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.

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

WHEREAS, On January 24, 2012, the Board of Supervisors rescinded designation of TIDA as the redevelopment agency for Treasure Island under California Community Redevelopment Law in Resolution No. 11-12; but such rescission did 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, The United States of America, acting by and through the Department of
the Navy ("Navy"), and TIDA entered into an 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; under
the Conveyance Agreement, the Navy has and will convey NSTI to TIDA in phases after the
Navy has completed environmental remediation and issued a Finding of Suitability to Transfer
(as defined in the Conveyance Agreement) for specified parcels of NSTI or portions thereof;
and
WHEREAS, Treasure Island Community Development, LLC ("Developer") and TIDA
previously entered into a Disposition and Development Agreement (Treasure Island/Yerba
Buena Island) dated June 28, 2011 (the "DDA"), including a Financing Plan (Treasure
Island/Yerba Buena Island) (the "Financing Plan"), which 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; and
WHEREAS, The DDA contemplates a project (the "Project") under which TIDA
acquires the Project Site from the Navy and conveys portions of the Project Site to Developer
(or an affiliate of Developer) for the purposes of (i) alleviating blight in the Project Site through
development of certain improvements, (ii) geotechnically stabilizing the Project Site, (iii)
constructing public infrastructure to support the Project and other proposed uses on NSTI,
(iv) constructing and improving certain public parks and open spaces, (v) abatement of certain
existing hazardous substances, and (vi) selling and ground leasing lots to vertical developers
who will construct residential units and commercial and public facilities; 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, 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 (the "MMRP"), and the DDA and other
transaction documents; and

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

WHEREAS, 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 (collectively, the "FEIR"); and

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

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

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

WHEREAS, Developer and the City previously entered into a 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 DDA and other
applicable requirements, and the Financing Plan is also an exhibit to the Development
Agreement; and
WHEREAS, The Financing Plan identifies certain financial goals for the Project and the contractual framework for cooperation between TIDA, the City, and Developer in achieving those goals and implementing the Project; and

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

WHEREAS, Under Chapter 2.6 of Part 1 of Division 2 of Title 5 of the California Government Code commencing with Section 53369 (the “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
WHEREAS, IRFD Law Section 53369.14(d)(5) provides that the legislative body of a proposed infrastructure and revitalization financing district may specify, by ordinance, the date on which the allocation of tax increment will begin and IRFD Law Section 53369.5(b) provides that project areas within a district may be subject to distinct limitations established under the IRFD Law, and the Board of Supervisors has indicated that it wishes to specify the date on which the allocation of tax increment will begin for the proposed infrastructure and revitalization financing district on a project area-by-project area basis; and

WHEREAS, Pursuant to the Financing Plan and the IRFD Law, the Board of Supervisors adopted its "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 the formation of the district and project areas therein and to provide public notice thereof; and determining other matters in connection therewith" (the "Resolution of Intention to Establish IRFD"), stating its intention to form (i) the "City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island)" (the "IRFD"), (ii) "Project Area A of the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island)" ("Project Area A") as a project area within the IRFD, (iii) "Project Area B of the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island)" ("Project Area B") as a project area within the IRFD, (iv) "Project Area C of the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island)" ("Project Area C") as a project area within the IRFD, (v) "Project Area D of the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island)" ("Project Area D") as a project area within the IRFD, and (vi) "Project Area E of the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island)"
("Project Area E" and, together with Project Area A, Project Area B, Project Area C and Project Area D, the "Initial Project Areas" and together with any future project areas that may be established in the IRFD, the "Project Areas") as a project area within the IRFD, pursuant to the IRFD Law; and

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

WHEREAS, The Board of Supervisors has also adopted its "Resolution authorizing and directing the Director of the Office of Public Finance, or designee of the Director of the Office of Public Finance to prepare an 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," ordering preparation of an infrastructure financing plan for the IRFD and the Project Areas (the "Infrastructure Financing Plan") consistent with the requirements of the IRFD Law; and

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

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

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

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

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

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

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

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

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

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

FURTHER RESOLVED, That this Resolution shall be filed with the Clerk of the Board of Supervisors at or prior to the time of the public hearing for the proposed IRFD; 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 incorporates the FEIR and the CEQA findings contained in Board of Supervisors Resolution No. 246-11 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 City, 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; 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
RESOLVED FURTHER, That this resolution shall take effect from and after its adoption. The provisions of any previous resolutions in any way inconsistent with the provisions hereof in and for the issuance of the Bonds as herein described are hereby repealed.

APPROVED AS TO FORM:
DENNIS J. HERRERA
City Attorney

By:
MARK D. BLAKE
Deputy City Attorney
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.

Angela Galvillo
Clerk of the Board

Date Approved