

1 [Resolution of Intention to Establish Infrastructure and Revitalization Financing District No. 1
2 (Treasure Island)]

3 **Resolution of Intention to establish City and County of San Francisco Infrastructure**
4 **and Revitalization Financing District No. 1 (Treasure Island) and project areas therein**
5 **to finance the construction and/or acquisition of facilities on Treasure Island and Yerba**
6 **Buena Island; to provide for annexation; to call a public hearing on January 24, 2017, at**
7 **3:00 p.m. on the formation of the district and project areas therein and to provide**
8 **public notice thereof; and determining other matters in connection therewith.**

9
10 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
11 **Additions to Codes** are in *single-underline italics Times New Roman font*.
12 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
13 **Board amendment additions** are in double-underlined Arial font.
14 **Board amendment deletions** are in ~~strikethrough Arial font~~.
15 **Asterisks (* * * *)** indicate the omission of unchanged Code
16 subsections or parts of tables.

17 WHEREAS, Naval Station Treasure Island (“NSTI”) is a former United States Navy
18 base located in the City and County of San Francisco (the “City”) that consists of two islands
19 connected by a causeway: (1) Treasure Island, and (2) an approximately 90-acre portion of
20 Yerba Buena Island; and

21 WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended
22 California Health and Safety Code Section 33492.5 and added Section 2.1 to Chapter 1333 of
23 the Statutes of 1968, the California Legislature: (i) designated the Treasure Island
24 Development Authority, a California non-profit public benefit corporation (“TIDA”) as a
25 redevelopment agency under California redevelopment law with authority over NSTI upon
approval of the City’s Board of Supervisors, and (ii) with respect to those portions of NSTI

1 which are subject to Tidelands Trust, vested in TIDA the authority to administer the public
2 trust for commerce, navigation and fisheries as to such property; and

3 WHEREAS, The Board of Supervisors approved the designation of TIDA as a
4 redevelopment agency for NSTI in 1997; and

5 WHEREAS, On January 24, 2012, the Board of Supervisors rescinded designation of
6 TIDA as the redevelopment agency for Treasure Island under California Community
7 Redevelopment Law in Resolution No. 11-12; and such rescission does not affect TIDA's
8 status as the Local Reuse Authority for NSTI or the Tidelands Trust trustee for the portions of
9 NSTI subject to the Tidelands Trust, or any of the other powers or authority; and

10 WHEREAS, The United States of America, acting by and through the Department of
11 the Navy ("Navy"), and TIDA entered into an Economic Conveyance Memorandum of
12 Agreement (as amended and supplemented from time to time, the "Conveyance Agreement")
13 that governs the terms and conditions for the transfer of NSTI from the Navy to TIDA; and
14 under the Conveyance Agreement, the Navy has and will convey NSTI to TIDA in phases
15 after the Navy has completed environmental remediation and issued a Finding of Suitability to
16 Transfer (as defined in the Conveyance Agreement) for specified parcels of NSTI or portions
17 thereof; and

18 WHEREAS, Treasure Island Community Development, LLC ("Developer") and TIDA
19 have previously entered into a Disposition and Development Agreement (Treasure
20 Island/Yerba Buena Island) dated June 28, 2011 (the "DDA"), in Board File No. 110291,
21 including a Financing Plan (Treasure Island/Yerba Buena Island) (the "Financing Plan"), which
22 governs the disposition and development of a portion of NSTI (the "Project Site") after the
23 Navy's transfer of NSTI to TIDA in accordance with the Conveyance Agreement; and

24 WHEREAS, The DDA contemplates a project (the "Project") under which TIDA
25 acquires the Project Site from the Navy and conveys portions of the Project Site to Developer

1 for the purposes of: (i) alleviating blight in the Project Site through development of certain
2 improvements, (ii) geotechnically stabilizing the Project Site, (iii) constructing public
3 infrastructure to support the Project and other proposed uses on NSTI, (iv) constructing and
4 improving certain public parks and open spaces, (v) remediating certain existing hazardous
5 substances, and (vi) selling and ground leasing lots to vertical developers who will construct
6 residential units and commercial and public facilities; and

7 WHEREAS, On April 21, 2011, the Planning Commission by Motion No. 18325 and the
8 Board of Directors of TIDA, by Resolution No. 11-14-04/21, as co-lead agencies, certified the
9 completion of the Final Environmental Impact Report for the Project, and unanimously
10 approved a series of entitlement and transaction documents relating to the Project, including
11 certain environmental findings under the California Environmental Quality Act (“CEQA”), a
12 mitigation and monitoring and reporting program (the “MMRP”), and the DDA and other
13 transaction documents; and

14 WHEREAS, On June 7, 2011, in Motion No. M11-0092, the Board of Supervisors
15 unanimously affirmed certification of the Final Environmental Impact Report; and

16 WHEREAS, On that same date, the Board of Supervisors, in Resolution No. 246-11,
17 adopted CEQA findings and the MMRP, and made certain environmental findings under
18 CEQA (collectively, the “FEIR”); and

19 WHEREAS, Also on that date, the Board of Supervisors, in Ordinance No. 95-11,
20 approved the DDA and other transaction documents, including the Transportation Plan and
21 Infrastructure Plan; and

22 WHEREAS, TIDA and the Developer have been working diligently since then to
23 implement the Project consistent with the DDA, the MMRP and other documents; and

24 WHEREAS, No additional environmental review is required because there are no
25 substantial changes to the project analyzed in the FEIR, no change in circumstances under

1 which the project is being undertaken, and no new information of substantial importance
2 indicating that new significant impacts would occur, that the impacts identified in the FEIR as
3 significant impacts would be substantially more severe, or that mitigation or alternatives
4 previously found infeasible are now feasible; and

5 WHEREAS, Developer and the City previously entered into a Development Agreement
6 related to the Project Site to eliminate uncertainty in the City's land use planning for the
7 Project Site and secure orderly development of the Project consistent with the DDA and other
8 applicable requirements, and the Financing Plan is also an exhibit to the Development
9 Agreement on file with the Clerk of the Board of Supervisors in File No. 110226; and

10 WHEREAS, The Financing Plan identifies certain financial goals for the Project and the
11 contractual framework for cooperation between TIDA, the City, and Developer in achieving
12 those goals and implementing the Project; and

13 WHEREAS, The Financing Plan, among other things, obligates TIDA and the City to
14 take all actions reasonably necessary for, and obligates Developer to cooperate reasonably
15 with the efforts of, (i) the City to form requested community facilities districts (each, a "CFD";
16 together, the "CFDs") and take related actions under the Mello-Roos Community Facilities Act
17 of 1982 (the "Mello-Roos Act") to pay for Qualified Project Costs, Ongoing Park Maintenance
18 and Additional Community Facilities (as those terms are defined in the Financing Plan), (ii) the
19 City to form requested infrastructure financing districts and take related actions under
20 applicable provisions of the Government Code of the State of California to pay for Qualified
21 Project Costs (although the Financing Plan refers to a different infrastructure financing act
22 than the IRFD Law (as defined below) because the IRFD Law had not been created at the
23 time, the City finds that the provisions of the Financing Plan discussing infrastructure financing
24 districts shall apply to the IRFD (as defined herein) and the IRFD Law) and (iii) the City to
25 issue bonds and other debt for the CFDs and the infrastructure financing districts and other

1 public financing instruments described in the Financing Plan (defined in the Financing Plan as
2 “Public Financing”); and

3 WHEREAS, On October 6, 2015, Supervisor Jane Kim introduced a resolution calling
4 upon TIDA and the TIDA Board to study strategies to increase the number of affordable
5 housing units to be constructed on Treasure Island; and

6 WHEREAS, Under the Disposition and Development Agreement TICD is required to
7 geotechnically improve and provide new utilities and other infrastructure for twenty parcels
8 and deliver such parcels to the City for the construction of affordable housing; and

9 WHEREAS, The City has exercised its prerogatives consistent with the Housing Plan
10 to increase the total number of affordable housing units to be developed on Treasure Island to
11 2,173 from 2,000; and

12 WHEREAS, Treasure Island Community Development (“TICD”) will construct and
13 deliver 307 inclusionary affordable units, and TIDA, in partnership with TIHDI, will construct
14 1,866 affordable housing units; and

15 WHEREAS, TIDA and the TIHDI have determined that the 1,866 affordable housing
16 units can be constructed utilizing only 17 of the 20 provided parcels, leaving three parcels for
17 the future construction of additional affordable housing units; and

18 WHEREAS, The Mayor deems the development of additional affordable housing at
19 Treasure Island a City priority and has directed the Mayor’s Office of Housing and Community
20 Development (“MOHCD”) to provide substantial resources towards achieving this goal; and

21 WHEREAS, MOHCD has programmed for future investment more than \$250 million to
22 produce a total of 1,866 affordable housing units, including \$4 million in Fiscal Year 2018 to
23 fund pre-development design and permitting work for the first two affordable housing parcels
24 and \$30 million or more over the next ten years, sufficient, in combination with project
25

1 generated funding sources, for TIDA and TIHDI to construct approximately 720 affordable
2 housing units toward this goal; and

3 WHEREAS, The City has included amendments to the IRFD Law as a Legislative
4 Priority for 2017 and will pursue changes to State legislation to allow the collection of tax
5 increment within an IRFD over a 45-year term and to allow the City to pledge that portion of
6 ad valorem property tax revenue annually allocated to a city or county pursuant to Section
7 97.70 of the Revenue and Taxation Code; and

8 WHEREAS, The City will pursue legislation to secure State support of the affordable
9 housing program on Treasure Island through a pledge of the State share of property tax
10 increment (the Educational Revenue Augmentation Fund (commonly referred to as the “ERAF
11 Share”, which represents 25.3% of the 1% ad valorem property tax); and

12 WHEREAS, The IFP provides that the City may pledge to the IRFD any new revenues
13 derived from changes to State legislation by a vote of the Board of Supervisors without
14 requiring a Special Election of property owners within the District and any revenues so derived
15 and pledged would be used exclusively for the development of affordable housing on
16 Treasure Island; and

17 WHEREAS, TIDA will submit every six months to the Board of Supervisors a report of
18 the status of affordable housing funding strategies and construction thereof and will include a
19 similar update in the City’s bi-annual Capital Plan; and

20 WHEREAS, In 2023, if TIDA has been unsuccessful in securing the proposed changes
21 in State legislation or has not otherwise made significant progress in meeting the affordable
22 housing funding needs, TIDA will request that the Capital Planning Committee approve a
23 Citywide Affordable Housing General Obligation Bond, including support for the development
24 of affordable housing on Treasure Island, be placed on the November 2024 ballot; and

25

1 WHEREAS, Under Chapter 2.6 of Part 1 of Division 2 of Title 5 of the California
2 Government Code, commencing with Section 53369 (the “IRFD Law”), this Board of
3 Supervisors is authorized to establish an infrastructure and revitalization financing district and
4 to act as the legislative body for an infrastructure and revitalization financing district; and

5 WHEREAS, Pursuant to IRFD Law Section 53369.5, an infrastructure and revitalization
6 financing district may be divided into project areas; and

7 WHEREAS, Pursuant to the Financing Plan and the IRFD Law, the Board of
8 Supervisors wishes to establish an infrastructure and revitalization financing district and
9 project areas therein to finance certain facilities; and

10 WHEREAS, The IRFD Law provides that the legislative body of an infrastructure and
11 revitalization financing district may, at any time, add territory to a district or amend the
12 infrastructure financing plan for the district by conducting the same procedures for the
13 formation of a district or approval of bonds as provided in the IRFD Law, and the Board of
14 Supervisors wishes to establish the procedure for future annexation of property on Yerba
15 Buena Island and Treasure Island into the proposed infrastructure district; and

16 WHEREAS, IRFD Law Section 53369.14(d)(5) provides that the legislative body of a
17 proposed infrastructure and revitalization financing district may specify, by ordinance, the date
18 on which the allocation of tax increment will begin and IRFD Law Section 53369.5(b) provides
19 that project areas within a district may be subject to distinct limitations established under the
20 IRFD Law, and the Board of Supervisors accordingly wishes to specify the date on which the
21 allocation of tax increment will begin for the proposed infrastructure district on a project area-
22 by-project area basis; now, therefore, be it

23 RESOLVED, That this Board of Supervisors proposes to conduct proceedings to
24 establish an infrastructure and revitalization financing district pursuant to the IRFD Law, which
25

1 district shall include project areas as identified by this Board of Supervisors from time to time;
2 and, be it

3 FURTHER RESOLVED, That the name proposed for the infrastructure and
4 revitalization financing district is “City and County of San Francisco Infrastructure and
5 Revitalization Financing District No. 1 (Treasure Island)” (the “IRFD”); and, be it

6 FURTHER RESOLVED, That pursuant to IRFD Law Section 53369.5, the territory to
7 be initially included in the IRFD (as show on the map described below) is hereby designated
8 to include the following initial project areas (collectively, the “Initial Project Areas,” and
9 together with any future project areas that may be established in the IRFD, the “Project
10 Areas”):

- 11 a. Project Area A of the City and County of San Francisco Infrastructure and
12 Revitalization Financing District No. 1 (Treasure Island) (“Project Area A”);
- 13 b. Project Area B of the City and County of San Francisco Infrastructure and
14 Revitalization Financing District No. 1 (Treasure Island) (“Project Area B”);
- 15 c. Project Area C of the City and County of San Francisco Infrastructure
16 and Revitalization Financing District No. 1 (Treasure Island) (“Project Area C”);
- 17 d. Project Area D of the City and County of San Francisco Infrastructure and
18 Revitalization Financing District No. 1 (Treasure Island) (“Project Area D”);
- 19 e. Project Area E of the City and County of San Francisco Infrastructure and
20 Revitalization Financing District No. 1 (Treasure Island) (“Project Area E”); and be it

21 FURTHER RESOLVED, That the proposed boundaries of the IRFD and each of the
22 Initial Project Areas are as shown on the map of the IRFD and the Initial Project Areas on file
23 with the Clerk of the Board of Supervisors in File No. 161035, which boundaries are hereby
24 preliminarily approved and to which map reference is hereby made for further particulars; and,
25 be it

1 FURTHER RESOLVED, That the type of facilities proposed to be financed by the IRFD
2 and the Project Areas pursuant to the IRFD Law shall consist of those listed as facilities on
3 Exhibit A hereto and hereby incorporated herein (the “Facilities”), and the Facilities are
4 authorized to be financed by the IRFD by IRFD Law Sections 53369.2 and 53369.3, and the
5 Board of Supervisors hereby finds each of the following: that the Facilities (i) are of
6 communitywide significance, (ii) will be constructed on a former military base and are
7 consistent with the authority reuse plan and have been or will be approved by TIDA (the
8 military base reuse authority), if applicable, (iii) will not supplant facilities already available
9 within the proposed boundaries of the IRFD, except for those that are essentially
10 nonfunctional, obsolete, hazardous, or in need of upgrading or rehabilitation, and (iv) will
11 supplement existing facilities as needed to serve new developments, and the Board of
12 Supervisors acknowledges and agrees that the Acquisition and Reimbursement Agreement
13 (Treasure Island/Yerba Buena Island) dated as of March 8, 2016, by and among the City and
14 County of San Francisco, TIDA, and the Developer (the “Acquisition Agreement”) governs the
15 process for the City to acquire the Facilities using the proceeds of the IRFD; and, be it

16 FURTHER RESOLVED, That the Board of Supervisors hereby declares that, pursuant
17 to the IRFD Law, incremental property tax revenue from the City to finance the Facilities, but
18 no tax increment revenues from the other affected taxing entities (as defined in the IRFD Law)
19 within the IRFD, if any, will be used by the IRFD to finance the Facilities, and the incremental
20 property tax financing will be described in an infrastructure financing plan (the “Infrastructure
21 Financing Plan”) to be prepared for this Board of Supervisors under the IRFD Law; and, be it

22 FURTHER RESOLVED, That in accordance with IRFD Law Sections 53369.5(b) and
23 53369.14(d)(5), the Board of Supervisors shall establish, by ordinance, the date on which the
24 allocation of tax increment shall begin for the IRFD, which date shall be determined on a
25 Project Area-by-Project Area basis (each such date, the “Commencement Date”), and each

1 Project Area may accordingly have a different Commencement Date, with each
2 Commencement Date being the first day of the fiscal year following the fiscal year in which the
3 applicable Project Area has generated and the City has received (i) with respect to Project
4 Areas A, B and E, at least \$150,000 of tax increment, (ii) with respect to Project Areas C and
5 D, at least \$300,000 of tax increment, and (iii) with respect to all other Project Areas, the
6 amount of tax increment specified in the ordinance annexing such Project Area to the IRFD;
7 and, be it

8 FURTHER RESOLVED, That future annexations of property on Yerba Buena Island
9 and Treasure Island into the IRFD may occur at any time after formation of the IRFD, but only
10 if the Board of Supervisors has completed the procedures set forth in the Infrastructure
11 Financing Plan, which shall be based on the following: (i) this Board of Supervisors adopts a
12 resolution of intention to annex property (the “annexation territory”) into the IRFD and
13 describes whether the annexation territory will be included in one of the then-existing Project
14 Areas or in a new Project Area and to issue Bonds, (ii) the resolution of intention is mailed to
15 each owner of land in the annexation territory and each affected taxing entity in the
16 annexation territory, if any, in substantial compliance with IRFD Law Sections 53369.11 and
17 53369.12, (iii) this Board of Supervisors designates TIDA to prepare an amendment to the
18 Infrastructure Financing Plan, if necessary, and the designated official prepares any such
19 amendment, in substantial compliance with IRFD Law Sections 53369.13 and 53369.14, (iv)
20 any amendment to the Infrastructure Financing Plan is sent to each owner of land and each
21 affected taxing entity (if any) within the annexation territory, in substantial compliance with
22 IRFD Law Sections 53369.15 and 53369.16, (v) this Board of Supervisors notices and holds a
23 public hearing on the proposed annexation, in substantial compliance with IRFD Law Sections
24 53369.17 and 53369.18, (vi) this Board of Supervisors adopts a resolution proposing the
25 adoption of any amendment to the Infrastructure Financing Plan and annexation of the

1 annexation territory to the IRFD, and submits the proposed annexation to the qualified
2 electors in the annexation territory, in substantial compliance with IRFD Law Sections
3 53369.20-53369.22, with the ballot measure to include the question of the proposed
4 annexation of the annexation territory into the IRFD, approval of the appropriations limit for the
5 IRFD and approval of the issuance of bonds for the IRFD, and (vii) after canvass of returns of
6 any election, and if two-thirds of the votes cast upon the question are in favor of the ballot
7 measure, this Board may, by ordinance, adopt the amendment to the Infrastructure Financing
8 Plan, if any, and approve the annexation of the annexation territory to the IRFD, in substantial
9 compliance with IRFD Law Section 53369.23; and, be it

10 FURTHER RESOLVED, That Tuesday, January 24, 2017 at 3:00 p.m. or as soon as
11 possible thereafter, in the Board of Supervisors Chamber, 1 Dr. Carlton B. Goodlett Place,
12 City Hall, San Francisco, California, be, and the same are hereby appointed and fixed as the
13 time and place when and where this Board of Supervisors, as legislative body for the IRFD,
14 will conduct a public hearing on the proposed establishment of the IRFD and the Initial Project
15 Areas and the proposed future annexation of territory to the IRFD in the manner described in
16 this Resolution; and, be it

17 FURTHER RESOLVED, That the Clerk of the Board of Supervisors is hereby directed
18 to mail a copy of this Resolution to each owner of land (as defined in the IRFD Law) within the
19 IRFD (but not to any affected taxing entities because there are none as of the date of this
20 Resolution), and in addition, in accordance with IRFD Law Section 53369.17, the Clerk of the
21 Board of Supervisors is hereby directed to cause notice of the public hearing to be published
22 not less than once a week for four successive weeks in a newspaper of general circulation
23 published in the City, and the notice shall state that the IRFD will be used to finance public
24 works, briefly describe the Facilities, briefly describe the proposed financial arrangements,
25 including the proposed commitment of incremental tax revenue, describe the boundaries of

1 the proposed IRFD and the Initial Project Areas, reference the process for future annexation,
2 and state the day, hour, and place when and where any persons having any objections to the
3 proposed Infrastructure Financing Plan, or the regularity of any of the prior proceedings, may
4 appear before this Board of Supervisors and object to the adoption of the proposed
5 Infrastructure Financing Plan for the IRFD and the Initial Project Areas or process for future
6 annexation to the IRFD by the Board of Supervisors; and, be it

7 FURTHER RESOLVED, TIDA will engage TIDHI to ensure and monitor the
8 implementation of the project community benefits and related programs set forth in the Project
9 Development Agreements, including but not limited to the affordable housing, employment,
10 economic development, community services, and community participation programs. The
11 TIDHI and TIDA agreement may be modified at a later date to reflect the intent of this
12 Resolve; and, be it

13 FURTHER RESOLVED, That this Resolution shall in no way obligate the Board of
14 Supervisors to establish the IRFD or the Project Areas, and the establishment of the IRFD
15 and the Project Areas shall be subject to the approval of this Board of Supervisors by
16 resolution following the holding of the public hearing referred to above and a vote of the
17 qualified electors in the IRFD; and, be it

18 FURTHER RESOLVED, That the Board of Supervisors has reviewed and considered
19 the FEIR and finds that the FEIR is adequate for its use for the actions taken by this resolution
20 and incorporates the FEIR and the CEQA findings contained in Board of Supervisors
21 Resolution No. 246-11 by this reference; and, be it

22 FURTHER RESOLVED, That if any section, subsection, sentence, clause, phrase, or
23 word of this resolution, or any application thereof to any person or circumstance, is held to be
24 invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision
25 shall not affect the validity of the remaining portions or applications of this resolution, this

1 Board of Supervisors hereby declaring that it would have passed this resolution and each and
2 every section, subsection, sentence, clause, phrase, and word not declared invalid or
3 unconstitutional without regard to whether any other portion of this resolution or application
4 thereof would be subsequently declared invalid or unconstitutional; and, be it

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

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

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

21 APPROVED AS TO FORM:
22 DENNIS J. HERRERA
23 City Attorney

24 By: _____
25 MARK D. BLAKE
Deputy City Attorney
n:\spec\as2016\0600537\01155372.docx