[Resolution of Intention to Issue Bonds - Annexation of Property to Infrastructure and Revitalization Financing District No. 1 (Treasure Island)]

Resolution of intention to issue bonds as a result of an annexation of property to the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) as new project areas and determining other matters in connection therewith, as defined herein.

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

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended California Health and Safety Code, Section 33492.5 and added Section 2.1 to Chapter 1333 of the Statutes of 1968, the California Legislature: (i) designated the Treasure Island 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, which approval was granted in 1997, and (ii) with respect to those portions of NSTI which are subject to Tidelands Trust, vested in TIDA the authority to administer the public trust for commerce, navigation and fisheries as to such property; and

WHEREAS, In 2003, after a competitive bid process, the TIDA Board of Directors selected Treasure Island Community Development, LLC (“Developer”) as the master developer for portions of Treasure Island and Yerba Buena Island; and

WHEREAS, The Developer proposed developing the Treasure Island/Yerba Buena Island Project ("Project"), which anticipated (1) up to 8,000 new residential units, at least 25%

of which (2,000 units) would be made affordable to a broad range of very-low to moderate income households; (2) adaptive reuse of approximately 311,000 square feet of historic structures; (3) up to approximately 140,000 square feet of new retail uses and 100,000 square feet of commercial office space; (4) approximately 300 acres of parks and open space; (5) new and/or upgraded public facilities, including a joint police/fire station, a school, facilities for the Treasure Island Sailing Center, and other community facilities; (6) up to 500 hotel rooms across 2-3 sites; (7) landside improvements for a new 400 slip marina; and (8) transportation infrastructure, including a ferry/quay intermodal transit center; and

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

WHEREAS, On June 7, 2011, in Motion No. M11-0092, the Board of Supervisors unanimously affirmed certification of the FEIR and on that same date, the Board of Supervisors, in Resolution No. 246-11, adopted CEQA findings and the MMRP, and made certain environmental findings under CEQA; on June 14, 2011, the Board of Supervisors, in Ordinance No. 95-11, approved the Original DDA and other transaction documents, including the Transportation Plan and Infrastructure Plan; and

WHEREAS, Pursuant to Resolution No. 242-11, adopted by the Board of Supervisors on June 7, 2011, the United States of America, acting by and through the Department of the Navy ("Navy"), and TIDA entered into that certain Economic Conveyance Memorandum of

Agreement (as amended and supplemented from time to time, the "Conveyance Agreement") that governs the terms and conditions for the transfer of NSTI from the Navy to TIDA; and

WHEREAS, Pursuant to Resolution No. 241-11, adopted by the Board of Supervisors on June 7, 2011, TIDA and the Developer entered into that certain Disposition and Development Agreement (Treasure Island/Yerba Buena Island) dated June 28, 2011 (the "Original DDA") that governs the disposition and development of a portion of NSTI (the "Project Site") after the Navy's transfer of NSTI to TIDA in accordance with the Conveyance Agreement; the Original DDA included a Financing Plan (Treasure Island/Yerba Buena Island) ("Original Financing Plan"), that governs the establishment of one or more infrastructure financing districts to finance the construction and acquisition of certain real and tangible property; and

WHEREAS, Pursuant to Ordinance No. 95-11 passed by the Board of Supervisors on June 14, 2011, the City and the Developer entered into that certain Development Agreement dated for reference purposes only as of June 28, 2011 ("Original Development Agreement") related to the Project Site to eliminate uncertainty in the City's land use planning for the Project Site and secure orderly development of the Project consistent with the Original DDA and other applicable requirements, and the Original Financing Plan was also an exhibit to the Original Development Agreement; and

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

WHEREAS, Under Chapter 2.6 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53369 ("IRFD Law"), this Board of Supervisors

is authorized to establish an infrastructure and revitalization financing district and to act as the legislative body for an infrastructure and revitalization financing district; and

WHEREAS, Pursuant to IRFD Law, Section 53369.5, an infrastructure and revitalization financing district may be divided into project areas, and the legislative body of an infrastructure and revitalization financing district may, at any time, add territory to a district or amend the infrastructure financing plan for the district by conducting the same procedures for the formation of a district or approval of bonds as provided in the IRFD Law; and

WHEREAS, Pursuant to Resolution No. 503-16, adopted by the Board of Supervisors on December 6, 2016, and signed by the Mayor on December 16, 2016, the Board of Supervisors resolved, among other things, to establish the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) ("IRFD"), and that future annexations of property on Yerba Buena Island and Treasure Island into the IRFD may occur at any time after formation of the IRFD, but only if the Board of Supervisors has completed the procedures set forth in an infrastructure financing plan; and

WHEREAS, Pursuant to the Original Financing Plan and the IRFD Law, the Board of Supervisors passed Ordinance No. 21-17 on January 31, 2017, which the Mayor signed on February 9, 2017 ("IRFD Formation Ordinance"), pursuant to which the Board of Supervisors declared the IRFD and certain initial project areas within the IRFD (collectively, "Initial Project Areas," and together with any future project areas that may be established in the IRFD, the "Project Areas") to be fully formed with full force and effect of law; and

WHEREAS, Pursuant to the IRFD Formation Ordinance, the Board of Supervisors also approved an infrastructure financing plan for the IRFD, which infrastructure financing plan was subsequently amended and restated by the Board of Supervisors pursuant to Ordinance No. 29-22, which was passed by the Board of Supervisors on February 15, 2022, and signed by the Mayor on February 25, 2022 ("IFP"); and

WHEREAS, the IFP lists the following procedures for annexation of property to the IRFD:

(i) this Board of Supervisors adopts a Resolution of Intention to annex property ("annexation territory") into the IRFD and describes whether the annexation territory will be included in one of the then-existing Project Areas or in a new Project Area,

(ii) this Board of Supervisors adopts a Resolution of Intention to issue bonds secured by the Net Available Increment (as defined in the IFP) for the IRFD as a whole as a result of the additional bonding capacity generated by the addition of the annexation territory to the IRFD,

(iii) the Resolution of Intention to annex the annexation territory is mailed to each owner of land in the annexation territory and each affected taxing entity in the annexation territory,

(iv) this Board of Supervisors designates TIDA to prepare an appendix to the IFP for the annexation territory,

(v) the appendix to the IFP is sent to each owner of land and each affected taxing entity within the annexation territory,

(vi) this Board of Supervisors notices and holds a public hearing on the proposed annexation,

(vii) this Board of Supervisors adopts a Resolution proposing the adoption of the appendix to the IFP and annexation of the annexation territory to the IRFD, and submits the proposed annexation to the qualified electors in the annexation territory, with the ballot measure to include the question of the proposed annexation of the annexation territory into the IRFD, approval of the

appropriations limit for the IRFD and approval of the issuance of bonds for the IRFD, and

(viii) after the canvass of returns of any election, and if two-thirds of the votes cast upon the question are in favor of the ballot measure, this Board of Supervisors may, by Ordinance, adopt the appendix to the IFP, if any, and approve the annexation of the annexation territory to the IRFD; and

WHEREAS, Pursuant to Resolution No. 196-24, adopted by the Board of Supervisors on April 23, 2024, Developer and TIDA entered into an Amended and Restated Disposition and Development Agreement (Treasure Island/Yerba Buena Island) dated August 1, 2024 ("Amended and Restated DDA"), including an Amended and Restated Financing Plan (Treasure Island/Yerba Buena Island) ("Amended and Restated Financing Plan") which replaced, respectively, the Original DDA and Original Financing Plan; and

WHEREAS, Pursuant to Ordinance No. 93-24, passed by the Board of Supervisors on April 30, 2024, Developer and the City entered into a First Amendment to Development Agreement dated as of August 1, 2024 (the Original Agreement, as amended by the First Amendment to Development Agreement, "Amended Development Agreement"), which amendment replaced, among other things, the Original Financing Plan with the Amended and Restated Financing Plan; and

WHEREAS, Treasure Island Series 2, LLC and Treasure Island Series 3, LLC have submitted petitions to this Board of Supervisors to initiate the annexation of certain property owned by them on Treasure Island ("Annexation Territory") into the IRFD, and requested that the Annexation Territory be designated as four new Project Areas ("Project Areas F, G, H and I"): "Project Area F of the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island)," "Project Area G of the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure

Island)," "Project Area H of the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island)," and "Project Area I of the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island)"; and

WHEREAS, Pursuant to Resolution No. 352-26, adopted by the Board of Supervisors on June 9, 2026, and signed by the Mayor on June 11, 2026 ("Resolution of Intention to Annex Territory"), the Board of Supervisors stated its intention to (i) annex the Annexation Territory into the IRFD pursuant to the IRFD Law, and (ii) for the purpose of financing the IRFD Improvements described in the IFP, form Project Areas F, G, H and I; and

WHEREAS, Pursuant to Resolution No. 378-26, adopted by the Board of Supervisors on June 16, 2026, and signed by the Mayor on June 26, 2026, the Board of Supervisors ordered preparation of an appendix to the IFP for the IRFD and Project Areas F, G, H and I (the "Annexation Supplement") consistent with the requirements of the IRFD Law; and

WHEREAS, The IFP includes a list of IRFD Improvements to be financed by the IRFD and the Project Area; and

WHEREAS, Pursuant to IRFD Law, Section 53369.40, the Board of Supervisors may, by majority vote, initiate proceedings to issue additional bonds as a result of the additional bonding capacity derived from the addition of the Annexation Territory to the IRFD pursuant to the IRFD Law by adopting a resolution stating its intent to issue the bonds, and pursuant to IRFD Law, Section 53369.14, the Annexation Supplement must contain a detailed description of any intention to incur debt for financing facilities for the IRFD; and

WHEREAS, United States Income Tax Regulations, Section 1.150-2 provides generally that proceeds of tax-exempt debt are not deemed to be expended when such proceeds are used for reimbursement of expenditures made prior to the date of issuance of such debt unless certain procedures are followed, one of which is a requirement that (with certain

exceptions), prior to the payment of any such expenditure, the issuer declares an intention to reimburse such expenditure; and

WHEREAS, It is in the public interest and for the public benefit that the City declares its official intent to reimburse the expenditures referenced herein; and

WHEREAS, CEQA mandates that "when an environmental impact report has been prepared for a project, no subsequent or supplemental environmental impact report shall be required by the lead agency," unless the lead agency determines, on the basis of substantial evidence that the project or its circumstances have changed, or there is new information, and that those changes or new information would cause new significant impacts, or a substantial increase in the severity of previously identified impacts (CEQA, Section 21166; CEQA Guidelines, Section 15162); and

WHEREAS, The Planning Department has determined that no additional environmental review is required, beyond what was already studied in the certified FEIR, because the proposed annexation of the Annexation Territory to the IRFD does not trigger any of those circumstances listed in CEQA and the CEQA Guidelines for additional environmental review; now, therefore, be it

RESOLVED, That the Board of Supervisors is adopting this Resolution in its capacity as the legislative body of the IRFD and as the “legislative body” as defined in the IRFD Law; and, be it

FURTHER RESOLVED, That the Board of Supervisors proposes issuing one or more series of bonds or other debt (“Bonds”) as a result of the additional bonding capacity derived from the addition of the Annexation Territory to the IRFD for the purpose of financing the costs of the IRFD Improvements, including acquisition and improvement costs and all costs incidental to or connected with the accomplishment of said purposes and of the financing thereof. The Board of Supervisors hereby declares that it reasonably expects (i) to pay certain

costs of the IRFD Improvements prior to the date of issuance of the proposed additional Bonds and (ii) to use a portion of the proceeds of the proposed additional Bonds for reimbursement of expenditures for the IRFD Improvements that are paid before the date of issuance of the proposed additional Bonds; and, be it

FURTHER RESOLVED, That the proposed additional Bonds will be paid from property tax revenues allocated to the IRFD, including all of the Initial Project Areas and Project Areas F, G, H and I; and, be it

FURTHER RESOLVED, That the IFP estimates that the total cost of the IRFD Improvements will be $3.02 billion (in 2016 dollars), and that the estimated costs of preparing and issuing the Bonds will be equal to up to 10.0% of the par amount of the Bonds; and, be it

FURTHER RESOLVED, That this Board of Supervisors intends to authorize the issuance and sale of the Bonds as a result of the additional bonding capacity derived from the addition of the Annexation Territory to the IRFD in one or more series for the IRFD in the maximum aggregate principal amount of $520 million, which amount shall be in addition to the $780 million of Bonds authorized in the IRFD Formation Ordinance and additional amounts approved in the future in connection with the annexation of territory to the IRFD, so long as the Board of Supervisors makes the finding specified in IRFD Law, Section 53369.41(f), and the Bonds shall bear interest payable semi-annually or in such other manner as this Board of Supervisors shall determine, at a rate not to exceed the maximum rate of interest as may be authorized by applicable law at the time of sale of the Bonds; and, be it

FURTHER RESOLVED, That the Board of Supervisors estimates, based on the analysis set forth in the Annexation Supplement prepared in connection with the annexation of the Annexation Territory to the IRFD, that the incremental property tax revenues that are expected to be available to the IRFD from Project Areas F, G, H and I to pay principal of and interest on the Bonds is $1.737 billion, and in accordance with IRFD Law Section 53369.41(f),

the Board of Supervisors hereby finds that the amount necessary to pay principal of and interest on the initial maximum principal amount of Bonds intended to be issued as a result of the additional bonding capacity derived from the addition of the Annexation Territory to the IRFD specified in the preceding paragraph is less than or equal to the incremental property tax revenues that are expected to be available to the IRFD from the Annexation Territory and Project Areas F, G, H and I to pay principal of and interest on the Bonds intended to be issued as a result of the additional bonding capacity derived from the addition of the Annexation Territory to the IRFD; and, be it

FURTHER RESOLVED, That the Board of Supervisors will call a special landowner election for September 28, 2026 (or such later date determined by the Director of Elections), to consider the proposed authorization to issue Bonds in the maximum principal amount of (i) (i) the $780 million, plus (ii) $520 million as a result of the additional bonding capacity derived from the addition of the Annexation Territory to the IRFD, plus (iii) the principal amount of Bonds approved in the future by this Board of Supervisors and the qualified electors of the annexation territory in connection with each annexation of annexation territory to the IRFD, so long as the Board makes the finding specified in IRFD Law Section, 53369.41(f); the election will be consolidated with the election on the issue of the proposed annexation of the Annexation Territory to the IRFD, the approval of the proposed Annexation Supplement and the IRFD appropriations limit and the Director of Elections is hereby designated as the official to conduct the election in the IRFD and to receive all ballots until 12:00 p.m. on September 28, 2026, and pursuant to IRFD Law Section 53369.20, the election shall be conducted by personal service or mail-delivered ballot; and, be it

FURTHER RESOLVED, That all references in this resolution to Bonds shall be deemed to include a reference to debt (as defined in the IRFD Law), to the extent applicable; and, be it

FURTHER RESOLVED, That this resolution shall in no way obligate the Board of Supervisors to propose annexation of the Annexation Territory or Project Areas F, G, H and I or to authorize the issuance of Bonds as a result of the additional bonding capacity derived from the addition of the Annexation Territory to the IRFD, and the authorization to issue Bonds as a result of the additional bonding capacity derived from the addition of the Annexation Territory to the IRFD shall be subject to the approval of this Board of Supervisors by Resolution following the elections of the qualified electors described above; and, be it

FURTHER RESOLVED, That the Board of Supervisors hereby finds that the provisions of IRFD Law, Section 53369.42 requiring publication of this Resolution are for the protection of the qualified electors, and there is on file with the Clerk of the Board of Supervisors and the Director of Elections of the City and County of San Francisco one or more written waivers executed by all of the qualified electors of the Annexation Territory waiving, among other things, any requirement for notice and publication in connection with the election including specifically the publication of this Resolution, and accordingly, this Board of Supervisors finds and determines that the qualified electors have been fully apprised of the proposed election to authorize the issuance of Bonds as a result of the additional bonding capacity derived from the addition of the Annexation Territory to the IRFD and have waived publication of this resolution in accordance with Section 53369.42; and, be it

FURTHER RESOLVED, That the Board of Supervisors has reviewed and considered the FEIR and finds that the FEIR is adequate for its use for the actions taken by this resolution and that no further environmental review is required, and incorporates the FEIR and the CEQA findings contained in Board of Supervisors Resolution No. 196-24 by this reference; and, be it

FURTHER RESOLVED, That if any section, subsection, sentence, clause, phrase, or word of this resolution, or any application thereof to any person or circumstance, is held to be

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

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

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

FURTHER RESOLVED, That this Resolution shall take effect upon its adoption.

APPROVED AS TO FORM:
DAVID CHIU, City Attorney

By: /s/ Heidi J. Gewertz
HEIDI J. GEWERTZ
Deputy City Attorney