

1 [Development Agreement - Treasure Island/Yerba Buena Island]

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3 **Ordinance approving a Development Agreement between the City and County of San**
4 **Francisco and Treasure Island Community Development, LLC, for certain real property**
5 **located within Treasure Island/Yerba Buena Island; exempting certain sections of**
6 **Administrative Code Chapter 6, Chapter 14B and Chapter 56; and adopting findings,**
7 **including findings under the California Environmental Quality Act, findings of**
8 **consistency with the City's General Plan and with the Eight Priority Policies of**
9 **Planning Code Section 101.1(b), and findings relating to the formation of infrastructure**
10 **financing districts.**

11 NOTE: Additions are *single-underline italics Times New Roman*;
12 deletions are ~~*strike-through italics Times New Roman*~~.
13 Board amendment additions are double-underlined;
14 Board amendment deletions are ~~strike-through normal~~.

15 Be it ordained by the People of the City and County of San Francisco:

16 Section 1. Project Findings. The Board of Supervisors makes the following findings:

17 (a) California Government Code Sections 65864 et seq. authorizes any city, county,
18 or city and county to enter into an agreement for the development of real property within the
19 jurisdiction of the city, county, or city and county.

20 (b) Chapter 56 of the San Francisco Administrative Code sets forth certain
21 procedures for the processing and approval of development agreements in the City and
22 County of San Francisco (the "City").

23 (c) In 2003, the Treasure Island Development Authority (the "Authority") selected
24 Treasure Island Community Development, LLC, a California limited liability company
25 ("Developer") through a competitive process to serve as master developer for the proposed
redevelopment of the former Naval Station Treasure Island (the "Project").

1 (d) Concurrently with this Ordinance, the Board is taking a number of actions in
2 furtherance of the Project, including the approval of (i) a disposition and development
3 agreement (“DDA”) between Developer and the Authority, (ii) amendments to the City’s
4 General Plan, (iii) amendments to the City’s Planning Code that create a new Treasure
5 Island/Yerba Buena Island Special Use District (“SUD”) and incorporates the more detailed
6 land use controls of the Treasure Island and Yerba Buena Island Design for Development (the
7 “Design for Development”), (iv) amendments to the City’s Zoning Maps; (vi) adoption of the
8 Treasure Island/Yerba Buena Island Subdivision Code; (vii) an interagency cooperation
9 agreement between the Authority, the City and various City agencies (the “ICA”) and (viii) a
10 number of related transaction documents and entitlements to govern development of the
11 Project.

12 (e) Upon completion, the Project will include (i) up to 8,000 new residential units, at
13 least 25 percent of which will be made affordable to a broad range of very-low to moderate
14 income households, including 435 units to be developed by the Treasure Island Homeless
15 Development Initiative’s member organizations, (ii) the adaptive reuse of approximately
16 311,000 square feet of historic structures, (iii) up to approximately 140,000 square feet of new
17 retail uses and 100,000 square feet of commercial office space, (iv) approximately 300 acres
18 of parks and open space, (v) new and or upgraded public facilities, including a joint police/fire
19 station, a school, facilities for the Treasure Island Sailing Center and other community
20 facilities, (vi) a 400-500 room hotel, (vii) ~~a new 400 slip marina,~~ (viii) the investment of
21 approximately \$155 million in transportation infrastructure, and ~~(ix)~~ (viii) the creation of
22 thousands of construction job opportunities and thousands of permanent jobs, all as more
23 particularly described in the DDA.

24 (f) The Project is located on those portions of Assessor’s Block 1939, Lots 1 and 2
25 (the “Project Site”), as more particularly described in the DDA.

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1 (g) While the DDA binds the Authority and the Developer, other City agencies retain
2 a role in reviewing and issuing certain subsequent approvals in connection with the Project as
3 set forth in the DDA, SUD, ICA, and as permitted by the City's Charter and the Municipal
4 Code, including approval of subdivision maps, design review and approval of projects in
5 accordance with the SUD and Design for Development, review of certain aspects of major
6 phase and sub phase applications, issuance of building permits, and acceptance of
7 dedications of infrastructure and public right-of-ways for maintenance and liability, and
8 approval of art works on City owned property.

9 (h) In furtherance of the Project and the City's role in subsequent approval actions
10 relating to the Project, the City and Developer negotiated a development agreement for
11 development of the Project Site, a copy of which is on file with the Clerk of the Board in File
12 No. 110226 and incorporated herein by reference (the "Development Agreement").

13 (i) The Financing Plan attached to the Development Agreement contemplates that
14 the City will establish one or more infrastructure financing districts ("IFDs") within the Project
15 Site pursuant to the applicable provisions of the Government Code (the "IFD Law") to finance
16 acquisition and construction of real and tangible property with a useful life of 15 years or
17 longer, including certain public infrastructure facilities described in the Financing Plan (the
18 "Facilities") and replacement housing to the extent required by the IFD Law.

19 (j) The City has determined that as a result of the development of the Project Site
20 in accordance with the Development Agreement and the DDA, clear benefits to the public will
21 accrue that could not be obtained through application of existing City ordinances, regulations,
22 and policies, as more particularly described in the Development Agreement and the DDA.
23 The Development Agreement will eliminate uncertainty in the City's land use planning for the
24 Project Site and secure orderly development of the Project Site consistent with the Design for
25 Development and the DDA.

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1 Section 2. CEQA Findings.

2 (a) The Planning Department has determined that the actions contemplated in this
3 Ordinance comply with the California Environmental Quality Act (Public Resources Code
4 Sections 21000 et seq.). A copy of said determination is on file with the Clerk of the Board of
5 Supervisors in File No. 110328 and is incorporated herein by reference.

6 (b) Concurrently with this Ordinance and in accordance with the actions
7 contemplated herein, this Board adopted Resolution No. _____ concerning findings
8 pursuant to the California Environmental Quality Act. A copy of said Resolution is on file with
9 the Clerk of the Board of Supervisors in File No. 110328 and is incorporated herein by
10 reference.

11 Section 3. Various Findings including General Plan and Planning Code Section
12 101.1(b) Findings.

13 (a) On April 21, 2011, at a duly notice public hearing, the Planning Commission, in
14 Resolution No. 18333, recommended that the Board of Supervisors approve the Development
15 Agreement. Said Resolution is on file with the Clerk of the Board of Supervisors in File No.
16 110226 and is incorporated herein by reference.

17 (b) In accordance with the actions contemplated herein, the Board of Supervisors finds
18 that this Ordinance is in conformity with the Priority Policies of Section 101.1 of the Planning
19 Code and, on balance, consistent with the General Plan as it is proposed for amendment, and
20 hereby adopts the findings set forth in ~~Board of Supervisors Ordinance~~ Planning Commission
21 Motion No. 18328 and Resolution No. 18333 and incorporates such findings by reference as if
22 fully set forth herein. A copy of said ~~Ordinance~~ Motion and Resolution are on file with the
23 Clerk of the Board of Supervisors in File Nos. 110226.

24 Section 4. Development Agreement.

1 (a) The Board of Supervisors approves all of the terms and conditions of the
2 Development Agreement, in substantially the form on file with the Clerk of the Board of
3 Supervisors in File No. 110226. The Board of Supervisors finds that the Jobs and Equal
4 Opportunity Program, including the SBE Program described therein, attached to the DDA
5 satisfies the requirements of Administrative Code 56.7(c) regarding adoption of and reporting
6 under an affirmative action program. The Board of Supervisors exempts Administrative Code
7 Chapter 6 (other than the payment of prevailing wages, which is required) and Administrative
8 Code Chapter 14B to the extent applicable to the Project.

9 (b) In connection with the Development Agreement, the Board of Supervisors finds
10 that the requirements of San Francisco Administrative Code Chapter 56 have been
11 substantially complied with, and hereby waives the following requirements and procedures of
12 the Administrative Code: Section 56.4 (Filing of Application; Forms; Initial Notice and
13 Hearing); Section 56.8 (Notice) (but only as to the 20 days published notice requirement of
14 Section 306.3); Section 56.10 (Development Agreement Negotiation Report and Documents);
15 and 56.20 (Fee). None of the requirements of these waived sections are required by
16 California Government Code Sections 65864 et seq. The Development Agreement shall not
17 be invalid or ineffective due to the failure to strictly comply with any of the requirements of
18 Chapter 56 of the San Francisco Administrative Code.

19 (c) The Board of Supervisors approves the periodic review procedures set forth in
20 section 7 of the Development Agreement, which incorporates provisions of Administrative
21 Code Section 56.17 (Periodic Review) with certain modifications.

22 (d) The Board of Supervisors finds that the Facilities to be financed with the IFDs
23 are of communitywide significance and will provide significant benefits to an area larger than
24 the area of the IFDs within the Project Site.

1 (e) Subject to the foregoing, the Board of Supervisors approves the execution,
2 delivery and performance by the City of the Development Agreement. The Director of
3 Planning (or his or her designee) is hereby authorized to execute the Development
4 Agreement. The Development Agreement shall also be executed by the General Manager of
5 the Public Utilities Commission and the Executive Director of the Municipal Transportation
6 Agency, subject to prior approval by those Commissions. Upon the receipt of the foregoing
7 approvals, the Director of Planning (or his or her designee) and other applicable City officials
8 are hereby authorized to take all actions reasonably necessary or prudent to perform the
9 City's obligations under the Development Agreement in accordance with the terms of the
10 Development Agreement and San Francisco Administrative Code Chapter 56, as applicable.
11 The Director of Planning, at his or her discretion and in consultation with the City Attorney, is
12 authorized to enter into any additions, amendments or other modifications to the Development
13 Agreement that the Director of Planning determines are in the best interests of the City and
14 that do not materially increase the obligations or liabilities of the City or decrease the benefits
15 to the City under the Development Agreement.

16 Section 5. Ratification of Prior Actions. All actions taken by City officials in preparing
17 and submitting the Development Agreement to the Board of Supervisors for review and
18 consideration are hereby ratified and confirmed, and the Board of Supervisors hereby
19 authorizes all subsequent action to be taken by City officials consistent with this Ordinance.
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21 APPROVED AS TO FORM:
22 DENNIS J. HERRERA, City Attorney

23 By: _____
24 John D. Malamut
25 Deputy City Attorney

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