

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

3 **Resolution approving the Infrastructure Financing Plan for City and County of San**
4 **Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island)**
5 **and project areas therein; 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, the California Legislature: (i) designated the Treasure Island
14 Development Authority, a California non-profit public benefit corporation ("TIDA") as a
15 redevelopment agency under California redevelopment law with authority over NSTI upon
16 approval of the City's Board of Supervisors, and (ii) with respect to those portions of NSTI
17 which are subject to Tidelands Trust, vested in TIDA the authority to administer the public
18 trust for commerce, navigation and fisheries as to such property; and

19 WHEREAS, The Board of Supervisors approved the designation of TIDA as a
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21 WHEREAS, On January 24, 2012, the Board of Supervisors rescinded designation of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; under
5 the Conveyance Agreement, the Navy has and 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 (the "DDA"), including a Financing Plan (Treasure
12 Island/Yerba Buena Island) (the "Financing Plan"), which governs the disposition and
13 development of a portion of NSTI (the "Project Site") after the Navy's transfer of NSTI to TIDA
14 in accordance with the Conveyance Agreement; and

15 WHEREAS, The DDA contemplates a project (the "Project") under which TIDA
16 acquires the Project Site from the Navy and conveys portions of the Project Site to Developer
17 (or an 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,
20 (iv) 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 (the "MMRP"), and the DDA and other
4 transaction documents; and

5 WHEREAS, On June 7, 2011, in Motion No. M11-092, the Board of Supervisors
6 unanimously affirmed certification of the Final Environmental Impact Report; and

7 WHEREAS, On that same date, the Board of Supervisors, in Resolution No. 246-11,
8 adopted CEQA findings and the MMRP, and made certain environmental findings under
9 CEQA (collectively, the "FEIR"); and

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

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

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

21 WHEREAS, Developer and the City previously entered into a Development Agreement
22 related to the Project Site to eliminate uncertainty in the City's land use planning for the
23 Project Site and secure orderly development of the Project consistent with the DDA and other
24 applicable requirements, and the Financing Plan is also an exhibit to the Development
25 Agreement; and

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

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

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

23 WHEREAS, Pursuant to IRFD Law Section 53369.5, an infrastructure and revitalization
24 financing district may be divided into project areas; and
25

1 WHEREAS, IRFD Law Section 53369.14(d)(5) provides that the legislative body of a
2 proposed infrastructure and revitalization financing district may specify, by ordinance, the date
3 on which the allocation of tax increment will begin and IRFD Law Section 53369.5(b) provides
4 that project areas within a district may be subject to distinct limitations established under the
5 IRFD Law, and the Board of Supervisors has indicated that it wishes to specify the date on
6 which the allocation of tax increment will begin for the proposed infrastructure and
7 revitalization financing district on a project area-by-project area basis; and

8 WHEREAS, Pursuant to the Financing Plan and the IRFD Law, the Board of
9 Supervisors adopted its "Resolution of intention to establish City and County of San Francisco
10 Infrastructure and Revitalization Financing District No. 1 (Treasure Island) and project areas
11 therein to finance the construction and/or acquisition of facilities on Treasure Island and Yerba
12 Buena Island; to provide for annexation; to call a public hearing on the formation of the district
13 and project areas therein and to provide public notice thereof; and determining other matters
14 in connection therewith" (the "Resolution of Intention to Establish IRFD"), stating its intention
15 to form (i) the "City and County of San Francisco Infrastructure and Revitalization Financing
16 District No. 1 (Treasure Island)" (the "IRFD"), (ii) "Project Area A of the City and County of San
17 Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island)" ("Project
18 Area A") as a project area within the IRFD, (iii) "Project Area B of the City and County of San
19 Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island)" ("Project
20 Area B") as a project area within the IRFD, (iv) "Project Area C of the City and County of San
21 Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island)" ("Project
22 Area C") as a project area within the IRFD, (v) "Project Area D of the City and County of San
23 Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island)" ("Project
24 Area D") as a project area within the IRFD, and (vi) "Project Area E of the City and County of
25 San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island)"

1 (“Project Area E” and, together with Project Area A, Project Area B, Project Area C and
2 Project Area D, the “Initial Project Areas” and together with any future project areas that may
3 be established in the IRFD, the “Project Areas”) as a project area within the IRFD, pursuant to
4 the IRFD Law; and

5 WHEREAS, The City intends to form the IRFD and the Project Areas for the purpose of
6 financing certain facilities (the “Facilities”) as further provided in the Resolution of Intention to
7 Establish IRFD; and

8 WHEREAS, The Board of Supervisors has also adopted its “Resolution authorizing and
9 directing the Director of the Office of Public Finance, or designee of the Director of the Office
10 of Public Finance to prepare an infrastructure financing plan for City and County of San
11 Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) and
12 project areas therein; and determining other matters in connection therewith,” ordering
13 preparation of an infrastructure financing plan for the IRFD and the Project Areas (the
14 “Infrastructure Financing Plan”) consistent with the requirements of the IRFD Law; and

15 WHEREAS, The Infrastructure Financing Plan includes a list of the Facilities to be
16 financed by the IRFD; and

17 WHEREAS, As required by the IRFD Law, the Clerk of the Board of Supervisors
18 caused to be mailed a copy of the Resolution of Intention to Establish IRFD to each owner of
19 land within the proposed IRFD and each affected taxing entity (as defined in the IRFD Law);
20 and

21 WHEREAS, As further required by the IRFD Law, the Director of the Office of Public
22 Finance prepared the Infrastructure Financing Plan so as to comply with the requirements of
23 the IRFD Law, and the Treasure Island Director sent the Infrastructure Financing Plan, along
24 with any report required by the California Environmental Quality Act (Division 13)
25 (commencing with Section 2100) of the Public Resources Code) that pertains to the proposed

1 Facilities or the proposed development project for which the Facilities are needed (CEQA
2 Report), to (i) each owner of land within the proposed IRFD and (ii) each affected taxing
3 entity; the Treasure Island Director also sent the Infrastructure Financing Plan and the CEQA
4 Report to the City's planning commission and the Board of Supervisors; and

5 WHEREAS, The Clerk of the Board of Supervisors made the Infrastructure Financing
6 Plan available for public inspection; and

7 WHEREAS, As required by the IRFD Law, the Board of Supervisors, as the legislative
8 body of the City, which is the only affected taxing entity which is proposed to be subject to the
9 division of taxes pursuant the IRFD Law, wishes to consider and adopt a resolution approving
10 the Infrastructure Financing Plan; now, therefore, be it

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

12 FURTHER RESOLVED, The Board of Supervisors has received all of the information it
13 is required to have received under the IRFD Law prior to adoption of this Resolution; and, be it

14 FURTHER RESOLVED, That the Board of Supervisors, as the legislative body of the
15 City, which is the only affected taxing entity which is proposed to be subject to the division of
16 taxes pursuant the IRFD Law, as further described in the Infrastructure Financing Plan,
17 hereby approves the Infrastructure Financing Plan; and, be it

18 FURTHER RESOLVED, That this Board of Supervisors acknowledges that future
19 Project Areas may be designated in the future and that territory on Yerba Buena Island and
20 Treasure Island may be annexed to the IRFD in the future, as described in the Resolution of
21 Intention to Establish IRFD; and, be it

22 FURTHER RESOLVED, That this Resolution shall be filed with the Clerk of the Board
23 of Supervisors at or prior to the time of the public hearing for the proposed IRFD; and, be it

24 FURTHER RESOLVED, That the Board of Supervisors has reviewed and considered
25 the FEIR and finds that the FEIR is adequate for its use for the actions taken by this

1 Resolution and incorporates the FEIR and the CEQA findings contained in Board of
2 Supervisors Resolution No. 246-11 by this reference; and, be it

3 FURTHER RESOLVED, That if any section, subsection, sentence, clause, phrase, or
4 word of this resolution, or any application thereof to any person or circumstance, is held to be
5 invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision
6 shall not affect the validity of the remaining portions or applications of this resolution, this
7 Board of Supervisors hereby declaring that it would have passed this resolution and each and
8 every section, subsection, sentence, clause, phrase, and word not declared invalid or
9 unconstitutional without regard to whether any other portion of this resolution or application
10 thereof would be subsequently declared invalid or unconstitutional; and, be it

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

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

1 RESOLVED FURTHER, That this resolution shall take effect from and after its
2 adoption. The provisions of any previous resolutions in any way inconsistent with the
3 provisions hereof in and for the issuance of the Bonds as herein described are hereby
4 repealed.

5
6 APPROVED AS TO FORM:
7 DENNIS J. HERRERA
8 City Attorney

9 By: _____

10 MARK D. BLAKE
11 Deputy City Attorney
12 n:\spec\as2016\0600537\01143668.docx



City and County of San Francisco
Tails
Resolution

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

File Number: 161116

Date Passed: December 06, 2016

Resolution approving the Infrastructure Financing Plan for City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) and project areas therein; and determining other matters in connection therewith.

November 02, 2016 Budget and Finance Committee - CONTINUED

November 16, 2016 Budget and Finance Committee - RECOMMENDED

November 29, 2016 Board of Supervisors - CONTINUED

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

December 06, 2016 Board of Supervisors - ADOPTED

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

File No. 161116

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

for Peggy Nevin
Angela Galvillo
Clerk of the Board

[Signature]
Mayor

12/16/16
Date Approved