




MEMORANDUM

Date: December 20, 2016
To: John Arntz, Director, Department of Elections
From:  Angela Calvillo, Clerk of the Board
Subject: Treasure Island
Infrastructure and Revitalization Financing District No. 1
Community Facilities District No. 2016-1

On December 6, 2016, the Board of Supervisors adopted Resolutions of Intention to establish an Infrastructure and Revitalization Financing District and a Community Facilities District No. on Treasure Island, sponsored by Mayor Lee and co-sponsored by Supervisor Kim, and subsequently approved by Mayor Lee on December 16, 2016.

As the Election Official, the following documents related to these matters are being forwarded to you as required by the indicated Code authorities:

Infrastructure and Revitalization Financing District No. 1 (Treasure Island)

California Government Code, Section 53369-20(a)

- Board of Supervisors Resolution No. 503-16 (Resolution of Intention to Establish Infrastructure and Revitalization Financing District No. 1 (Treasure Island))
- Proposed Boundary Map, Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
- Forming Infrastructure and Revitalization Financing District No. 1 (Treasure Island) - Adopting an Infrastructure Financing Plan (File No. 161120, scheduled for a Board of Supervisors hearing on January 24, 2017)

Community Facilities District No. 1 (Treasure Island)

California Government Code, Section 53326

- Board of Supervisors Resolution No. 506-16 (Resolution of Intention to Establish Community Facilities District No. 2016-1 (Treasure Island))
 - Proposed Boundary Map, Community Facilities District No. 2016-1 (Treasure Island)
 - Resolution of Formation - Community Facilities District No. 2016-1 (Treasure Island) (File No. 161122, scheduled for a Board of Supervisors hearing on January 24, 2017)
-

If you have any questions or concerns, please contact Alisa Somera, Legislative Deputy Director, at (415) 554-7711 or by email at: alisa.somera@sfgov.org.

- c: Mawuli Tugbenyoh, Mayor's Office
Supervisor Jane Kim, Board of Supervisors
Cuong Quach, Department of Elections



City and County of San Francisco

Certified Copy

Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

161035 [Resolution of Intention to Establish Infrastructure and Revitalization Financing District No. 1 (Treasure Island)]

Sponsors: Mayor; Kim

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

10/25/2016 Board of Supervisors - CONTINUED

Ayes: 11 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang, Wiener and Yee

11/15/2016 Board of Supervisors - CONTINUED

Ayes: 9 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin and Tang
Excused: 2 - Wiener and Yee

12/6/2016 Board of Supervisors - AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE

Ayes: 10 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang and Yee

12/6/2016 Board of Supervisors - ADOPTED AS AMENDED

Ayes: 10 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang and Yee

12/16/2016 Mayor - APPROVED

STATE OF CALIFORNIA
CITY AND COUNTY OF SAN FRANCISCO

CLERK'S CERTIFICATE

I do hereby certify that the foregoing Resolution is a full, true, and correct copy of the original thereof on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City and County of San Francisco.

December 20, 2016

Date

Handwritten signature of Allia Romero

for Angela Calvillo
Clerk of the Board

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

22 WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended
23 California Health and Safety Code Section 33492.5 and added Section 2.1 to Chapter 1333 of
24 the Statutes of 1968, the California Legislature: (i) designated the Treasure Island
25 Development Authority, a California non-profit public benefit corporation ("TIDA") as a
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

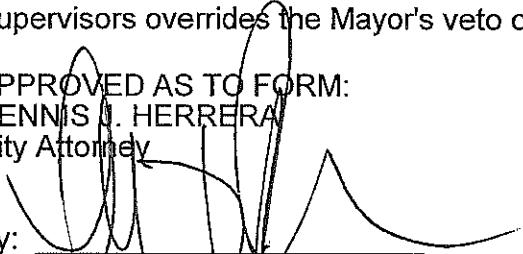
5 FURTHER RESOLVED, That the Mayor, the Controller, the Director of the Office of
6 Public Finance, the Clerk of the Board of Supervisors and any and all other officers of the City
7 are hereby authorized, for and in the name of and on behalf of the City, to do any and all
8 things and take any and all 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:\speclas2016\0600537\01155372.docx



City and County of San Francisco

Tails Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 161035

Date Passed: December 06, 2016

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

October 19, 2016 Budget and Finance Committee - RECOMMENDED

October 25, 2016 Board of Supervisors - CONTINUED

Ayes: 11 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang, Wiener and Yee

November 15, 2016 Board of Supervisors - CONTINUED

Ayes: 9 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin and Tang
Excused: 2 - Wiener and Yee

December 06, 2016 Board of Supervisors - AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE

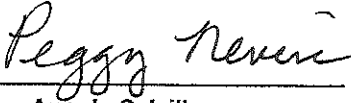
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December 06, 2016 Board of Supervisors - ADOPTED AS AMENDED

Ayes: 10 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang and Yee

File No. 161035

I hereby certify that the foregoing
Resolution was ADOPTED AS AMENDED
on 12/6/2016 by the Board of Supervisors
of the City and County of San Francisco.



for Angela Calvillo
Clerk of the Board

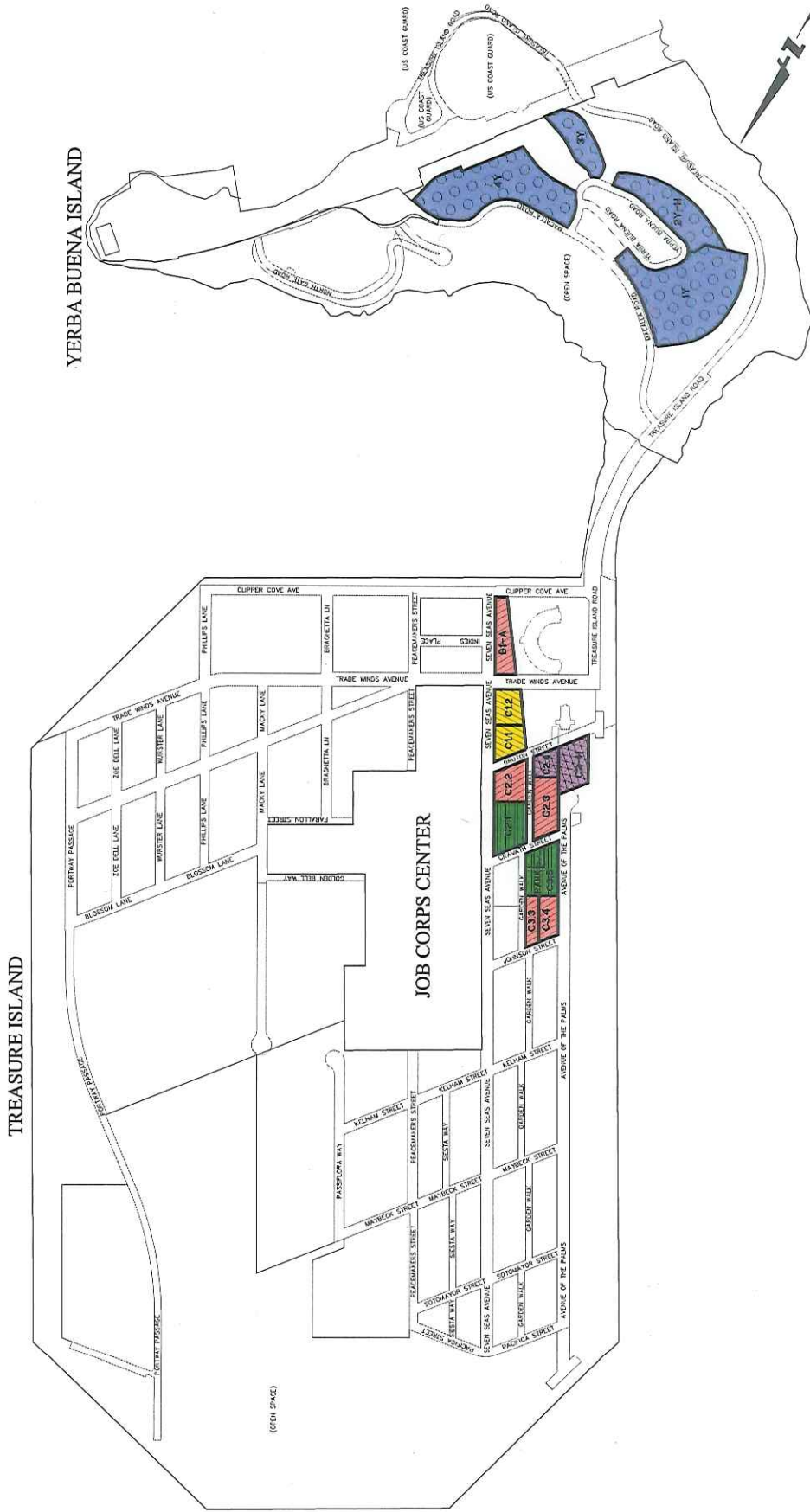


Mayor

12/16/16

Date Approved

PROPOSED BOUNDARIES OF
 CITY AND COUNTY OF SAN FRANCISCO
 INFRASTRUCTURE AND REVITALIZATION FINANCING DISTRICT NO. 1
 (TREASURE ISLAND PUBLIC INFRASTRUCTURE)



LEGEND

- Boundaries of Infrastructure and Revitalization Financing District No. 1
- Boundaries of Project Area A
- Boundaries of Project Area B
- Boundaries of Project Area C
- Boundaries of Project Area D
- Boundaries of Project Area E

Prepared by:
 BkF Engineers

1 [Forming Infrastructure and Revitalization Financing District No. 1 (Treasure Island) - Adopting
2 an Infrastructure Financing Plan]

3 **Ordinance forming City and County of San Francisco Infrastructure and Revitalization**
4 **Financing District No. 1 (Treasure Island) and adopting an Infrastructure Financing**
5 **Plan for such district.**

6
7
8 **NOTE:** **Unchanged Code text and uncodified text** are in plain Arial font.
9 **Additions to Codes** are in *single-underline italics Times New Roman font*.
10 **Deletions to Codes** are in ~~*strikethrough italics Times New Roman font*~~.
11 **Board amendment additions** are in double-underlined Arial font.
12 **Board amendment deletions** are in ~~strikethrough Arial font~~.
13 **Asterisks (* * * *)** indicate the omission of unchanged Code
14 subsections or parts of tables.

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

16 Section 1. The Board of Supervisors of the City and County of San Francisco hereby
17 finds, determines and declares based on the record before it that:

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

22 B. Under the Treasure Island Conversion Act of 1997, which amended Section
23 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of
24 the Statutes of 1968, the California Legislature (i) designated the Treasure Island
25 Development Authority, a California non-profit public benefit corporation ("TIDA") as a
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.

3 C. The Board of Supervisors approved the designation of TIDA as a redevelopment
4 agency for NSTI in 1997.

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

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

17 F. Treasure Island Community Development, LLC ("Developer") and TIDA
18 previously entered into a Disposition and Development Agreement (Treasure Island/Yerba
19 Buena Island) dated June 28, 2011 (the "DDA"), including a Financing Plan (Treasure
20 Island/Yerba Buena Island) (the "Financing Plan"), which governs the disposition and
21 development of a portion of NSTI (the "Project Site") after the Navy's transfer of NSTI to TIDA
22 in accordance with the Conveyance Agreement.

23 G. The DDA contemplates a project (the "Project") under which TIDA acquires the
24 Project Site from the Navy and conveys portions of the Project Site to Developer (or an
25 affiliate of the Developer) for the purposes of (i) alleviating blight in the Project Site through

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

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

13 I. On June 7, 2011, in Motion No. M11-0092, the Board of Supervisors
14 unanimously affirmed certification of the Final Environmental Impact Report. On that same
15 date, the Board of Supervisors, in Resolution No. 246-11, adopted CEQA findings and the
16 MMRP, and made certain environmental findings under CEQA (collectively, the "FEIR"). Also
17 on that date, the Board of Supervisors, in Ordinance No. 95-11, approved the DDA and other
18 transaction documents, including the Transportation Plan and Infrastructure Plan.

19 J. TIDA and the Developer have been working diligently since then to implement
20 the Project consistent with the DDA, the MMRP and other documents.

21 K. No additional environmental review is required because there are no substantial
22 changes to the project analyzed in the FEIR, no change in circumstances under which the
23 project is being undertaken, and no new information of substantial importance indicating that
24 new significant impacts would occur, that the impacts identified in the FEIR as significant
25

1 impacts would be substantially more severe, or that mitigation or alternatives previously found
2 infeasible are now feasible.

3 L. Developer and the City previously entered into a Development Agreement
4 related to the Project Site to eliminate uncertainty in the City's land use planning for the
5 Project Site and secure orderly development of the Project consistent with the DDA and other
6 applicable requirements, and the Financing Plan is also an exhibit to the Development
7 Agreement.

8 M. The Financing Plan identifies certain financial goals for the Project and the
9 contractual framework for cooperation between TIDA, the City, and Developer in achieving
10 those goals and implementing the Project.

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

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

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

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

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

20 S. Pursuant to the Financing Plan and the IRFD Law, the Board of Supervisors
21 adopted its "Resolution of intention to establish City and County of San Francisco
22 Infrastructure and Revitalization Financing District No. 1 (Treasure Island) and project areas
23 therein to finance the construction and/or acquisition of facilities on Treasure Island and Yerba
24 Buena Island; to provide for future annexation; to call a public hearing on the formation of the
25 district and project areas therein and to provide public notice thereof; and determining other

1 matters in connection therewith" (the "Resolution of Intention to Establish IRFD"), stating its
2 intention to form (i) the "City and County of San Francisco Infrastructure and Revitalization
3 Financing District No. 1 (Treasure Island)" (the "IRFD"), (ii) "Project Area A of the City and
4 County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure
5 Island)" ("Project Area A") as a project area within the IRFD, (iii) "Project Area B of the City
6 and County of San Francisco Infrastructure and Revitalization Financing District No. 1
7 (Treasure Island)" ("Project Area B") as a project area within the IRFD, (iv) "Project Area C of
8 the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1
9 (Treasure Island)" ("Project Area C") as a project area within the IRFD, (v) "Project Area D of
10 the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1
11 (Treasure Island)" ("Project Area D") as a project area within the IRFD, and (vi) "Project Area
12 E of the City and County of San Francisco Infrastructure and Revitalization Financing District
13 No. 1 (Treasure Island)" ("Project Area E" and, together with Project Area A, Project Area B,
14 Project Area C and Project Area D, the "Initial Project Areas" and together with any future
15 project areas that may be established in the IRFD, the "Project Areas") as a project area
16 within the IRFD, pursuant to the IRFD Law.

17 T. In the Resolution of Intention to Establish IRFD, this Board of Supervisors
18 declared its intent to provide for future annexations of property on Yerba Buena Island and
19 Treasure Island into the IRFD any time after formation of the IRFD, but only if the Board of
20 Supervisors has completed the procedures set forth in the Infrastructure Financing Plan,
21 which shall be based on the following: (i) this Board of Supervisors adopts a resolution of
22 intention to annex property (the "annexation territory") into the IRFD and describes whether
23 the annexation territory will be included in one of the then-existing Project Areas or in a new
24 Project Area and to issue Bonds, (ii) the resolution of intention is mailed to each owner of land
25 in the annexation territory and each affected taxing entity in the annexation territory, if any, in

1 substantial compliance with IRFD Law Sections 53369.11 and 53369.12, (iii) this Board of
2 Supervisors designates TIDA to prepare an amendment to the Infrastructure Financing Plan, if
3 necessary, and the designated official prepares any such amendment, in substantial
4 compliance with IRFD Law Sections 53369.13 and 53369.14, (iv) any amendment to the
5 Infrastructure Financing Plan is sent to each owner of land and each affected taxing entity (if
6 any) within the annexation territory, in substantial compliance with IRFD Law Sections
7 53369.15 and 53369.16, and approved by this Board of Supervisors, as the legislative body of
8 the only affected taxing entity that is subject to the division of taxes pursuant to the IRFD Law,
9 (v) this Board of Supervisors notices and holds a public hearing on the proposed annexation,
10 in substantial compliance with IRFD Law Sections 53369.17 and 53369.18, (vi) this Board of
11 Supervisors adopts a resolution proposing the adoption of any amendment to the
12 Infrastructure Financing Plan and annexation of the annexation territory to the IRFD, and
13 submits the proposed annexation to the qualified electors in the annexation territory, in
14 substantial compliance with IRFD Law Sections 53369.20-53369.22, with the ballot measure
15 to include the question of the proposed annexation of the annexation territory into the IRFD,
16 approval of the appropriations limit for the IRFD and approval of the issuance of bonds for the
17 IRFD, and (vii) after canvass of returns of any election, and if two-thirds of the votes cast upon
18 the question are in favor of the ballot measure, this Board may, by ordinance, adopt the
19 amendment to the Infrastructure Financing Plan, if any, and approve the annexation of the
20 annexation territory to the IRFD, in substantial compliance with IRFD Law Section 53369.23.

21 U. The Board of Supervisors also adopted its "Resolution authorizing and directing
22 the Director of the Office of Public Finance, or designee of the Director of the Office of Public
23 Finance to prepare an infrastructure financing plan for City and County of San Francisco
24 Infrastructure and Revitalization Financing District No. 1 (Treasure Island) and project areas
25 therein; and determining other matters in connection therewith," ordering preparation of an

1 infrastructure financing plan for the IRFD (“Infrastructure Financing Plan”) consistent with the
2 requirements of the IRFD Law.

3 V. The Infrastructure Financing Plan includes a list of Facilities (as defined below)
4 to be financed by the IRFD.

5 W. As required by the IRFD Law, the Clerk of the Board of Supervisors caused to
6 be mailed a copy of the Resolution of Intention to Establish IRFD to each owner of land within
7 the proposed IRFD and each affected taxing entity (as defined in the IRFD Law).

8 X. As further required by the IRFD Law, the Director of the Office of Public Finance
9 prepared the Infrastructure Financing Plan and the Treasure Island Director sent the
10 Infrastructure Financing Plan, along with any report required by the California Environmental
11 Quality Act (Division 13) (commencing with Section 2100) of the Public Resources Code) that
12 pertains to the proposed Facilities or the proposed development project for which the Facilities
13 are needed, to (i) each owner of land within the proposed IRFD and (ii) each affected taxing
14 entity; the Treasure Island Director also sent the Infrastructure Financing Plan and the CEQA
15 Report to the City’s planning commission and the Board of Supervisors.

16 Y. The Clerk of the Board of Supervisors made the Infrastructure Financing Plan
17 available for public inspection.

18 Z. As required by the IRFD Law, the Board of Supervisors, as the legislative body
19 of the City, which is the only affected taxing entity which is proposed to be subject to the
20 division of taxes pursuant the IRFD Law, considered and adopted its resolution “Resolution
21 approving infrastructure financing plan for City and County of San Francisco Infrastructure
22 and Revitalization Financing District No. 1 (Treasure Island) and project areas therein; and
23 determining other matters in connection therewith,” pursuant to which the Board of
24 Supervisors approved the Infrastructure Financing Plan.

1 AA. Following publication of a notice consistent with the requirements of the IRFD
2 Law, this Board of Supervisors held a public hearing relating to the proposed IRFD, the
3 proposed Project Areas and the proposed Infrastructure Financing Plan.

4 BB. Subsequent to the hearing, the Board of Supervisors adopted resolutions
5 entitled (i) "Resolution proposing adoption of infrastructure financing plan and formation of
6 City and County of San Francisco Infrastructure and Revitalization Financing District No. 1
7 (Treasure Island) and project areas therein and determining other matters in connection
8 therewith" (the "Resolution Proposing Adoption and Formation"), and (ii) "Resolution calling
9 special election for City and County of San Francisco Infrastructure and Revitalization
10 Financing District No. 1 (Treasure Island) and determining other matters in connection
11 therewith," which resolutions proposed formation of the IRFD and the Initial Project Areas,
12 proposed approval of the Infrastructure Financing Plan, proposed the process for future
13 annexations of territory to the IRFD, proposed an appropriations limit for the IRFD, proposed
14 issuance of bonds and other debt ("Bonds") for the IRFD to finance certain facilities (the
15 "Facilities") and called a special election within the IRFD.

16 CC. A special election was held within the IRFD which the eligible landowner-
17 electors approved the propositions presented at the election by the two-thirds vote required by
18 the IRFD Law.

19 Section 2. By the passage of this Ordinance this Board of Supervisors hereby declares
20 the IRFD and each of the Initial Project Areas to be fully formed with full force and effect of
21 law, approves the Infrastructure Financing Plan, declares the IRFD to have an appropriations
22 limit of \$192 million, and declares that the Board of Supervisors has the authority to issue
23 from time to time Bonds in one or more series for the IRFD in the maximum aggregate
24 principal amount of (i) \$780 million plus (ii) the principal amount of Bonds approved by this
25 Board of Supervisors and the qualified electors of annexation territory in connection with each

1 annexation of annexation territory to the IRFD, so long as the Board makes the finding
2 specified in IRFD Law Section 53369.41(f), all as provided in the proceedings for the IRFD
3 and in the IRFD Law.

4 Additional Project Areas may be designated in the future, and territory on Yerba Buena
5 Island and Treasure Island may be annexed to the IRFD in the future, as described in the
6 Resolution of Intention to Establish IRFD and the Resolution Proposing Adoption and
7 Formation. It is hereby found that all prior proceedings and actions taken by this Board of
8 Supervisors with respect to the IRFD were valid and in conformity with the IRFD Law.

9 Section 3. In accordance with IRFD Law Sections 53369.5(b) and 53369.14(d)(5), the
10 Board of Supervisors hereby establishes the date on which the allocation of tax increment
11 shall begin for the IRFD, which date shall be determined on a Project Area-by-Project Area
12 basis (each such date, the "Commencement Date"), and each Project Area may accordingly
13 have a different Commencement Date, with each Commencement Date being the first day of
14 the fiscal year following the fiscal year in which the applicable Project Area has generated and
15 the City has received: (i) with respect to Project Areas A, B and E, at least \$150,000 of tax
16 increment, (ii) with respect to Project Areas C and D, at least \$300,000 of tax increment, and
17 (iii) with respect to all other Project Areas established in connection with the annexation of
18 territory to the IRFD, the amount of tax increment specified in the ordinance annexing such
19 Project Area to the IRFD.

20 Section 4. The Board of Supervisors has reviewed and considered the FEIR and finds
21 that the FEIR is adequate for its use for the actions taken by this resolution and incorporates
22 the FEIR and the CEQA findings contained in Board of Supervisors Resolution No. 246-11 by
23 this reference.

24 Section 5. If any section, subsection, sentence, clause, phrase, or word of this
25 ordinance, or any application thereof to any person or circumstance, is held to be invalid or

1 unconstitutional by a decision of a court of competent jurisdiction, such decision shall not
2 affect the validity of the remaining portions or applications of this ordinance, this Board of
3 Supervisors hereby declaring that it would have passed this ordinance and each and every
4 section, subsection, sentence, clause, phrase, and word not declared invalid or
5 unconstitutional without regard to whether any other portion of this ordinance or application
6 thereof would be subsequently declared invalid or unconstitutional.

7 Section 6. This ordinance shall become effective 30 days after enactment. Enactment
8 occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or
9 does not sign the ordinance within 10 days of receiving it, or the Board of Supervisors
10 overrides the Mayor's veto of the ordinance.

11
12 APPROVED AS TO FORM:
13 DENNIS J. HERRERA
14 City Attorney

15
16 By: _____

17 MARK D. BLAKE
18 Deputy City Attorney

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25



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Certified Copy

Resolution

161038 [Resolution of Intention to Establish Community Facilities District No. 2016-1 (Treasure Island)]

Sponsors: Mayor; Kim

Resolution of Intention to establish City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island), Improvement Area No. 1 and a Future Annexation Area; to call a public hearing on January 24, 2017, at 3:00 p.m. on the formation of the district, and to provide public notice thereof; and determining other matters in connection therewith.

10/25/2016 Board of Supervisors - CONTINUED

Ayes: 11 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang, Wiener and Yee

11/15/2016 Board of Supervisors - CONTINUED

Ayes: 9 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin and Tang
Excused: 2 - Wiener and Yee

12/6/2016 Board of Supervisors - AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE

Ayes: 10 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang and Yee

12/6/2016 Board of Supervisors - ADOPTED AS AMENDED

Ayes: 10 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang and Yee

12/16/2016 Mayor - APPROVED

STATE OF CALIFORNIA
CITY AND COUNTY OF SAN FRANCISCO

CLERK'S CERTIFICATE

I do hereby certify that the foregoing Resolution is a full, true, and correct copy of the original thereof on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City and County of San Francisco.

December 20, 2016

Date

for Angela Calvillo
Clerk of the Board

1 [Resolution of Intention to Establish Community Facilities District No. 2016-1 (Treasure
2 Island)]

3 **Resolution of Intention to establish City and County of San Francisco Community**
4 **Facilities District No. 2016-1 (Treasure Island), Improvement Area No. 1 and a Future**
5 **Annexation Area; to call a public hearing on January 24, 2017; and determining other**
6 **matters in connection therewith.**

7
8 WHEREAS, Naval Station Treasure Island ("NSTI") is a former United States Navy
9 base located in the City and County of San Francisco ("City") that consists of two islands
10 connected by a causeway: (1) Treasure Island, and (2) an approximately 90-acre portion of
11 Yerba Buena Island; and

12 WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended
13 California Health and Safety Code Section 33492.5 and added Section 2.1 to Chapter 1333 of
14 the Statutes of 1968 ("Act"), the California Legislature: (i) designated the Treasure Island
15 Development Authority ("TIDA"), as a redevelopment agency under California redevelopment
16 law with authority over NSTI upon approval of the City's Board of Supervisors, and (ii) with
17 respect to those portions of NSTI which are subject to Tidelands Trust, vested in TIDA the
18 authority to administer the public trust for commerce, navigation and fisheries as to such
19 property; and

20 WHEREAS, The Board of Supervisors approved the designation of TIDA as the
21 redevelopment agency for NSTI in 1997; and

22 WHEREAS, On January 24, 2012, the Board of Supervisors rescinded designation of
23 TIDA as the redevelopment agency for Treasure Island under California Community
24 Redevelopment Law in Resolution No. 11-12; but such rescission did not affect TIDA's status
25 as the Local Reuse Authority for NSTI or the Tidelands Trust trustee for the portions of NSTI

1 subject to the Tidelands Trust, or any of the other powers or authority; and

2 WHEREAS, The United States of America, acting by and through the Department of
3 the Navy ("Navy"), and TIDA entered into an Economic Conveyance Memorandum of
4 Agreement (as amended and supplemented from time to time, the "Conveyance Agreement")
5 that governs the terms and conditions for the transfer of NSTI from the Navy to TIDA; and
6 under the Conveyance Agreement, the Navy will convey NSTI to TIDA in phases after the
7 Navy has completed environmental remediation and issued a Finding of Suitability to Transfer
8 (as defined in the Conveyance Agreement) for specified parcels of NSTI or portions thereof;
9 and

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

16 WHEREAS, The DDA contemplates a project ("Project") under which TIDA acquires
17 the Project Site from the Navy and conveys portions of the Project Site to Developer for the
18 purposes of: (i) alleviating blight in the Project Site through development of certain
19 improvements, (ii) geotechnically stabilizing the Project Site, (iii) constructing public
20 infrastructure to support the Project and other proposed uses on NSTI, (iv) constructing and
21 improving certain public parks and open spaces, (v) remediating certain existing hazardous
22 substances, and (vi) selling and ground leasing lots to vertical developers who will construct
23 residential units and commercial and public facilities; and

24 WHEREAS, On April 21, 2011, the Planning Commission by Motion No. 18325 and the
25 Board of Directors of TIDA, by Resolution No. 11-14-04/21, as co-lead agencies, certified the

1 completion of the Final Environmental Impact Report for the Project, and unanimously
2 approved a series of entitlement and transaction documents relating to the Project, including
3 certain environmental findings under the California Environmental Quality Act ("CEQA"), a
4 mitigation and monitoring and reporting program ("MMRP"), and the DDA and other
5 transaction documents; and

6 WHEREAS, On June 7, 2011, in Motion No. M11-0092, the Board of Supervisors
7 unanimously affirmed certification of the Final Environmental Impact Report, and on that same
8 date, the Board of Supervisors, in Resolution No. 246-11, adopted CEQA findings and the
9 MMRP, and made certain environmental findings under CEQA (collectively, "FEIR"), and also
10 on that date, the Board of Supervisors, in Ordinance No. 95-11, approved the DDA and other
11 transaction documents, including the Transportation Plan and Infrastructure Plan; and

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

14 WHEREAS, No additional environmental review is required because there are no
15 substantial changes to the project analyzed in the FEIR, no change in circumstances under
16 which the project is being undertaken, and no new information of substantial importance
17 indicating that new significant impacts would occur, that the impacts identified in the FEIR as
18 significant impacts would be substantially more severe, or that mitigation or alternatives
19 previously found infeasible are now feasible; and

20 WHEREAS, The City anticipates that future improvements will be necessary to ensure
21 that the shoreline, public facilities, and public access improvements will be protected should
22 sea level rise at the perimeter of the Project Site, and the Board of Supervisors desires to
23 provide a mechanism to pay directly for such improvements and/or establish a capital reserve
24 fund to finance such improvements; and

25 WHEREAS, Under the Mello-Roos Community Facilities Act of 1982, as amended,

1 constituting Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with California
2 Government Code Section 53311 ("Mello-Roos Act"), this Board of Supervisors is authorized
3 to establish a community facilities district and to act as the legislative body for a community
4 facilities district; and

5 WHEREAS, This Board of Supervisors now desires to proceed with the establishment
6 of a community facilities district in order to finance costs of public infrastructure and certain
7 public services necessary or incident to development within the proposed boundaries of the
8 proposed community facilities district, including, without limitation, future improvements
9 necessitated by sea level rise; and

10 WHEREAS, Pursuant to Mello-Roos Act Section 53339.2, this Board of Supervisors
11 further desires to undertake proceedings to provide for future annexation of territory to the
12 proposed community facilities district; now, therefore, be it

13 RESOLVED, That this Board of Supervisors proposes to conduct proceedings to
14 establish a community facilities district pursuant to the Mello-Roos Act, and hereby
15 determines that public convenience and necessity require that a future annexation area be
16 established pursuant to the Mello-Roos Act; and, be it

17 FURTHER RESOLVED, That the name proposed for the community facilities district is
18 "City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)"
19 ("CFD"); and, be it

20 FURTHER RESOLVED, That pursuant to Mello-Roos Act Section 53350, the territory
21 to be initially included in the CFD (as shown on the map described below) is hereby
22 designated to include the following Improvement Area: "Improvement Area No. 1 of the City
23 and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)"
24 ("Improvement Area No. 1"); and, be it

25 FURTHER RESOLVED, That the name proposed for the territory proposed to be

1 annexed into the CFD in the future is "City and County of San Francisco Community Facilities
2 District No. 2016-1 (Treasure Island) (Future Annexation Area)" ("Future Annexation Area"),
3 and in connection with the annexation of all or a portion of the Future Annexation Area, this
4 Board of Supervisors shall follow the Annexation Approval Procedures described herein,
5 which may include a designation that the area to be annexed shall be annexed as a separate
6 improvement area; and, be it

7 FURTHER RESOLVED, That the proposed boundaries of the CFD, Improvement Area
8 No. 1 and the Future Annexation Area are as shown on the map of them on file with the Clerk
9 of the Board of Supervisors in File No. 161038, which boundaries are hereby preliminarily
10 approved and to which map reference is hereby made for further particulars, and the Clerk of
11 the Board of Supervisors is hereby directed to record, or cause to be recorded, the map of the
12 boundaries of the CFD, Improvement Area No. 1 and the Future Annexation Area in the office
13 of the Assessor-Recorder for the City and County of San Francisco within 15 days of the date
14 of adoption of this Resolution; and, be it

15 FURTHER RESOLVED, That, from time to time, parcels within the Future Annexation
16 Area shall be annexed to the CFD only with the unanimous approval (each, a "Unanimous
17 Approval") of the owner or owners of each parcel or parcels at the time that such parcel(s) are
18 annexed, and in accordance with the Annexation Approval Procedures described herein, and
19 the Board of Supervisors hereby determines that any property for which the owner or owners
20 execute a Unanimous Approval that is annexed into the CFD in accordance with the
21 Annexation Approval Procedures shall be added to the CFD and the Clerk of the Board of
22 Supervisors shall record (i) an amendment to the notice of special tax lien for the CFD
23 pursuant to Streets & Highways Code Section 3117.5 if the property is annexed to an existing
24 improvement area or (ii) a notice of special tax lien for the CFD pursuant to Streets &
25 Highways Code Section 3117.5 if the property annexed is designated as a new improvement

1 area; provided, however, the designation of property as Future Annexation Area and the
2 ability to annex property to the CFD based on a Unanimous Approval shall not limit, in any
3 way, the annexation of property in the Future Annexation Area to the CFD pursuant to other
4 provisions of the Mello-Roos Act; and, be it

5 FURTHER RESOLVED, That the type of public facilities proposed to be financed by
6 the CFD, Improvement Area No. 1 and the Future Annexation Area (including any area
7 therein designated to be annexed as a separate improvement area) pursuant to the Mello-
8 Roos Act shall consist of those listed as facilities on Exhibit A hereto and hereby incorporated
9 herein ("Facilities"), and this Board of Supervisors hereby determines that the Facilities are
10 necessary to meet increased demands placed upon local agencies as the result of
11 development occurring within the CFD, Improvement Area No. 1 and the Future Annexation
12 Area, and this Board of Supervisors hereby finds and determines that the public interest will
13 not be served by allowing the property owners in the CFD to enter into a contract in
14 accordance with Mello-Roos Act Section 53329.5(a), and notwithstanding the foregoing, this
15 Board of Supervisors, on behalf of the CFD, may enter into one or more contracts directly with
16 any of the property owners with respect to the construction and/or acquisition of the any
17 portion of the Facilities; and, be it

18 FURTHER RESOLVED, That the Director of the Office of Public Finance is hereby
19 authorized and directed to enter into joint community facilities agreements with any entity that
20 will own or operate any of the Facilities, as may be necessary to comply with the provisions of
21 Mello-Roos Act Sections 53316.2(a) and (b), and this Board of Supervisors' approval of a joint
22 community facilities agreement shall be conclusively evidenced by the execution and delivery
23 thereof by the Director of the Office of Public Finance, and this Board of Supervisors hereby
24 declares that such joint agreements will be beneficial to owners of property in the area of the
25 CFD; and, be it

1 FURTHER RESOLVED, That the type of services proposed to be financed by the CFD,
2 Improvement Area No. 1 and the Future Annexation Area (including any area therein
3 designated to be annexed as a separate improvement area) pursuant to the Mello-Roos Act
4 shall consist of those listed in Exhibit A hereto and hereby incorporated herein ("Services").
5 This Board of Supervisors hereby determines that the Services are necessary to meet
6 increased demands for such services placed upon local agencies as the result of
7 development occurring within the area of the CFD, Improvement Area No. 1 and the Future
8 Annexation Area; and, be it

9 FURTHER RESOLVED, That the Services are in addition to those provided in the
10 territory of the CFD, Improvement Area No. 1 and the Future Annexation Area as of the date
11 hereof and will not supplant services already available within the territory of the CFD,
12 Improvement Area No. 1 and the Future Annexation Area as of the date hereof, and the City
13 intends to provide the Services on an equal basis in the original territory of the CFD and
14 Improvement Area No. 1 and, when it has been annexed to the CFD, the Future Annexation
15 Area (including any area therein designated to be annexed as a separate improvement area);
16 and, be it

17 FURTHER RESOLVED, That except to the extent that funds are otherwise available,
18 the City will levy a special tax (the "Special Tax") to pay directly for the Facilities, including out
19 of a special-tax funded capital reserve established for the payment of Facilities, to pay the
20 principal and interest on bonds and other debt (as defined in the Mello-Roos Act) of the City
21 issued for Improvement Area No. 1 to finance the Facilities and to pay for the Services, and
22 the Special Tax will be secured by recordation of a continuing lien against all non-exempt real
23 property in the CFD and Improvement Area No. 1, will be levied annually within the CFD and
24 Improvement Area No. 1, and collected in the same manner as ordinary ad valorem property
25

1 taxes, or in such other manner as this Board of Supervisors or its designee shall determine,
2 including direct billing of the affected property owners; and, be it

3 FURTHER RESOLVED, That the proposed rate and method of apportionment of the
4 Special Tax among the parcels of real property within Improvement Area No. 1, in sufficient
5 detail to allow each landowner within Improvement Area No. 1 to estimate the maximum
6 amount such owner will have to pay, is described in Exhibit B attached hereto and hereby
7 incorporated herein ("Rate and Method"); and, be it

8 FURTHER RESOLVED, That the Special Tax to be levied in Improvement Area No. 1
9 (the "Improvement Area No. 1 Special Tax"), shall not be levied in Improvement Area No. 1 to
10 finance Facilities after the fiscal year established therefor in the Rate and Method, and the
11 Improvement Area No. 1 Special Tax shall only be levied to finance Services thereafter,
12 except that an Improvement Area No. 1 Special Tax that was lawfully levied in or before the
13 final tax year and that remains delinquent may be collected in subsequent years; and, be it

14 FURTHER RESOLVED, Under no circumstances shall the Improvement Area No. 1
15 Special Tax levied against any parcel in Improvement Area No. 1 to finance Facilities in any
16 fiscal year used for private residential purposes be increased in that fiscal year as a
17 consequence of delinquency or default by the owner of any other parcel or parcels within
18 Improvement Area No. 1 by more than 10 percent; and, be it

19 FURTHER RESOLVED, That a special tax to finance Facilities shall not be levied in
20 one or more future improvement areas formed to include territory that annexes into the CFD
21 from the Future Annexation Area (each, a "Future Improvement Area") after the fiscal year
22 established therefor in the rate and method for the Future Improvement Area, and the special
23 tax shall only be levied to finance Services thereafter, except that a special tax that was
24 lawfully levied in or before the final tax year and that remains delinquent may be collected in
25 subsequent years; and, be it

1 FURTHER RESOLVED, Under no circumstances shall the special tax for financing
2 Facilities levied against any parcel in the Future Improvement Area in any fiscal year used for
3 private residential purposes be increased in that fiscal year as a consequence of delinquency
4 or default by the owner of any other parcel or parcels within the Future Improvement Area by
5 more than 10 percent; and, be it

6 FURTHER RESOLVED, That for Future Improvement Areas, a different rate and
7 method may be adopted for annexed territory if the annexed territory is designated as a
8 separate improvement area; and, be it

9 FURTHER RESOLVED, No supplements to the Rate and Method for any of the Future
10 Improvement Areas and no new rate and method shall cause the maximum tax rate in the
11 then-existing territory of the CFD (including Improvement Area No. 1) to increase, and the
12 designation as an improvement area of any territory annexing to the CFD, the maximum
13 amount of bonded indebtedness and other debt for such improvement area, the rate and
14 method of apportionment of special tax for such improvement area (including the conditions
15 under which the obligation to pay the special tax may be prepaid and permanently satisfied, if
16 any), and the appropriations limit for such improvement area shall be identified and approved
17 in the Unanimous Approval executed by property owner(s) in connection with its annexation to
18 the CFD in accordance with the Annexation Approval Procedures described herein; and, be it

19 FURTHER RESOLVED, That the "Annexation Approval Procedures" governing
20 annexations of parcels in the Future Annexation Area into the CFD shall consist of the
21 following sets of procedures (specified in (A) and (B) that follow):

22 (A) The annexation and related matters described in the Unanimous Approval shall be
23 implemented and completed without the need for the approval of either the Board of Directors
24 of TIDA ("TIDA Board") or this Board of Supervisors as long as the following conditions are
25 met:

1 (1) The annexation is to an existing improvement area and the property proposed to
2 be annexed shall be subject to the same rate and method of apportionment of special tax and
3 the same bonded indebtedness limits as such existing improvement area; or

4 (2) The annexation is to a new improvement area and the following conditions
5 apply:

6 (i) The rate and method of apportionment of special tax for the new
7 improvement area is prepared by a special tax consultant retained by the City and paid
8 for by the property owners submitting the Unanimous Approval.

9 (ii) The rate and method of apportionment of special tax for the new
10 improvement area is consistent with the Financing Plan.

11 (iii) The rate and method of apportionment of special tax for the new
12 improvement area does not establish a maximum special tax rate for the initial fiscal
13 year in which the special tax may be levied for any category of property subject to the
14 special tax that is greater than 120% of the maximum special tax rate established for
15 the same category of property subject to the special tax for the same fiscal year
16 calculated pursuant to the Rate and Method (i.e., the rate and method of apportionment
17 of special tax for Improvement Area No. 1).

18 (iv) The rate and method of apportionment of special tax for the new
19 improvement area does not contain a type of special tax that was not included in the
20 Rate and Method (for example, a one-time special tax).

21 (v) The rate and method of apportionment of special tax for the new
22 improvement area contains the same terms for "Collection of Special Tax" (including
23 with respect to the term of the special tax) and for application of Remainder Special
24 Taxes (as defined in the Rate and Method) with respect to park maintenance costs as
25 the Rate and Method.

1 (vi) If the rate and method of apportionment of special tax for the new
2 improvement area includes a provision allowing prepayment of the special tax, in whole
3 or in part, the Director of the Office of Public Finance, after consulting with the special
4 tax consultant retained by the City and the City Attorney, shall be satisfied that such
5 prepayment provision will not adversely impact the financing of authorized Facilities
6 and Services; *provided*, that if the prepayment formula set forth in such rate and
7 method of apportionment has previously been approved by this Board, then such
8 prepayment formula may be replicated in the rate and method of apportionment for
9 such new improvement area without meeting such test.

10 If the foregoing conditions ((1) or (2), as applicable), are satisfied, as determined by the
11 Director of the Office of Public Finance and set forth in a written acceptance by the Director of
12 the Office of Public Finance delivered to the property owner(s) that executed the Unanimous
13 Approval and the Clerk of the Board of Supervisors, the Unanimous Approval shall be
14 deemed accepted by the City and the Clerk of the Board of Supervisors shall record an
15 amendment to the notice of special tax lien or a new notice of special tax lien for the CFD
16 pursuant to Streets & Highways Code Section 3117.5.

17 (B) For any annexation and related matters described in the Unanimous Approval that
18 does not meet the requirements of Section (A) above, the following procedures shall apply
19 (provided, however, that nothing in the following procedures shall prevent the property owners
20 of property to be annexed into the CFD from a Future Annexation Area from annexing
21 property to the CFD (including into a new improvement area) pursuant to Section (A) above
22 and then instituting change proceedings pursuant to Article 3 of the Mello-Roos Act to make
23 additional changes to the rate and method or other authorized purposes):

24 *First*, the owners(s) of property to be annexed into the CFD shall submit a Unanimous
25 Approval for each parcel or parcels to be annexed into the CFD to the Treasure Island

1 Director of TIDA, together with a statement as to whether the Unanimous Approval is
2 consistent with the Financing Plan and, if not, the reasons for such inconsistency.

3 *Second*, the Treasure Island Director shall have 30 days to either (a) submit the
4 Unanimous Approval to the TIDA Board, accompanied by a written staff report that includes a
5 statement from the Treasure Island Director as to whether the Unanimous Approval is
6 consistent with the Financing Plan and, if not, a description of the inconsistencies, the reasons
7 for such inconsistencies given by the Developer and the Treasure Island Director's
8 recommendation as to such inconsistencies or (b) notify the Developer that the Treasure
9 Island Director shall not submit the Unanimous Approval to the TIDA Board due to
10 inconsistencies with the Financing Plan.

11 *Third*, the TIDA Board shall, within 60 days of the receipt of any Unanimous Approval
12 by the Treasure Island Director pursuant to *Second* above, either (i) adopt a resolution
13 accepting the Unanimous Approval or (ii) adopt a resolution rejecting the Unanimous
14 Approval, with the sole basis for rejection being a detailed conclusion that the Unanimous
15 Approval is not consistent with the Financing Plan.

16 *Fourth*, if the TIDA Board adopts a resolution rejecting the Unanimous Approval, the
17 owner(s) of property to be annexed into the CFD may revise the Unanimous Approval and
18 resubmit it to the Treasure Island Director, who shall endeavor to submit the revised
19 Unanimous Approval to the TIDA Board, accompanied by a written staff report as outlined
20 above under *Second*, at the next available meeting of the TIDA Board, and the TIDA Board
21 shall consider the revised Unanimous Approval and either (i) adopt a resolution accepting the
22 revised Unanimous Approval or (ii) adopt a resolution rejecting the revised Unanimous
23 Approval, with the sole basis for rejection being a detailed conclusion that the revised
24 Unanimous Approval is not consistent with the Financing Plan, in which event the owner(s)
25 may further revise the Unanimous Approval and repeat the process described in this clause

1 *Fourth.* In lieu of submitting a revised Unanimous Approval to the Treasure Island Director,
2 the owner(s) of property to be annexed into the CFD may appeal the TIDA Board's decision to
3 reject the Unanimous Approval to this Board of Supervisors, with the sole basis for appeal
4 being that the Unanimous Approval should not have been rejected because the Unanimous
5 Approval is consistent with the Financing Plan.

6 *Fifth,* within 30 days of the adoption by the TIDA Board of a resolution accepting a
7 Unanimous Approval or an appeal of the TIDA Board's decision to reject a Unanimous
8 Approval, the Director of the Office of Public Finance shall submit said Unanimous Approval
9 as an information item to the Clerk of the Board of Supervisors, and, unless within 30 days of
10 the receipt of the Unanimous Approval by the Clerk, one of the members of this Board of
11 Supervisors asks for it to be placed on an agenda for consideration by the Board of
12 Supervisors (which consideration shall be limited to whether the Unanimous Approval is
13 consistent with the Financing Plan), the Unanimous Approval shall be deemed accepted by
14 the City and the Clerk of the Board of Supervisors shall record an amendment to the notice of
15 special tax lien for the CFD pursuant to Streets & Highways Code Section 3117.5 or a new
16 notice of special tax lien for the CFD pursuant to Streets & Highways Code Section 3117.5;
17 and, be it

18 FURTHER RESOLVED, That this Board of Supervisors hereby finds that the provisions
19 of Mello-Roos Act Sections 53313.6, 53313.7 and 53313.9 (relating to adjustments to *ad*
20 *valorem* property taxes and schools financed by a community facilities district) are
21 inapplicable to the proposed CFD, Improvement Area No. 1 and the Future Annexation Area;
22 and, be it

23 FURTHER RESOLVED, That as required by Mello-Roos Act Section 53339.3(d), this
24 Board of Supervisors hereby determines that the Special Tax proposed to pay for the
25 Facilities to be supplied within the Future Annexation Area financed with bonds that have

1 already been issued and that are secured by previously-existing areas of the CFD will be
2 equal to the Special Taxes levied to pay for the same Facilities in previously-existing areas of
3 the CFD and Improvement Area No. 1, except that (i) a higher Special Tax may be levied
4 within the Future Annexation Area to pay for the same Facilities to compensate for the interest
5 and principal previously paid from Special Taxes in the original area of the CFD and
6 Improvement Area No. 1, less any depreciation allocable to the financed Facilities and (ii) a
7 higher Special Tax may be levied in the Future Annexation Area to pay for new or additional
8 Facilities, with or without bond financing, and as required by Mello-Roos Act Section
9 53339.3(d), this Board of Supervisors hereby further determines that the Special Tax
10 proposed to pay for Services to be supplied within the Future Annexation Area shall be equal
11 to any Special Tax levied to pay for the same Services in the existing CFD and Improvement
12 Area No. 1, except that a higher or lower tax may be levied within the Future Annexation Area
13 to the extent that the actual cost of providing the Services in the Future Annexation Area is
14 higher or lower than the cost of providing those Services in the existing CFD and
15 Improvement Area No. 1. In so finding, this Board of Supervisors does not intend to limit its
16 ability to levy a Special Tax within the Future Annexation Area to provide new or additional
17 services beyond those supplied within the existing CFD and Improvement Area No. 1 or its
18 ability to implement changes pursuant to Article 3 of the Mello-Roos Act within one or more
19 improvement areas; and, be it

20 FURTHER RESOLVED, That except as may otherwise be provided by law or by the
21 Rate and Method, all lands owned by any public entity, including the United States, the State
22 of California and/or the City, or any departments or political subdivisions thereof, shall be
23 omitted from the levy of the Special Tax to be made to cover the costs and expenses of the
24 Facilities, the Services, the CFD or Improvement Area No. 1. In the event that a portion of the
25 property within Improvement Area No. 1 shall become for any reason exempt, wholly or in

1 part, from the levy of the Special Tax, this Board of Supervisors will, on behalf of the CFD,
2 increase the levy to the extent necessary upon the remaining property within Improvement
3 Area No. 1 which is not exempt in order to yield the required debt service payments and other
4 annual expenses of Improvement Area No. 1, if any, subject to the provisions of the Rate and
5 Method; and, be it

6 FURTHER RESOLVED, That except as may otherwise be provided by law or by the
7 rate and method of apportionment for a Future Improvement Area, all lands owned by any
8 public entity, including the United States, the State of California and/or the City, or any
9 departments or political subdivisions thereof, shall be omitted from the levy of the special tax
10 to be made to cover the costs and expenses of the Facilities, the Services and the Future
11 Improvement Area. In the event that a portion of the property within the Future Improvement
12 Area shall become for any reason exempt, wholly or in part, from the levy of the special tax,
13 this Board of Supervisors will, on behalf of the CFD, increase the levy to the extent necessary
14 upon the remaining property within the Future Improvement Area which is not exempt in order
15 to yield the required debt service payments and other annual expenses of the Future
16 Improvement Area, if any, subject to the provisions of the rate and method of apportionment
17 of the special tax; and, be it

18 FURTHER RESOLVED, That the levy of the Improvement Area No. 1 Special Tax shall
19 be subject to the approval of the qualified electors of Improvement Area No. 1 at a special
20 election, and the proposed voting procedure shall be by mailed or hand-delivered ballot
21 among the landowners in the proposed Improvement Area No. 1, with each owner having one
22 vote for each acre or portion of an acre such owner owns in Improvement Area No. 1 not
23 exempt from the Improvement Area No. 1 Special Tax; and, be it

24 FURTHER RESOLVED, That a special tax shall be levied in the Future Annexation
25 Area only with the Unanimous Approval of the owner or owners of each parcel or parcels at

1 the time that parcel or those parcels are annexed into the CFD and in accordance with the
2 Annexation Approval Procedures; and, be it

3 FURTHER RESOLVED, That it is the intention of this Board of Supervisors, acting as
4 the legislative body of the CFD, to cause bonds of the City and other debt (as defined in the
5 Mello-Roos Act) to be issued for Improvement Area No. 1 pursuant to the Mello-Roos Act to
6 finance in whole or in part the construction and/or acquisition of the Facilities, and the bonds
7 and other debt shall be in the aggregate principal amount of not to exceed \$250 million
8 ("Improvement Area No. 1 Indebtedness Limit"), shall be issued in such series and bear
9 interest payable semi-annually or in such other manner as this Board of Supervisors shall
10 determine, at a rate not to exceed the maximum rate of interest as may be authorized by
11 applicable law at the time of sale of each series of bonds and other debt, and shall mature not
12 to exceed 40 years from the date of the issuance thereof; and, be it

13 FURTHER RESOLVED, That it is the intention of this Board of Supervisors, acting as
14 the legislative body of the CFD, to cause bonds of the City and other debt (as defined in the
15 Mello-Roos Act) to be issued for that portion of the CFD that is not included in Improvement
16 Area No. 1 to finance in whole or in part the construction and/or acquisition of the Facilities,
17 and the bonds and other debt shall be in the aggregate principal amount of not to exceed
18 \$4.75 billion ("Non-Improvement Area No. 1 Indebtedness Limit"), shall be issued in such
19 series and bear interest payable semi-annually or in such other manner as this Board of
20 Supervisors shall determine; at a rate not to exceed the maximum rate of interest as may be
21 authorized by applicable law at the time of sale of each series of bonds and other debt, and
22 shall mature not to exceed 40 years from the date of the issuance thereof; and, be it

23 FURTHER RESOLVED, That in the event all or a portion of the Future Annexation
24 Area is annexed as one or more Future Improvement Areas, the designation as an
25 improvement area of any territory annexing to the CFD, the maximum amount of bonded

1 indebtedness and other debt for such improvement area, the rate and method of
2 apportionment of special tax for such improvement area and the appropriations limit for such
3 improvement area shall be identified and approved in the Unanimous Approval executed by
4 property owners in connection with their annexation to the CFD in accordance with the
5 Annexation Approval Procedures. In that event, the amount of the maximum indebtedness for
6 the Future Improvement Area shall be subtracted from the Non-Improvement Area No. 1
7 Indebtedness Limit, which shall result in a reduction in the Non-Improvement Area No. 1
8 Indebtedness Limit; and, be it

9 FURTHER RESOLVED, That it is the intention of this Board of Supervisors, acting as
10 the legislative body for the CFD, to cause bonds and other debt of the City to be issued for the
11 Future Improvement Areas pursuant to the Mello-Roos Act to finance in whole or in part the
12 construction and/or acquisition of the Facilities, and the bonds and other debt shall be in the
13 aggregate principal amount designated at the time of annexation, shall be issued in such
14 series and bear interest payable semi-annually or in such other manner as this Board of
15 Supervisors shall determine, at a rate not to exceed the maximum rate of interest as may be
16 authorized by applicable law at the time of sale of each series of bonds and other debt, and
17 shall mature not to exceed 40 years from the date of the issuance thereof; and, be it

18 FURTHER RESOLVED, That the City's Director of the Office of Public Finance, as the
19 officer having charge and control of the Facilities and the Services in and for the CFD,
20 Improvement Area No. 1 and the Future Annexation Area, is hereby directed to study said
21 proposed Facilities and Services and to make, or cause to be made, and file with the Clerk of
22 the Board of Supervisors a report in writing ("CFD Report") presenting the following:

23 (a) A description of the Facilities and the Services by type which will be
24 required to adequately meet the needs of the CFD (which is proposed to consist initially
25 of Improvement Area No. 1) and the Future Annexation Area.

1 (b) An estimate of the fair and reasonable cost of the Facilities including the
2 cost of acquisition of lands, rights-of-way and easements, any physical facilities required
3 in conjunction therewith and incidental expenses in connection therewith, including the
4 costs of the proposed bond financing and other debt and all other related costs as
5 provided in Mello-Roos Act Section 53345.3.

6 (c) An estimate of the fair and reasonable cost of the Services and incidental
7 expenses in connection therewith, and all other related costs.

8 The CFD Report shall be made a part of the record of the public hearing specified below; and,
9 be it

10 FURTHER RESOLVED, 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 San Francisco, California, be, and the same are hereby appointed and fixed as the time and
13 place when and where this Board of Supervisors, as legislative body for the CFD, will conduct
14 a public hearing on the establishment of the CFD, Improvement Area No. 1 and the Future
15 Annexation Area and consider and finally determine whether the public interest, convenience
16 and necessity require the formation of the CFD, Improvement Area No. 1, the Future
17 Annexation Area and the levy of the Special Tax, including the Improvement Area No. 1
18 Special Tax; and, be it

19 FURTHER RESOLVED, That the Clerk of the Board of Supervisors is hereby directed
20 to cause notice of the public hearing to be given by publication one time in a newspaper
21 published in the area of the CFD and the Future Annexation Area; and, be it

22 FURTHER RESOLVED, The publication shall be completed at least seven days before
23 the date of the public hearing specified above. The notice shall be substantially in the form
24 specified in Mello-Roos Act Section 53322, with the form summarizing the provisions hereof
25 hereby specifically approved; and, be it

1 FURTHER RESOLVED, That Mello-Roos Act Section 53314.9 provides that, either
2 before or after formation of the CFD, the City may accept advances of funds and may provide,
3 by resolution, for the use of those funds, including but not limited to pay any cost incurred by
4 the local agency in creating the CFD, and may agree to reimburse the advances under all of
5 the following conditions: (A) the proposal to repay the advances is included both in the
6 resolution of intention and the resolution of formation to establish the CFD; and (B) any
7 proposed special tax is approved by the qualified electors of the CFD and, if the qualified
8 electors of the CFD do not approve the proposed special tax, the City shall return any funds
9 which have not been committed for any authorized purpose by the time of the election and, in
10 furtherance of Mello-Roos Act Section 53314.9, the Board of Supervisors previously approved
11 the execution and delivery of a Deposit and Reimbursement Agreement ("Deposit
12 Agreement") among the City, TIDA and the Developer, in Board File No. 150648; and, be it

13 FURTHER RESOLVED, That Mello-Roos Act Section 53314.9 provides that, either
14 before or after formation of the CFD, the City may accept work in-kind from any source,
15 including, but not limited to, private persons or private entities, may provide, by resolution, for
16 the use of that work in-kind for any authorized purpose and this Board of Supervisors may
17 enter into an agreement, by resolution, with the person or entity advancing the work in-kind, to
18 reimburse the person or entity for the value, or cost, whichever is less, of the work in-kind, as
19 determined by this Board of Supervisors, with or without interest, under the conditions
20 specified in the Mello-Roos Act; and, be it

21 FURTHER RESOLVED, Any work in-kind must be performed or constructed as if the
22 work had been performed or constructed under the direction and supervision, or under the
23 authority of, the City and, in furtherance of Mello-Roos Act Section 53314.9, the Board of
24 Supervisors previously approved the execution and delivery of an Acquisition and
25 Reimbursement Agreement among the City, TIDA and the Developer; and, be it

1 FURTHER RESOLVED, That this Board of Supervisors reserves to itself the right and
2 authority set forth in Mello-Roos Act Section 53344.1, subject to any limitations set forth in any
3 bond resolution or trust indenture related to the issuance of bonds; and, be it

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

8 FURTHER RESOLVED, That this Resolution shall in no way obligate this Board of
9 Supervisors of the City to form the CFD, Improvement Area No. 1 or the Future Annexation
10 Area; and, be it

11 FURTHER RESOLVED, The formation of the CFD, Improvement Area No. 1 and the
12 Future Annexation Area shall be subject to the approval of this Board of Supervisors by
13 resolution following the holding of the public hearing referred to above; and, be it

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

22 FURTHER RESOLVED, That the Mayor, the Controller, the Director of the Office of
23 Public Finance, the Clerk of the Board of Supervisors and any and all other officers of the City
24 are hereby authorized, for and in the name of and on behalf of the City, to do any and all
25

1 things and take any and all actions, including execution and delivery of any and all
2 documents, assignments, certificates, requisitions, agreements, notices, consents,
3 instruments of conveyance, warrants and documents, which they, or any of them, may deem
4 necessary or advisable in order to effectuate the purposes of this Resolution; provided
5 however that any such actions be solely intended to further the purposes of this Resolution,
6 and are subject in all respects to the terms of the Resolution; and, be it

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

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

14
15 APPROVED AS TO FORM:
16 DENNIS J. HERRERA, City Attorney

17
18 By: 

19 Mark D. Blake
20 Deputy City Attorney

21 n:\speclas2016\0600537\01138627.docx
22
23
24
25



City and County of San Francisco

Tails
Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 161038

Date Passed: December 06, 2016

Resolution of Intention to establish City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island), Improvement Area No. 1 and a Future Annexation Area; to call a public hearing on January 24, 2017, at 3:00 p.m. on the formation of the district, and to provide public notice thereof; and determining other matters in connection therewith.

October 19, 2016 Budget and Finance Committee - RECOMMENDED

October 25, 2016 Board of Supervisors - CONTINUED

Ayes: 11 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang, Wiener and Yee

November 15, 2016 Board of Supervisors - CONTINUED

Ayes: 9 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin and Tang
Excused: 2 - Wiener and Yee

December 06, 2016 Board of Supervisors - AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE

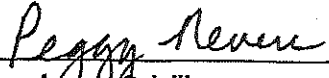
Ayes: 10 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang and Yee


December 06, 2016 Board of Supervisors - ADOPTED AS AMENDED

Ayes: 10 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Mar, Peskin, Tang and Yee

File No. 161038

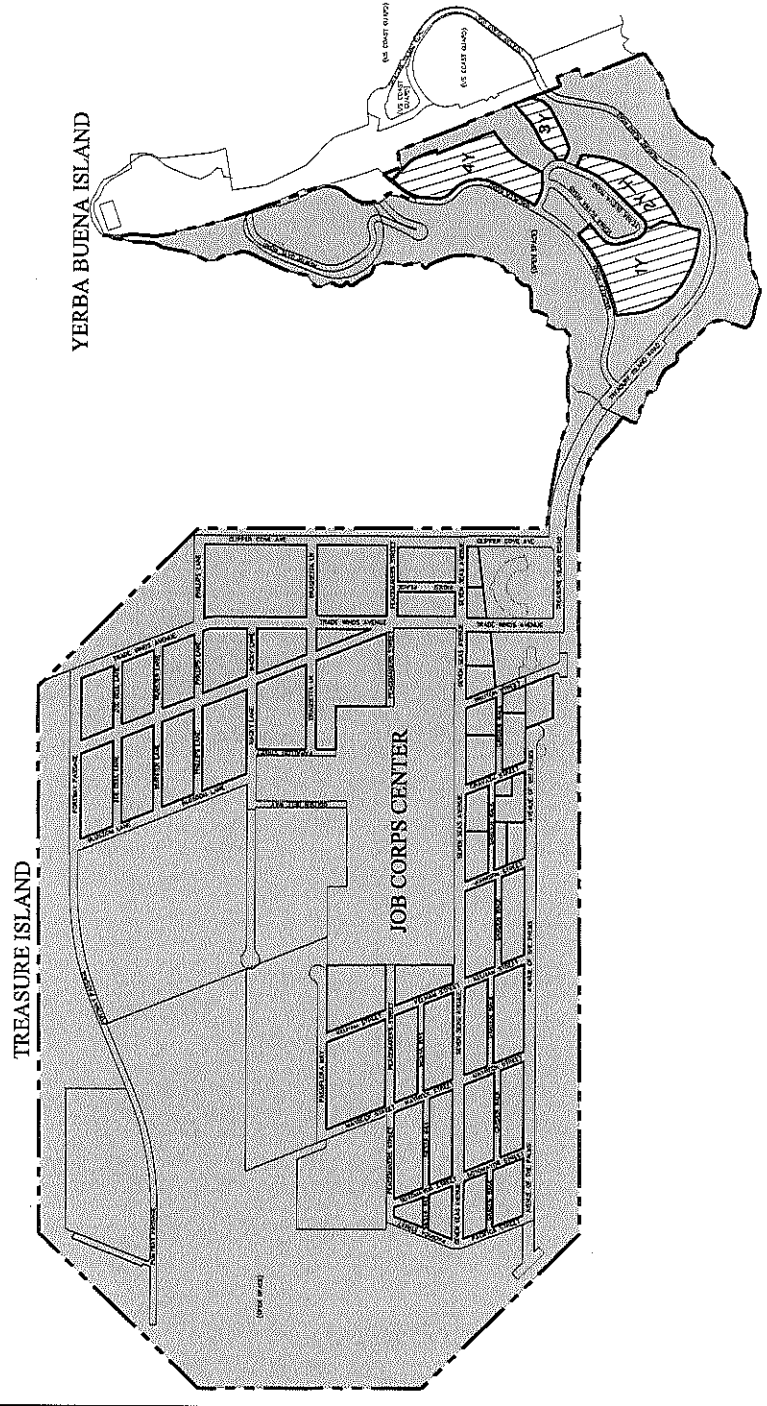
I hereby certify that the foregoing
Resolution was ADOPTED AS AMENDED
on 12/6/2016 by the Board of Supervisors
of the City and County of San Francisco.


for Angela Calvillo
Clerk of the Board


Mayor

12/16/16
Date Approved

PROPOSED BOUNDARIES OF
 CITY AND COUNTY OF SAN FRANCISCO
 COMMUNITY FACILITIES DISTRICT NO. 2016-1
 (TREASURE ISLAND)
 COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA



LEGEND

Boundaries of Community Facilities District No. 2016-1 (Improvement Area No. 1)

Future Annexation Area

Prepared by:
 BkF Engineers

Assessor's Parcel Number of Property in Improvement Area No. 1	
Developable Parcel	Assessor's Parcel Number(s)
1Y	8946/001
2Y-H	8949/001
3Y	8952/001
4Y	8954/001

Reference is hereby made to the maps maintained by the Office of the Assessor-Recorder of the City and County of San Francisco for an exact description of the lines and dimensions of each lot and parcel.

(1) Filed in the office of the Clerk of the Board of Supervisors of the City and County of San Francisco this ____ day of _____, 20__.

 (Clerk of the Board of Supervisors)

(2) I hereby certify that the within map showing proposed boundaries of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island), City and County of San Francisco, State of California, was approved by the Board of Supervisors of the City and County of San Francisco, at a regular meeting thereof, held on the ____ day of _____, 20__, by its Resolution No. _____.

 (Clerk of the Board of Supervisors)

(3) Filed this ____ day of _____, 20__, at the hour of ____ o'clock ____ m., in Book _____ of Maps of Assessment and Community Facilities Districts at page _____ in the office of the Assessor-Recorder in the City and County of San Francisco, State of California.

 (Assessor-Recorder of the City and County of San Francisco)

1 [Resolution of Formation - Community Facilities District No. 2016-1 (Treasure Island)]

2
3 **Resolution of formation of City and County of San Francisco Community Facilities**
4 **District No. 2016-1 (Treasure Island), Improvement Area No. 1 and a future annexation**
5 **area; and determining other matters in connection therewith.**

6
7 WHEREAS, Naval Station Treasure Island ("NSTI") is a former United States Navy
8 base located in the City and County of San Francisco ("City") that consists of two islands
9 connected by a causeway: (1) Treasure Island, and (2) an approximately 90-acre portion of
10 Yerba Buena Island; and

11 WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended
12 California Health and Safety Code Section 33492.5 and added Section 2.1 to Chapter 1333 of
13 the Statutes of 1968 ("Act"), the California Legislature: (i) designated the Treasure Island
14 Development Authority ("TIDA"), as a redevelopment agency under California redevelopment
15 law with authority over NSTI upon approval of the City's Board of Supervisors, and (ii) with
16 respect to those portions of NSTI which are subject to Tidelands Trust, vested in TIDA the
17 authority to administer the public trust for commerce, navigation and fisheries as to such
18 property; and

19 WHEREAS, The Board of Supervisors approved the designation of TIDA as the
20 redevelopment agency for NSTI in 1997; and

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

1 WHEREAS, The United States of America, acting by and through the Department of
2 the Navy ("Navy"), and TIDA entered into an Economic Conveyance Memorandum of
3 Agreement (as amended and supplemented from time to time, the "Conveyance Agreement")
4 that governs the terms and conditions for the transfer of NSTI from the Navy to TIDA; and
5 under the Conveyance Agreement, the Navy will convey NSTI to TIDA in phases after the
6 Navy has completed environmental remediation and issued a Finding of Suitability to Transfer
7 (as defined in the Conveyance Agreement) for specified parcels of NSTI or portions thereof;
8 and

9 WHEREAS, Treasure Island Community Development, LLC ("Developer") and TIDA
10 previously entered into a Disposition and Development Agreement (Treasure Island/Yerba
11 Buena Island), dated June 28, 2011 ("DDA"), including a Financing Plan (Treasure
12 Island/Yerba Buena Island) ("Financing Plan"), which governs the disposition and
13 development of a portion of NSTI ("Project Site") after the Navy's transfer of NSTI to TIDA in
14 accordance with the Conveyance Agreement; and

15 WHEREAS, The DDA contemplates a project ("Project") under which TIDA acquires
16 the Project Site from the Navy and conveys portions of the Project Site to Developer (or an
17 affiliate of Developer) for the purposes of: (i) alleviating blight in the Project Site through
18 development of certain improvements, (ii) geotechnically stabilizing the Project Site, (iii)
19 constructing public infrastructure to support the Project and other proposed uses on NSTI, (iv)
20 constructing and improving certain public parks and open spaces, (v) abatement of certain
21 existing hazardous substances, and (vi) selling and ground leasing lots to vertical developers
22 who will construct residential units and commercial and public facilities; and

23 WHEREAS, On April 21, 2011, the Planning Commission by Motion No. 18325 and the
24 Board of Directors of TIDA, by Resolution No. 11-14-04/21, as co-lead agencies, certified the
25 completion of the Final Environmental Impact Report for the Project, and unanimously

1 approved a series of entitlement and transaction documents relating to the Project, including
2 certain environmental findings under the California Environmental Quality Act ("CEQA"), a
3 mitigation and monitoring and reporting program ("MMRP"), and the DDA and other
4 transaction documents; and

5 WHEREAS, On June 7, 2011, in Motion No. M11-0092, the Board of Supervisors
6 unanimously affirmed certification of the Final Environmental Impact Report, and on that same
7 date, the Board of Supervisors, in Resolution No. 246-11, adopted CEQA findings and the
8 MMRP, and made certain environmental findings under CEQA (collectively, "FEIR"), and also
9 on that date, the Board of Supervisors, in Ordinance No. 95-11, approved the DDA and other
10 transaction documents, including the Transportation Plan and Infrastructure Plan; and

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

13 WHEREAS, No additional environmental review is required because there are no
14 substantial changes to the project analyzed in the FEIR, no change in circumstances under
15 which the project is being undertaken, and no new information of substantial importance
16 indicating that new significant impacts would occur, that the impacts identified in the FEIR as
17 significant impacts would be substantially more severe, or that mitigation or alternatives
18 previously found infeasible are now feasible; and

19 WHEREAS, The City anticipates that future improvements will be necessary to ensure
20 that the shoreline, public facilities, and public access improvements will be protected should
21 sea level rise at the perimeter of the Project Site, and the Board of Supervisors desires to
22 provide a mechanism to pay directly for such improvements and/or establish a capital reserve
23 fund to finance such improvements; and

24 WHEREAS, Under the Mello-Roos Community Facilities Act of 1982, as amended,
25 constituting Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with California

1 Government Code Section 53311 (“Mello-Roos Act”), this Board of Supervisors is authorized
2 to establish a community facilities district and to act as the legislative body for a community
3 facilities district; and

4 WHEREAS, Pursuant to Mello-Roos Act Section 53339.2, this Board of Supervisors
5 further desires to undertake proceedings to provide for future annexation of territory to the
6 proposed community facilities district; and

7 WHEREAS, On _____, 2016, pursuant to the Mello-Roos Act, this Board of
8 Supervisors adopted a resolution entitled “Resolution of intention to establish City and County
9 of San Francisco Community Facilities District No. 2016-1 (Treasure Island), Improvement
10 Area No. 1 and a Future Annexation Area, and determining other matters in connection
11 therewith” (“Resolution of Intention”), stating its intention to form (i) “City and County of San
12 Francisco Community Facilities District No. 2016-1 (Treasure Island)” (“CFD”), (ii)
13 “Improvement Area No. 1 of the City and County of San Francisco Community Facilities
14 District No. 2016-1 (Treasure Island)” (“Improvement Area No. 1”) and (iii) “City and County of
15 San Francisco Community Facilities District No. 2016-1 (Treasure Island) (Future Annexation
16 Area)” (“Future Annexation Area”); and

17 WHEREAS, The Resolution of Intention, incorporating a map of the proposed
18 boundaries of the CFD, Improvement Area No. 1 and the Future Annexation Area and stating
19 the facilities and the services to be provided (as set forth in the list attached hereto as Exhibit
20 A), the cost of providing such facilities and the services, and the rate and method of
21 apportionment of the special tax to be levied within the CFD and Improvement Area No. 1 to
22 pay the principal and interest on bonds proposed to be issued with respect to the CFD and
23 Improvement Area No. 1, the cost of the facilities and the cost of the services, is on file with
24 the Clerk of the Board of Supervisors and the provisions thereof are incorporated herein by
25 this reference as if fully set forth herein; and

1 WHEREAS, On this date, this Board of Supervisors held a noticed public hearing as
2 required by the Mello-Roos Act and the Resolution of Intention relative to the proposed
3 formation of the CFD, Improvement Area No. 1 and the Future Annexation Area; and

4 WHEREAS, At the hearing all interested persons desiring to be heard on all matters
5 pertaining to the formation of the CFD, Improvement Area No. 1 and the Future Annexation
6 Area, the facilities to be provided therein, the services to be provided therein and the levy of
7 said special tax were heard and a full and fair hearing was held; and

8 WHEREAS, At the hearing evidence was presented to this Board of Supervisors on
9 said matters before it, including a report caused to be prepared by the Director of the Office of
10 Public Finance ("Report") as to the facilities and the services to be provided through the CFD,
11 Improvement Area No. 1 and the Future Annexation Area and the costs thereof, a copy of
12 which is on file with the Clerk of the Board of Supervisors, and this Board of Supervisors at
13 the conclusion of said hearing is fully advised in the premises; and

14 WHEREAS, Written protests with respect to the formation of the CFD and Improvement
15 Area No. 1, the furnishing of specified types of facilities and services and the rate and method
16 of apportionment of the special taxes for Improvement Area No. 1 have not been filed with the
17 Clerk of the Board of Supervisors by fifty percent (50%) or more of the registered voters
18 residing within the territory of the CFD and Improvement Area No. 1 or property owners of
19 one-half (1/2) or more of the area of land within the CFD and Improvement Area No. 1 and not
20 exempt from the proposed special tax; and

21 WHEREAS, The special tax proposed to be levied in Improvement Area No. 1 to pay
22 for the proposed facilities and services to be provided therein, as set forth in Exhibit B hereto,
23 has not been eliminated by protest by fifty percent (50%) or more of the registered voters
24 residing within the territory of Improvement Area No. 1 or the owners of one-half (1/2) or more
25 of the area of land within Improvement Area No. 1 and not exempt from the special tax; and

1 WHEREAS, Prior to the time fixed for the hearing, written protests had not been filed
2 with the Clerk of the Board of Supervisors against the proposed annexation of the Future
3 Annexation Area to the CFD by (i) 50% of more of the registered voters, or six registered
4 voters, whichever is more, residing in the proposed boundaries of the CFD, or (ii) 50% or
5 more of the registered voters, or six registered voters, whichever is more, residing in the
6 Future Annexation Area, (iii) owners of one-half or more of the area of land in the proposed
7 CFD or (iv) owners of one-half or more of the area of land in the Future Annexation Area;
8 now, therefore, be it

9 RESOLVED, That the foregoing recitals are true and correct; and, be it

10 FURTHER RESOLVED, That the proposed special tax to be levied within Improvement
11 Area No. 1 has not been precluded by majority protest pursuant to section 53324 of the Mello-
12 Roos Act; and, be it

13 FURTHER RESOLVED, That all prior proceedings taken by this Board of Supervisors
14 in connection with the establishment of the CFD, Improvement Area No. 1 and the Future
15 Annexation Area and the levy of the special tax have been duly considered and are hereby
16 found and determined to be valid and in conformity with the Mello-Roos Act; and, be it

17 FURTHER RESOLVED, That the community facilities district designated "City and
18 County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)" is hereby
19 established pursuant to the Mello-Roos Act; and, be it

20 FURTHER RESOLVED, That the improvement area designated "Improvement Area
21 No. 1 of the City and County of San Francisco Community Facilities District No. 2016-1
22 (Treasure Island)" is hereby established pursuant to the Mello-Roos Act; and, be it

23 FURTHER RESOLVED, That the future annexation area designated "City and County
24 of San Francisco Community Facilities District No. 2016-1 (Treasure Island) (Future
25 Annexation Area)" is hereby established pursuant to the Mello-Roos Act; and, be it

1 FURTHER RESOLVED, That the boundaries of the CFD, Improvement Area No. 1 and
2 the Future Annexation Area, as set forth in the map of the CFD heretofore recorded in the
3 Office of the Assessor-Recorder on _____, 2016 at _____ a.m. in Book ____ at Page ____, as
4 Document _____ of Maps of Assessment and Community Facilities Districts, are hereby
5 approved, are incorporated herein by reference and shall be the boundaries of the CFD,
6 Improvement Area No. 1 and the Future Annexation Area; and, be it

7 FURTHER RESOLVED, That, from time to time, parcels within the Future Annexation
8 Area shall be annexed to the CFD only with the unanimous approval (each, a "Unanimous
9 Approval") of the owner or owners of each parcel or parcels at the time that parcel(s) are
10 annexed, and in accordance with the Annexation Approval Procedures described herein; and,
11 be it

12 FURTHER RESOLVED, The Board of Supervisors hereby determines that any
13 property for which the owner or owners execute a Unanimous Approval that is annexed into
14 the CFD in accordance with the Annexation Approval Procedures shall be added to the CFD
15 and the Clerk of the Board of Supervisors shall record (i) an amendment to the notice of
16 special tax lien for the CFD pursuant to Streets & Highways Code Section 3117.5 if the
17 property is annexed to an existing improvement area or (ii) a notice of special tax lien for the
18 CFD pursuant to Streets & Highways Code Section 3117.5 if the property annexed is
19 designated as a new improvement area; provided, however, the designation of property as
20 Future Annexation Area and the ability to annex property to the CFD based on a Unanimous
21 Approval shall not limit, in any way, the annexation of property in the Future Annexation Area
22 to the CFD pursuant to other provisions of the Mello-Roos Act; and, be it

23 FURTHER RESOLVED, That the type of public facilities proposed to be financed by
24 the CFD, Improvement Area No. 1 and the Future Annexation Area (including any area
25 therein designated to be annexed as a separate improvement area) pursuant to the Mello-

1 Roos Act shall consist of those items listed as facilities in Exhibit A hereto and by this
2 reference incorporated herein ("Facilities"); and, be it

3 FURTHER RESOLVED, That the type of public services proposed to be financed by
4 the CFD, Improvement Area No. 1 and the Future Annexation Area (including any area
5 therein designated to be annexed as a separate improvement area) pursuant to the Mello-
6 Roos Act shall consist of those items shown in Exhibit A hereto and by this reference
7 incorporated herein ("Services"); and, be it

8 FURTHER RESOLVED, The City intends to provide the Services on an equal basis in
9 the original territory of the CFD and Improvement Area No. 1 and, when it has been annexed
10 to the CFD, the Future Annexation Area (including any area therein designated to be annexed
11 as a separate improvement area); and, be it

12 FURTHER RESOLVED, That:

13 a. Except to the extent that funds are otherwise available from Improvement Area
14 No. 1, the City will levy a special tax ("Improvement Area No. 1 Special Tax") sufficient to pay
15 directly for the Facilities, including out of a special tax-funded capital reserve established for
16 the payment of Facilities, to pay the principal and interest on bonds and other debt (as defined
17 in the Mello-Roos Act) of the City issued for Improvement Area No. 1 to finance the Facilities,
18 and to pay for the Services, and the Improvement Area No. 1 Special Tax will be secured by
19 the recordation of a continuing lien against all non-exempt real property in Improvement Area
20 No. 1, will be levied annually within Improvement Area No. 1, and will be collected in the same
21 manner as ordinary *ad valorem* property taxes or in such other manner as this Board of
22 Supervisors or its designee shall determine, including direct billing of the affected property
23 owners.

24 b. The proposed rate and method of apportionment of the Special Tax among the
25 parcels of real property within Improvement Area No. 1, in sufficient detail to allow each

1 landowner within Improvement Area No. 1 to estimate the maximum amount such owner will
2 have to pay, are shown in Exhibit B attached hereto and hereby incorporated herein ("Rate
3 and Method").

4 c. The Improvement Area No. 1 Special Tax shall not be levied in Improvement
5 Area No. 1 to finance Facilities after the fiscal year established therefor in the Rate and
6 Method, and the Improvement Area No. 1 Special Tax shall only be levied to finance Services
7 thereafter, except that an Improvement Area No. 1 Special Tax that was lawfully levied in or
8 before the final tax year and that remains delinquent may be collected in subsequent years.
9 Under no circumstances shall the Improvement Area No. 1 Special Tax levied in any fiscal
10 year for financing Facilities against any parcel in Improvement Area No. 1 used for private
11 residential purposes be increased in that fiscal year as a consequence of delinquency or
12 default by the owner of any other parcel or parcels within Improvement Area No. 1 by more
13 than 10 percent.

14 d. A special tax to finance the costs of Facilities shall not be levied in one or more
15 future improvement areas formed to include territory that annexes into the CFD from the
16 Future Annexation Area (each, a "Future Improvement Area" and together with Improvement
17 Area No. 1, the "Improvement Areas") after the fiscal year established therefor in the rate and
18 method for the Future Improvement Area and the special tax shall only be levied to finance
19 Services thereafter, except that a special tax that was lawfully levied in or before the final tax
20 year and that remains delinquent may be collected in subsequent years. Under no
21 circumstances shall the special tax levied in any fiscal year for financing Facilities against any
22 parcel in the Future Improvement Area for private residential purposes be increased in that
23 fiscal year as a consequence of delinquency or default by the owner of any other parcel or
24 parcels within the Future Improvement Area by more than 10 percent.
25

1 e. For Future Improvement Areas, a different rate and method may be adopted for
2 the annexed territory if the annexed territory is designated as a separate improvement area.
3 No supplements to the Rate and Method for any of the Future Improvement Areas and no
4 new rate and method shall cause the maximum tax rate in the then-existing territory of the
5 CFD (including Improvement Area No. 1) to increase. The designation as an Improvement
6 Area of any territory annexing to the CFD, the maximum amount of bonded indebtedness and
7 other debt for such Improvement Area, the rate and method of apportionment of special tax
8 for such improvement area (including the conditions under which the obligation to pay the
9 special tax may be prepaid and permanently satisfied, if any), and the appropriations limit for
10 such Improvement Area shall be identified and approved in the Unanimous Approval executed
11 by property owner(s) in connection with its annexation to the CFD in accordance with the
12 Annexation Approval Procedures described herein.

13 f. Territory in the Future Annexation Area will be annexed into the CFD and a
14 special tax will be levied on such territory only with the Unanimous Approval of the owner or
15 owners of each parcel or parcels at the time that parcel or those parcels are annexed into the
16 CFD in accordance with the Annexation Approval Procedures described herein. Except to the
17 extent that funds are otherwise available to the CFD to pay for the Facilities, the Services
18 and/or the principal and interest as it becomes due on bonds of the CFD issued to finance the
19 Facilities, a Special Tax sufficient to pay the costs thereof, secured by the recordation of a
20 continuing lien against all non-exempt real property in the Future Annexation Area, is intended
21 to be levied annually within the Future Annexation Area, and collected in the same manner as
22 ordinary *ad valorem* property taxes or in such other manner as may be prescribed by this
23 Board of Supervisors.

24 g. As required by Mello-Roos Act Section 53339.3(d), the Board of Supervisors
25 hereby determines that the Special Tax proposed to pay for one or more Facilities to be

1 supplied within the Future Annexation Area financed with bonds that have already been
2 issued and that are secured by previously-existing areas of the CFD will be equal to the
3 Special Taxes levied to pay for the same Facilities in previously-existing areas of the CFD,
4 except that (i) a higher Special Tax may be levied within the Future Annexation Area to pay
5 for the same Facilities to compensate for the interest and principal previously paid from
6 Special Taxes in the original area of the CFD, less any depreciation allocable to the financed
7 Facilities and (ii) a higher Special Tax may be levied in the Future Annexation Area to pay for
8 new or additional Facilities, with or without bond financing. As required by Mello-Roos Act
9 Section 53339.3(d), the Board of Supervisors hereby further determines that the Special Tax
10 proposed to pay for Services to be supplied within the Future Annexation Area shall be equal
11 to any Special Tax levied to pay for the same Services in the existing CFD, except that a
12 higher or lower tax may be levied within the Future Annexation Area to the extent that the
13 actual cost of providing the Services in the Future Annexation Area is higher or lower than the
14 cost of providing those Services in the existing CFD. In so finding, the Board of Supervisors
15 does not intend to limit its ability to levy a Special Tax within the Future Annexation Area to
16 provide new or additional services beyond those supplied within the existing CFD and
17 Improvement Area No. 1 or its ability to implement changes pursuant to the Mello-Roos Act,
18 Article 3, within one or more improvement areas; and, be it

19 FURTHER RESOLVED, That the "Annexation Approval Procedures" governing
20 annexations of parcels in the Future Annexation Area into the CFD shall consist of the
21 following sets of procedures (specified in (A) and (B) that follow):

22 (A) The annexation and related matters described in the Unanimous Approval shall
23 be implemented and completed without the need for the approval of either the Board of
24 Directors of TIDA ("TIDA Board") or this Board of Supervisors as long as the following
25 conditions are met:

1 (1) The annexation is to an existing improvement area and the property proposed to
2 be annexed shall be subject to the same rate and method of apportionment of special tax and
3 the same bonded indebtedness limits as such existing improvement area; or

4 (2) The annexation is to a new improvement area and the following conditions
5 apply:

6 (i) The rate and method of apportionment of special tax for the new
7 improvement area is prepared by a special tax consultant retained by the City and paid for by
8 the property owners submitting the Unanimous Approval.

9 (ii) The rate and method of apportionment of special tax for the new
10 improvement area is consistent with the Financing Plan.

11 (iii) The rate and method of apportionment of special tax for the new
12 improvement area does not establish a maximum special tax rate for the initial fiscal year in
13 which the special tax may be levied for any category of property subject to the special tax that
14 is greater than 120% of the maximum special tax rate established for the same category of
15 property subject to the special tax for the same fiscal year calculated pursuant to the Rate and
16 Method (i.e., the rate and method of apportionment of special tax for Improvement Area
17 No. 1).

18 (iv) The rate and method of apportionment of special tax for the new
19 improvement area does not contain a type of special tax that was not included in the Rate and
20 Method (for example, a one-time special tax).

21 (v) The rate and method of apportionment of special tax for the new
22 improvement area contains the same terms for "Collection of Special Tax" (including with
23 respect to the term of the special tax) and for application of Remainder Special Taxes (as
24 defined in the Rate and Method) with respect to park maintenance costs as the Rate and
25 Method.

1 (vi) If the rate and method of apportionment of special tax for the new
2 improvement area includes a provision allowing prepayment of the special tax, in whole or in
3 part, the Director of the Office of Public Finance, after consulting with the special tax
4 consultant retained by the City and the City Attorney, shall be satisfied that such prepayment
5 provision will not adversely impact the financing of authorized Facilities and Services;
6 *provided*, that if the prepayment formula set forth in such rate and method of apportionment
7 has previously been approved by this Board, then such prepayment formula may be
8 replicated in the rate and method of apportionment for such new improvement area without
9 meeting such test.

10 If the foregoing conditions ((1) or (2), as applicable), are satisfied, as determined by the
11 Director of the Office of Public Finance and set forth in a written acceptance by the Director of
12 the Office of Public Finance delivered to the property owner(s) that executed the Unanimous
13 Approval and the Clerk of the Board of Supervisors, the Unanimous Approval shall be
14 deemed accepted by the City and the Clerk of the Board of Supervisors shall record an
15 amendment to the notice of special tax lien or a new notice of special tax lien for the CFD
16 pursuant to Streets & Highways Code Section 3117.5.

17 (B) For any annexation and related matters described in the Unanimous Approval
18 that do not meet the requirements of Section (A) above, the following procedures shall apply
19 (provided, however, that nothing in the following procedures shall prevent the property owners
20 of property to be annexed into the CFD from a Future Annexation Area from annexing
21 property to the CFD (including into a new improvement area) pursuant to Section (A) above
22 and then instituting change proceedings pursuant to Mello-Roos Act, Article 3, to make
23 additional changes to the rate and method or other authorized purposes):

24 *First*, the owners(s) of property to be annexed into the CFD shall submit a Unanimous
25 Approval for each parcel or parcels to be annexed into the CFD to the Treasure Island

1 Director of TIDA, together with a statement as to whether the Unanimous Approval is
2 consistent with the Financing Plan and, if not, the reasons for such inconsistency.

3 *Second*, the Treasure Island Director shall have 30 days to either (a) submit the
4 Unanimous Approval to the TIDA Board, accompanied by a written staff report that includes a
5 statement from the Treasure Island Director as to whether the Unanimous Approval is
6 consistent with the Financing Plan and, if the Treasure Island Director concludes that it is not
7 consistent with the Financing Plan, a description of the inconsistencies, the reasons for such
8 inconsistencies given by the Developer and the Treasure Island Director's recommendation
9 as to such inconsistencies or (b) notify the Developer that the Treasure Island Director shall
10 not submit the Unanimous Approval to the TIDA Board due to inconsistencies with the
11 Financing Plan.

12 *Third*, the TIDA Board shall, within 60 days of the receipt of any Unanimous Approval
13 by the Treasure Island Director pursuant to *Second* above, either (i) adopt a resolution
14 accepting the Unanimous Approval or (ii) adopt a resolution rejecting the Unanimous
15 Approval, with the sole basis for rejection being a detailed conclusion that the Unanimous
16 Approval is not consistent with the Financing Plan.

17 *Fourth*, if the TIDA Board adopts a resolution rejecting the Unanimous Approval, the
18 owner(s) of property to be annexed into the CFD may revise the Unanimous Approval and
19 resubmit it to the Treasure Island Director, who shall endeavor to submit the revised
20 Unanimous Approval to the TIDA Board, accompanied by a written staff report as outlined
21 above under *Second*, at the next available meeting of the TIDA Board, and the TIDA Board
22 shall consider the revised Unanimous Approval and either (i) adopt a resolution accepting the
23 revised Unanimous Approval or (ii) adopt a resolution rejecting the revised Unanimous
24 Approval, with the sole basis for rejection being a detailed conclusion that the revised
25 Unanimous Approval is not consistent with the Financing Plan, in which event the owner(s)

1 may further revise the Unanimous Approval and repeat the process described in this clause
2 *Fourth.* In lieu of submitting a revised Unanimous Approval to the Treasure Island Director,
3 the owner(s) of property to be annexed into the CFD may appeal the TIDA Board's decision to
4 reject the Unanimous Approval to this Board of Supervisors, with the sole basis for appeal
5 being that the Unanimous Approval should not have been rejected because the Unanimous
6 Approval is consistent with the Financing Plan.

7 *Fifth,* within 30 days of the adoption by the TIDA Board of a resolution accepting a
8 Unanimous Approval or an appeal of the TIDA Board's decision to reject a Unanimous
9 Approval, the Director of the Office of Public Finance shall submit said Unanimous Approval
10 as an information item to the Clerk of the Board of Supervisors, and, unless within 30 days of
11 the receipt of the Unanimous Approval by the Clerk, one of the members of this Board of
12 Supervisors asks for it to be placed on an agenda for consideration by the Board of
13 Supervisors (which consideration shall be limited to whether the Unanimous Approval is
14 consistent with the Financing Plan), the Unanimous Approval shall be deemed accepted by
15 the City and the Clerk of the Board of Supervisors shall record an amendment to the notice of
16 special tax lien for the CFD pursuant to Streets & Highways Code Section 3117.5 or a new
17 notice of special tax lien for the CFD pursuant to Streets & Highways Code Section 3117.5;
18 and, be it

19 FURTHER RESOLVED, That it is hereby found and determined that the Facilities and
20 the Services are necessary to meet increased demands placed upon local agencies as the
21 result of development occurring in the CFD, Improvement Area No. 1 and the Future
22 Annexation Area; and, be it

23 FURTHER RESOLVED, That the Director of the Office of Public Finance, 1 Dr. Carlton
24 B. Goodlett Place, San Francisco, CA 94102, (415) 554-5956, is the officer of the City who will
25 be responsible for preparing annually a current roll of special tax levy obligations by

1 assessor's parcel number and who will be responsible for estimating future special tax levies
2 pursuant to the Mello-Roos Act; and, be it

3 FURTHER RESOLVED, That upon recordation of a notice of special tax lien pursuant
4 to Streets & Highways Code Section 3114.5, a continuing lien to secure each levy of the
5 special tax shall attach to all nonexempt real property in the respective Improvement Areas
6 and this lien shall continue in force and effect until the special tax obligation is prepaid and
7 permanently satisfied and the lien canceled in accordance with law or until collection of the tax
8 by the City ceases; and, be it

9 FURTHER RESOLVED, That in accordance with the Mello-Roos Act, the annual
10 appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California
11 Constitution, of Improvement Area No. 1 is hereby preliminarily established at \$90 million and
12 said appropriations limit shall be submitted to the voters of Improvement Area No. 1 as
13 hereafter provided; and, be it

14 FURTHER RESOLVED, The proposition establishing said annual appropriations limit
15 shall become effective if approved by the qualified electors voting thereon and shall be
16 adjusted in accordance with the applicable provisions of the Mello-Roos Act; and, be it

17 FURTHER RESOLVED, That pursuant to the provisions of the Mello-Roos Act, the
18 proposition of the levy of the Improvement Area No. 1 Special Tax and the proposition of the
19 establishment of the appropriations limit specified above shall be submitted to the qualified
20 electors of Improvement Area No. 1 at an election; and, be it

21 FURTHER RESOLVED, The time, place and conditions of the election shall be as
22 specified by a separate resolution of the Board of Supervisors; and, be it

23 FURTHER RESOLVED, That Mello-Roos Act Section 53314.9 provides that, either
24 before or after formation of the CFD, the City may accept work in-kind from any source,
25 including, but not limited to, private persons or private entities, may provide, by resolution, for

1 the use of that work in-kind for any authorized purpose and this Board of Supervisors may
2 enter into an agreement, by resolution, with the person or entity advancing the work in-kind, to
3 reimburse the person or entity for the value, or cost, whichever is less, of the work in-kind, as
4 determined by this Board of Supervisors, with or without interest, under the conditions
5 specified in the Mello-Roos Act; and, be it

6 FURTHER RESOLVED, Any work in-kind must be performed or constructed as if the
7 work had been performed or constructed under the direction and supervision, or under the
8 authority of, the City and, in furtherance of Mello-Roos Act Section 53314.9, the Board of
9 Supervisors previously approved the execution and delivery of an Acquisition and
10 Reimbursement Agreement among the City, TIDA and the Developer; and, be it

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

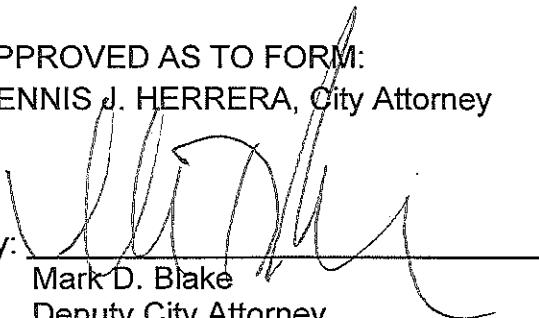
15 FURTHER RESOLVED, That if any section, subsection, sentence, clause, phrase, or
16 word of this resolution, or any application thereof to any person or circumstance, is held to be
17 invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision
18 shall not affect the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

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

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

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

17
18 APPROVED AS TO FORM:
19 DENNIS J. HERRERA, City Attorney

20
21 By: 
22 Mark D. Blake
23 Deputy City Attorney
24 n:\spec\as2016\0600537\01143583.docx
25