 conversion of the Base for the public interest, convenience, welfare and common benefit of
23 the inhabitants of the City and County of San Francisco (the “City”), which is on file with the
24 Clerk of the Board of Supervisors in File No. 244-97-3 and is incorporated herein by
25 reference; and

1 WHEREAS, The Authority, acting by and through its Board of Directors (the "Authority
2 Board"), has the power, subject to applicable laws, to sell, lease, exchange, transfer, convey
3 or otherwise grant interests in or rights to use or occupy all or any portion of the Base; and

4 WHEREAS, In 2003, Treasure Island Community Development, LLC (the "Master
5 Developer") was selected as master developer for the Base following a competitive process;
6 and

7 WHEREAS, The Authority, the Authority Board, the Treasure Island Citizens Advisory
8 Board, the City, and the Master Developer worked for more than a decade to plan for the
9 reuse and development of Treasure Island, and as a result of this community-based planning
10 process, the Authority and Master Developer negotiated the Disposition and Development
11 Agreement ("DDA") to govern the disposition and subsequent development of the proposed
12 development project (the "Project"); and

13 WHEREAS, The Financing Plan, an exhibit to the DDA, calls for the Authority and
14 Master Developer to work together to seek appropriate grants for the Project; and

15 WHEREAS, On April 21, 2011, in a joint session with the Planning Commission, the
16 Authority Board unanimously approved a series of entitlement and transaction documents
17 relating to the Project, including certain environmental findings under the California
18 Environmental Quality Act ("CEQA"), Mitigation Monitoring and Reporting Program, and DDA
19 and other transaction documents; and

20 WHEREAS, On June 7, 2011, the Board of Supervisors unanimously confirmed
21 certification of the final environmental impact report and made certain environmental findings
22 under CEQA (collectively, the "FEIR") by Resolution No. 246-11, which is on file with the Clerk
23 of the Board of Supervisors in File No. 110328 and is incorporated herein by reference, and
24 approved the DDA and 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 construction
3 of low- and moderate-income housing is consistent with the planned Project, FEIR and
4 environmental findings it made under CEQA when it approved the project on April 21, 2011;
5 and

6 WHEREAS, The Authority Board of Directors finds that none of the circumstances that
7 would require preparation of a supplemental or subsequent environmental study under Public
8 Resources Code, Section 21166, or CEQA Guidelines, Section 1516, are present, in the
9 sense that no changes to the Project or the Project circumstances have occurred that would
10 result in additional environmental impacts, or in substantially increased severity of already
11 identified environmental impacts, and there are not mitigation measures or alternatives that
12 were previously identified to be infeasible but would in fact be feasible; and no new mitigation
13 measures or alternative that would substantially reduce the identified environmental impacts;
14 and

15 WHEREAS, HCD issued the Tier I Project Solicitation and Guidelines (“NOFA”) dated
16 October 5, 2021, establishing the California Housing Accelerator Program (the “Program”);
17 and

18 WHEREAS, The Authority is an Eligible Applicant/Sponsor under the Program; and

19 WHEREAS, Mercy Housing California, a California public benefit corporation (“Mercy”),
20 requested that the City, acting by and through the Authority, be a joint applicant for its
21 application to the California Housing Accelerator Program for its Treasure Island Parcel C3.1
22 project; the project consists of 138-unit new construction development, which includes 1 unit
23 is for an onsite manager and 71 units will be replacement units for existing supporting housing
24 and 23 units will be set aside for Pre-DDA households whose incomes exceed 80% City
25

1 Median Income, and the remaining units will be tax credit qualified affordable units (the
2 “Parcel C3.1 Affordable Housing Project”); and

3 WHEREAS, Mercy’s and the City’s application was successful and the parties were
4 notified on February 3, 2022 (the “HCD Award”); and

5 WHEREAS, Mercy established Mercy Housing California 82, L.P., a California limited
6 partnership (the “Developer”), as a separate entity under which to develop and construct the
7 Parcel C3.1 Affordable Housing Project; and

8 WHEREAS, The HCD Award requires the Developer and the City, acting by and
9 through the Authority, to enter into a Standard Agreement and for the Developer, as the sole
10 borrower (with no funds going to the City and all funds going to the Developer as the sole
11 borrower), to enter into a loan in an amount not to exceed \$54,601,514 for the development
12 and construction of the Parcel C3.1 Affordable Housing Project; now, therefore, be it,

13 RESOLVED, That the Board of Supervisors approves and authorizes the Authority, in
14 consultation with the City Attorney, to enter into, execute, and deliver a Standard Agreement
15 in an amount not to exceed \$54,601,514 which amount is in the form of a loan to the
16 Developer, and any and all other documents required or deemed necessary or appropriate to
17 participate in the Program, and all amendments thereto, under terms and conditions approved
18 by the City Attorney providing that Program funds are to be used for allowable expenditures in
19 accordance with the NOFA and Program Guidelines and Application Package; and, be it

20 FURTHER RESOLVED, That all actions authorized and directed by this Resolution and
21 heretofore taken are ratified, approved and confirmed by this Board of Supervisors; and, be it

22 FURTHER RESOLVED, That within thirty (30) days of the Standard Agreement being
23 fully executed by all parties, the Authority (or its designee) shall provide the final Standard
24 Agreement to the Clerk of the Board for inclusion into the official file; and, be it

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