

1 [Resolution Authorizing Director of the Office of Public Finance to Prepare an Infrastructure
2 Financing Plan Related to an Infrastructure and Revitalization Financing District.]

3 **Resolution authorizing and directing the Director of the Office of Public Finance, or**
4 **designee of the Director of the Office of Public Finance to prepare an infrastructure**
5 **financing plan for City and County of San Francisco Infrastructure Financing District**
6 **No. 1 (Treasure Island) and project areas therein and determining other matters in**
7 **connection therewith.**

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

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

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

24 WHEREAS, On January 24, 2012, the Board of Supervisors rescinded designation of
25 TIDA as the redevelopment agency for Treasure Island under California Community

1 Redevelopment Law in Resolution No. 11-12; and such rescission does not affect TIDA's
2 status as the Local Reuse Authority for NSTI or the Tidelands Trust trustee for the portions of
3 NSTI subject to the Tidelands Trust, or any of the other powers or authority; and,

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

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

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

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

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

9 WHEREAS, The Financing Plan, among other things, obligates TIDA and the City to
10 take all actions reasonably necessary for, and obligates Developer to cooperate reasonably
11 with the efforts of, (i) the City to form requested community facilities districts (each, a “CFD”;
12 together, the “CFDs”) and take related actions under the Mello-Roos Community Facilities Act
13 of 1982 (the “Mello-Roos Act”) to pay for Qualified Project Costs, Ongoing Park Maintenance
14 and Additional Community Facilities (as those terms are defined in the Financing Plan), (ii) the
15 City to form requested infrastructure financing districts and take related actions under
16 applicable provisions of the Government Code of the State of California to pay for Qualified
17 Project Costs and (iii) the City to issue bonds and other debt for the CFDs and the
18 infrastructure financing districts and other public financing instruments described in the
19 Financing Plan (defined in the Financing Plan as “Public Financing”); and,

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

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

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

8 WHEREAS, On the date hereof, pursuant to the Financing Plan, the IRFD Law and a
9 resolution entitled “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 future annexation; to call a public hearing on the formation of the
13 district and project areas therein and to provide public notice thereof; and determining other
14 matters in connection therewith” (the “Resolution of Intention”), this Board of Supervisors
15 declared its intention to conduct proceedings to establish (i) the “City and County of San
16 Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island)” (the
17 “IRFD”), (ii) “Project Area A of the City and County of San Francisco Infrastructure and
18 Revitalization Financing District No. 1 (Treasure Island)” (“Project Area A”) as a project area
19 within the IRFD, (iii) “Project Area B of the City and County of San Francisco Infrastructure
20 and Revitalization Financing District No. 1 (Treasure Island)” (“Project Area B”) as a project
21 area within the IRFD, (iv) “Project Area C of the City and County of San Francisco
22 Infrastructure and Revitalization Financing District No. 1 (Treasure Island)” (“Project Area C”),
23 (v) “Project Area D of the City and County of San Francisco Infrastructure and Revitalization
24 Financing District No. 1 (Treasure Island)” (“Project Area D”), (vi) “Project Area E of the City
25 and County of San Francisco Infrastructure and Revitalization Financing District No. 1

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

5 WHEREAS, The IRFD Law requires this Board of Supervisors, after adopting the
6 Resolution of Intention, to designate and direct the City engineer or other appropriate official
7 to prepare an infrastructure plan; and,

8 WHEREAS, in the Resolution of Intention, this Board of Supervisors made certain
9 findings under the California Environmental Quality Act (“CEQA”) about the Final
10 Environmental Impact Report (“FEIR”) for the disposition and development of a portion of
11 Naval Station Treasure Island, and those findings are incorporated in this Resolution as if set
12 forth in their entirety herein; now, therefore, be it

13 RESOLVED, That the Director of the Office of Public Finance, or the designee of the
14 Director of the Office of Public Finance, is hereby authorized and directed to prepare, or
15 cause to be prepared, a report in writing for the IRFD and the Project Areas (the
16 “Infrastructure Financing Plan”), which is consistent with the general plan of the City and
17 includes all of the following:

18 (a) A map and legal description of the proposed IRFD and each of the Project
19 Areas.

20 (b) A description of the facilities required to serve the development proposed in the
21 area of the IRFD including those to be provided by the private sector, those to be provided by
22 governmental entities without assistance under the IRFD Law, those improvements and
23 facilities to be financed with assistance from the proposed IRFD and the Project Areas, and
24 those to be provided jointly (the “Facilities”). The description shall include the proposed
25 location, timing, and costs of the Facilities.

1 (c) A finding that the Facilities are of communitywide significance, will not supplant
2 facilities already available within the boundaries of the IRFD (except for those that are
3 essentially nonfunctional, obsolete, hazardous, or in need of upgrading or rehabilitation) and
4 will supplement existing facilities as needed to serve new developments.

5 (d) A financing section, which shall contain all of the following information:

6 (1) A specification of the maximum portion of the incremental tax revenue of the
7 City and of each affected taxing entity (as defined in the IRFD Law) proposed to be committed
8 to the each of the Project Areas for each year during which each Project Area will receive
9 incremental tax revenue; provided however such portion of incremental tax revenue need not
10 be the same for all affected taxing entities, and such portion may change over time.

11 (2) A projection of the amount of tax revenues expected to be received by the IRFD
12 in each of the Project Areas in each year during which the IRFD will receive tax revenues in
13 each Project Area, including an estimate of the amount of tax revenues attributable to each
14 affected taxing entity proposed to be committed to the IRFD for each year. If applicable, the
15 plan shall also include a specification of the maximum portion of the net available revenue of
16 the City proposed to be committed to the IRFD for each year during which the IRFD will
17 receive revenue, which portion may vary over time.

18 (3) A plan for financing the Facilities, including a detailed description of any
19 intention to incur debt.

20 (4) A limit on the total number of dollars of taxes that may be allocated to the IRFD
21 in each Project Area pursuant to the plan.

22 (5) A date on which the IRFD and each Project Area will cease to exist, by which
23 time all tax allocation to the IRFD in each Project Area will end. The date shall not be more
24 than 40 years from the date on which the ordinance forming the IRFD or the applicable
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1 Project Area is adopted, or a later date, if specified by the ordinance, on which the allocation
2 of tax increment will begin.

3 (6) An analysis of the costs to the City of providing facilities and services to each
4 Project Area while the area within each Project Area is being developed and after the area
5 within each Project Area is developed. The plan shall also include an analysis of the tax, fee,
6 charge, and other revenues expected to be received by the City as a result of expected
7 development in the area of each Project Area.

8 (7) An analysis of the projected fiscal impact of each Project Area and the
9 associated development upon each affected taxing entity that is proposed to participate in
10 financing the IRFD.

11 (8) A plan for financing any potential costs that may be incurred by reimbursing a
12 developer of a project that is both located entirely within the boundaries of the IRFD and
13 qualifies for the Transit Priority Project Program, pursuant to Government Code Section
14 65470, including any permit and affordable housing expenses related to the project.

15 (9) If any dwelling units occupied by persons or families of low or moderate income
16 are proposed to be removed or destroyed in the course of private development or facilities
17 construction within the area of the IFD, a plan providing for replacement of those units and
18 relocation of those persons or families consistent with the requirements of Section 53369.6 of
19 the IRFD Law.

20 This Board of Supervisors reserves the right to approve supplements or amendments
21 to financing plans in the future with respect to any other Project Areas to be identified and
22 established by this Board of Supervisors within the IRFD in accordance with the IRFD Law;
23 and, be it

24 FURTHER RESOLVED, That the Infrastructure Financing Plan may provide for future
25 amendments of the plan in connection with the future annexation of territory on Yerba Buena

1 Island and Treasure Island into the IRFD, as described in the Resolution of Intention; and, be
2 it

3 FURTHER RESOLVED, That the Director of Public Finance, or the designee of the
4 Director of Public Finance, shall send the Infrastructure Financing Plan to (i) the planning
5 commission of the City, (ii) this Board of Supervisors, (iii) each owner of land within the
6 proposed IRFD and (iv) each affected taxing entity (if any). The Director of the Public Finance,
7 or the designee of the Director of the Public Finance, shall also send to the owners of land
8 within the proposed IRFD and the affected taxing entities (if any) any report required by the
9 California Environmental Quality Act (Division 13 (commencing with Section 21000) of the
10 Public Resources Code) that pertains to the proposed Facilities or the proposed development
11 project for which the Facilities are needed.

12 The Clerk of the Board of Supervisors shall make the Infrastructure Financing Plan
13 available for public inspection; and, be it

14 FURTHER RESOLVED, That the Director of Public Finance, or the designee of the
15 Director of Public Finance, shall consult with each affected taxing entity, and, at the request of
16 any affected taxing entity, shall meet with representatives of the affected taxing entity; and, be
17 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 adoption.
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22 APPROVED AS TO FORM:
23 DENNIS J. HERRERA
24 City Attorney

25 By: _____

MARK D. BLAKE
Deputy City Attorney

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