

ITEM 9 – Regular Agenda
Treasure Island Development Authority
City and County of San Francisco
Meeting of January 14, 2026

Subject: Resolution of the Treasure Island Development Authority Board of Directors Authorizing the Execution of the Affordable Housing and Sustainable Communities Grant Documents and Any Amendments of Modifications Thereto, and Authorizing the Director of the Authority, or his or her designee to Execute Such Documents

Contact: Joey Benassini, Vertical Development Project Manager

Reviewed by: Robert Beck, Treasure Island Director

SUMMARY

The resolution would authorize (1) the Treasure Island Development Authority to enter into, execute and deliver a State of California Standard Agreement under the State of California's Affordable Housing and Sustainable Communities (AHSC) Program for a grant award of \$45,109,140 to fund development of affordable housing to be operated by John Stewart Company at Treasure Island Parcel IC4.3, ferry operations between Treasure Island and downtown San Francisco, up to ten new bus shelters, bicycle and pedestrian facilities in the Stage 2 area and construction of the first block of the park space adjacent to IC4.3 called Eastside Gardens, and (2) authorize the Director of the Authority, or his or her designee to execute and deliver the Standard Agreement and any and all other documents required or deemed necessary or appropriate to carry into effect the full intent and purpose of the above resolution, in order to evidence the AHSC Program grant.

BACKGROUND

On March 25, 2025, the California Department of Housing and Community Development (HCD) and California Strategic Growth Council (SGC) issued a Notice of Funding Availability for the AHSC Program. This program is designed to reduce greenhouse gas emissions through the implementation of land-use, housing, and transportation practices to support infill and compact development. Grant applications are due back to HCD on May 28, 2025, and awards will be granted in December 2025. TIDA previously applied for a grant through this program in 2019 and was awarded \$20,000,000 for affordable housing at Treasure Island Parcel C3.1 and pedestrian and transit improvements.

Pursuant to TIDA Board Resolution No. 25-07-0416 and Board of Supervisors Resolution No. 264-25, the TIDA Board and the Board of Supervisors approved a joint application for the AHSC Program with Mercy Housing California (Mercy Housing). In May 2025, TIDA and IC4.3 Family Housing LP, a California limited partnership comprised of affiliates of John Stewart Company and Catholic Charities, submitted a joint application in which IC4.3 Family Housing LP would be responsible for the development of the proposed Affordable Housing scope, and TIDA would be responsible for the

proposed Sustainable Transit Improvement (“STI”) and Housing Related Infrastructure (“HRI”) scope in collaboration with Treasure Island Mobility Management Agency (“TIMMA”).

On December 10, 2025, TIDA and IC4.3 Family Housing LP received notice of the AHSC grant award in the amount of \$45,109,140, which was the total grant amount requested in the 2025 Round 9 application. As required by the AHSC program, the joint applicants (TIDA and IC4.3 Family Housing LP) must enter into a Standard Agreement with the State of California. Per HCD requirements, each applicant must receive approval from that entity’s governing boards (for TIDA, the TIDA Board and Board of Supervisors) to execute the Standard Agreement and related grant documents as well as authorize the signatory. The proposed TIDA resolution conforms to HCD’s requirements.

The Program is centered on the development of affordable housing at Treasure Island Parcel IC4.3. This site is planned to be developed by John Stewart Company in partnership with Catholic Charities, who will operate a Childcare facility on the ground floor. A total of 30 units will be designated as Treasure Island Transition Units and 61 units will be HomeRise One Treasure Island replacement units. This is one of three planned affordable housing developments on Treasure Island within the Stage 2 infrastructure and street improvements area.

In addition to the affordable housing element, the Program also contains transportation elements. The transportation elements include funding to support up to ten years of electric ferry service operations by the Water Emergency Transportation Authority between downtown San Francisco and Treasure Island, ten new bus or shuttle shelters, 3,000 lineal feet of new pedestrian walkways, 1.0 lane miles of bikeways, transit passes for residents, and workforce development and anti-displacement programs that will benefit residents, workers, and visitors to Treasure Island.

APPLICATION SCOPE

The scope of the grant expenditure plan includes the following elements as outlined in the table below:

TREASURE ISLAND PARCEL IC4.3 – AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM AWARD BUDGET

AHSC Program Grant Funds – Transit Infrastructure, Housing Related Infrastructure, and Programs	AMOUNT
SOURCES OF FUNDS	
HCD AHSC Sustainable Transportation Infrastructure ("STI")	\$10,945,000
Housing Related Infrastructure ("HRI")	\$3,500,000
Programs Costs ("PGM")	\$664,140
TOTAL SOURCES	\$15,109,140
USES OF FUNDS	
HCD AHSC Sustainable Transportation Infrastructure ("STI")	
Ferry operations	\$7,000,000
(10) bus shelters	\$1,000,000
3,000 lineal feet of pedestrian pathways and 1.0 miles of bikeways	\$2,945,000

Housing Related Infrastructure ("HRI")		
Eastside Gardens Park (first block adjacent to parcel IC4.3)		\$3,500,000
Program Costs ("PGM")		
Workforce Development – One Treasure Island Construction Training		\$150,000
Anti-Displacement – SF Community Land Trust		\$150,000
Transit Passes for Residents, up to (3) years		\$364,140
TOTAL USES		\$15,109,140
	AHSC Program Loan Funds - Housing	AMOUNT
SOURCES OF FUNDS		
HCD AHSC Affordable Housing Loan		\$30,000,000
USES OF FUNDS		
Unit Construction		\$30,000,000

TOTAL AHSC PROGRAM FUNDS \$45,109,140

Element 1: Affordable Housing Development

The grant would help fund the development of Affordable Housing on Treasure Island Parcel IC4.3. The site is located near the intersection of Trade Winds Avenue and Braghetti Lane. The property is fully entitled under the Treasure Island /Yerba Buena Island Special Use District. The planned unit breakdown for the development is as outlined in the following table.

	HomeRise One TI Replacement Units	Transition Units	MOHCD Lottery Units (DAHLIA)	Managers Unit	Total Units
Studio	0	0	5	0	5
1 Bd	0	12	33	0	45
2 Bd	43	6	8	1	58
3 Bd	16	6	10	0	32
4 Bd	2	6	2	0	10
Total	61	30	58	1	150

Element 2: Sustainable Transportation Infrastructure

The grant would fund the support of electric ferry operations by the Water Emergency Transportation Authority (WETA), also known as San Francisco Bay Ferry, for up to ten years. The electric ferry is currently under construction by WETA and is planned to begin serving passengers in 2027.

The grant would provide gap funding to complete Class 2 and Class 4 bikeways along Trade Winds Avenue and Clipper Cove Avenue, along with new pedestrian path. Specific elements of this project eligible as Active Transportation under the terms of the AHSC Program include:

- 3,000 feet of separated pedestrian pathways

- 1 mile of Class 2 and Class 4 bike lanes
- 10 new bus or shuttle stop shelters

Element 3: Housing Related Infrastructure

The grant would help fund the development the first block of Eastside Gardens, a park space adjacent to parcel IC4.3. Completion of the park space is required to receive a Temporary Certificate of Occupancy for the building, as it serves as a fire access lane and egress pathway for the building.

Element 4: Programs

The grant would help fund several program costs, including:

- One Treasure Island Construction Training Program (“CTP”), an intensive, full-time, pre-apprenticeship initiative designed to equip individuals who have significant barriers to employment with the skills and certifications necessary for careers in the construction industry.
- San Francisco Community Land Trust (“SFCLT”) Permanent Affordability Preservation Program in which SFCLT acquires small, vulnerable multi-unit buildings in the Mission District and surrounding neighborhoods, preventing speculative displacement.
- Transit passes for residents, including (1) free transit pass per unit for three years.

BOARD OF SUPERVISORS RESOLUTION

The AHSC Program guidelines the Board of Supervisors to approve TIDA’s acceptance and expenditure if awarded the AHSC grant, as co-applicant. TIDA will introduce and seek approval of a Board of Supervisors resolution to accept and expend the AHSC program funds in the amount of \$45,109,140, and additionally, approved the execution of the Standard Agreement with the HCD in consultation with the City Attorney’s Office.

AHSC Program guidelines provide that joint applicants (the developer and the City) may enter into indemnity agreements with each other, e.g., to provide that the developer will assume liability for completion of those elements of the project for which it is responsible.

TIDA and IC4.3 Family Housing LP have worked with the TIMMA to develop the scope of this application and anticipates filing additional applications under future cycles of the AHSC Program for additional elements of the transportation improvements and affordable housing development.

FUNDING IMPACT

The AHSC award includes \$45,109,140 in funds for the affordable housing development and infrastructure improvements. Of this amount, approximately \$11.5 million is to be used on the transit infrastructure and programs, \$3.5 million for Eastside Gardens, the park space adjacent to parcel IC4.3, and up to \$30 million will be used for the housing program.

OTHER REQUIRED APPROVALS

The Board of Supervisors must approve the resolution to accept and expend the AHSC grant and approve the form of the Standard Agreement. The Authority expects that approval in Q1 2026.

RECOMMENDATION

Staff recommends that the Authority Board authorize (1) the Treasure Island Development Authority to enter into, execute and deliver a State of California Standard Agreement under the State of California's Affordable Housing and Sustainable Communities (AHSC) Program for a grant award of \$45,109,140 to fund development of affordable housing to be operated by John Stewart Company at Treasure Island Parcel IC4.3, ferry operations between Treasure Island and downtown San Francisco, up to ten new bus shelters, bicycle and pedestrian facilities in the Stage 2 area and construction of the first block of the park space adjacent to IC4.3 called Eastside Gardens, and (2) authorize the Director or of the Authority, or his or her designee to execute and deliver the Standard Agreement and any and all other documents required or deemed necessary or appropriate to carry into effect the full intent and purpose of the above resolution, in order to evidence the AHSC Program grant.

Attachments

Attachment 1: AHSC Round 9 Conditional Award Letter

Attachment 2: AHSC Round 9 Notice of Funding Availability

Attachment 3: AHSC Round 9 Program Guidelines