

1 [Resolution of Intention to Establish San Francisco Enhanced Infrastructure Financing District
2 No. 2 (Stonestown)]

3

4 **Resolution of Intention to establish San Francisco Enhanced Infrastructure Financing**
5 **District No. 2 (Stonestown) to finance public capital facilities and projects of**
6 **communitywide significance related to the Stonestown Project and other authorized**
7 **costs, and determining other matters in connection therewith, as defined herein.**

8

9 WHEREAS, Stonestown NW Parcel LLC, a Delaware limited liability company (“NW
10 Parcel Owner”), Stonestown Shopping Center, L.P., a Delaware limited partnership
11 (“Shopping Owner”), and Stonestown Anchor Acquisition, L.P, a Delaware limited partnership
12 (“Anchor Owner”; together with NW Parcel Owner and Shopping Owner, “Developer”) own the
13 approximately 30 acres of developed land located in the southwest part of the City and
14 County of San Francisco (“City”), generally bounded by 19th Avenue to the east, Buckingham
15 Way to the south and west, and Rolph Nicol Jr. Playground and Eucalyptus Drive to the north
16 (“Developer Property”); and

17 WHEREAS, The Developer Property is fully developed and comprises approximately
18 27 acres of surface parking lots and operational uses, a vacant building, and approximately
19 three acres of existing privately-owned streets; and

20 WHEREAS, Temple Baptist Church or its successor owns approximately 0.8 acres of
21 land located adjacent to 19th Avenue along the eastern boundary of the Developer Property
22 (Assessor’s Parcel Block No. 7295, Lot No. 002) that is improved with a church building, as
23 further described on Exhibit A-2 to the Development Agreement (“Variant Sub-Area”); and

24 WHEREAS, The City owns the approximately three acre open space known as Rolph
25 Nicol Jr. Playground adjacent to the Developer Property (“RPD Parcel”); and

1 WHEREAS, The City also owns approximately 0.2 acres of developed and
2 undeveloped public rights-of-way, consisting of portions of Winston Drive and Monte Vista
3 Drive (“Existing City-Owned Rights-of-Way”; and together with portions of the RPD Parcel, the
4 Developer Property, and the Variant Sub-Area, “Project Site”); and

5 WHEREAS, Shopping Owner and Anchor Owner also own the existing Stonestown
6 Galleria, which is not a part of the Project Site but is included as part of the development
7 agreement relating to the Project Site (“Development Agreement”) for the limited purposes
8 specified in the Development Agreement; and

9 WHEREAS, Developer proposes a mixed use development to be developed on the
10 Project Site that may include residential, retail, commercial, open space, parking and related
11 uses to be developed on the Project Site, all as more particularly described in the
12 Development Agreement (“Stonestown Project”); and

13 WHEREAS, On May 9, 2024, by Motion No. 21559, the Planning Commission certified
14 as adequate, accurate and complete the Final Environmental Impact Report ("FEIR") for the
15 Project pursuant to the California Environmental Quality Act (California Public Resources
16 Code, Section 21000 et seq.) ("CEQA"); a copy of Planning Commission Motion No. 21559 is
17 on file with the Clerk of the Board of Supervisors in File No. _____; also, on May 9, 2024,
18 by Motion No. 21560, the Planning Commission adopted findings, including a rejection of
19 alternatives and a statement of overriding considerations ("CEQA Findings") and a Mitigation
20 Monitoring and Reporting Program ("MMRP"); these Motions are on file with the Clerk of the
21 Board of Supervisors in File No. _____; in the Ordinance contained in File No. 240410, the
22 Board of Supervisors adopted as its own and incorporated by reference as though fully set
23 forth therein the CEQA Findings, including the statement of overriding considerations, and the
24 MMRP; and

1 WHEREAS, Pursuant to Resolution No. 66-11, which was adopted by the Board of
2 Supervisors on February 8, 2011, and signed by the Mayor on February 18, 2011, and a copy
3 of which is in File No. 110036, the Board of Supervisors adopted Final Board of Supervisors
4 Guidelines for the Establishment and Use of Infrastructure Financing Districts in San
5 Francisco (“Guidelines”) that describe minimum threshold criteria and strategic criteria for the
6 City to consider when evaluating the proposed formation of an infrastructure financing district;
7 and

8 WHEREAS, On February 27, 2023, the Capital Planning Committee adopted an
9 interpretative supplement (“Supplement”) to the Guidelines to provide guidance to City staff
10 and the development community about application of the Guidelines, and pursuant to
11 Resolution No. 113-24, which was adopted by the Board of Supervisors on March 19, 2024,
12 and signed by the Mayor on March 21, 2024, and a copy of which is in File No. 240139, the
13 Board of Supervisors ratified the Guidelines; and

14 WHEREAS, The Stonestown Project will provide significant public benefits to the City
15 including: (i) conversion of parking lots to housing, including affordable housing, (ii)
16 construction and maintenance of new parks, pedestrian pathways, and landscape areas for a
17 total of approximately 6 acres of publicly accessible open areas; (iii) transportation demand
18 management measures that exceed the level otherwise required; (iv) street and infrastructure
19 improvements, including enhancement of existing public right-of-way; (v) workforce
20 obligations; (vi) on-site childcare facilities; (vii) on-site senior community center, and (viii)
21 improvements to Rolph Nicol Jr. Playground, but the Stonestown Project has significant public
22 infrastructure obligations that must be completed before the Stonestown Project’s residential
23 units and community benefits can be constructed; and

24 WHEREAS, The Stonestown Project is eligible for financial assistance from an
25 infrastructure financing district under the Guidelines; and

1 WHEREAS, The Board of Supervisors is authorized to initiate the process to establish
2 an enhanced infrastructure financing district pursuant to Chapter 2.99 of Part 1 of Division 2 of
3 Title 5 of the California Government Code, commencing with Section 53398.50 ("EIFD Law");
4 and

5 WHEREAS, In accordance with Government Code, Section 53398.54, the City has
6 complied with the prerequisites to initiate the creation of, or participate in the governance or
7 financing of, an enhanced infrastructure financing district for the Stonestown Project and has
8 provided the required certification to the Department of Finance and the EIFD Public
9 Financing Authority No. 1 (as defined below) in accordance with the EIFD Law; and

10 WHEREAS, Pursuant to Government Code, Section 53398.59, an enhanced
11 infrastructure financing district may be divided into project areas; and

12 WHEREAS, The Board of Supervisors intends to establish the San Francisco
13 Enhanced Infrastructure Financing District No. 2 (Stonestown) ("Stonestown EIFD") and
14 project areas within the Stonestown EIFD to finance (i) the purchase, construction, expansion,
15 improvement, seismic retrofit or rehabilitation of certain real or other tangible property with an
16 estimated useful life of 15 years or longer that are public capital facilities or projects of
17 communitywide significance that provide significant benefits to the Stonestown EIFD or the
18 surrounding community, including any directly-related planning and design work, (ii) the costs
19 described in Government Code, Sections 53398.56, 53398.57 and 53398.58 (as applicable)
20 and (iii) the ongoing or capitalized costs to maintain public capital facilities financed in whole
21 or in part by the Stonestown EIFD, all as more fully described in Exhibit A attached hereto;
22 and

23 WHEREAS, The Stonestown EIFD shall be a legally constituted governmental entity
24 separate and distinct from the City and its sole purpose shall be to finance public capital
25 facilities and projects of communitywide significance; and

1 WHEREAS, Government Code, Section 53398.63(d)(5)(B) provides that the
2 infrastructure financing plan for the Stonestown EIFD may establish a separate and unique
3 time limit for each project area after which all tax allocations to the Stonestown EIFD from the
4 project area will end and the Stonestown EIFD's authority to repay indebtedness from tax
5 allocations to the Stonestown EIFD from the project area will end, not to exceed 45 years from
6 the date that the Stonestown EIFD has actually received \$100,000 in annual incremental tax
7 revenue from the project area, and the Board of Supervisors intends that the infrastructure
8 financing plan for the Stonestown EIFD will specify the date on which the allocation of tax
9 increment will end on a project area-by-project area basis; and

10 WHEREAS, The Board of Supervisors hereby designates the Enhanced Infrastructure
11 Financing District Public Financing Authority No. 1 ("EIFD Public Financing Authority No. 1")
12 to act as the governing board of the Stonestown EIFD; and

13 WHEREAS, EIFD Public Financing Authority No. 1 was established by the Board of
14 Supervisors pursuant to Ordinance No. 044-23, which was passed by the Board of
15 Supervisors on April 4, 2023, and signed by the Mayor on April 7, 2023, which Ordinance
16 established Article XLVIII of Chapter 5 of the Administrative Code to govern the EIFD Public
17 Financing Authority No. 1; and

18 WHEREAS, Concurrently with this Resolution, the Board of Supervisors will consider
19 an Ordinance amending Article XLVIII to provide for EIFD Public Financing Authority No. 1 to
20 act as governing body of the Stonestown EIFD (Amending Ordinance), and the designation of
21 EIFD Public Financing Authority No. 1 to act as governing board of the Stonestown EIFD is
22 subject to the final effectiveness of the Amending Ordinance and the approval of EIFD Public
23 Financing Authority No. 1; and

24 WHEREAS, The EIFD Public Financing Authority No. 1 will be responsible for causing
25 preparation of the infrastructure financing plan for the Stonestown EIFD ("Stonestown IFP"),

1 which will describe, among other things, the allocation by the City to the Stonestown EIFD of
2 certain incremental property tax revenue for the purpose of funding public capital facilities and
3 other specified projects of communitywide significance that provide significant benefits to the
4 Stonestown EIFD or the surrounding community and the issuance by the Stonestown EIFD of
5 bonds and other debt; and

6 WHEREAS, The Stonestown IFP will be subject to the review and approval by
7 Resolution of the Board of Supervisors following a public hearing, and adoption and
8 implementation by the EIFD Public Financing Authority No. 1 following three public hearings;
9 now, therefore, be it

10 RESOLVED, That the Board of Supervisors hereby finds that the recitals are true and
11 correct; and, be it

12 FURTHER RESOLVED, That the Board of Supervisors hereby proposes and intends to
13 cause the establishment of the Stonestown EIFD, to be known as the “San Francisco
14 Enhanced Infrastructure Financing District No. 2 (Stonestown)”, under the provisions of the
15 EIFD Law, and further proposes and intends that the Stonestown EIFD shall include project
16 areas (each, “Project Area”; collectively, “Project Areas”), which shall be referred to as
17 “Project Area __ of the San Francisco Enhanced Infrastructure Financing District No. 2
18 (Stonestown)”; and, be it

19 FURTHER RESOLVED, That the Board of Supervisors hereby determines that the
20 proposed boundaries of the Stonestown EIFD and the Project Areas are as shown on the map
21 of the Stonestown EIFD and the Project Areas on file with the Clerk of the Board of
22 Supervisors in File No. _____, which boundaries are hereby preliminarily approved and to
23 which map reference is hereby made for further particulars; and, be it

1 FURTHER RESOLVED, That the boundaries of the proposed EIFD shall include all of
2 the Developer Property and the Existing City-Owned Rights-of-Way, and does not include the
3 Mall Property; and, be it

4 FURTHER RESOLVED, That because the Board of Supervisors anticipates the need
5 to make future changes to the boundaries of the Stonestown EIFD and the Project Areas in
6 order to conform to final development parcels approved by the Board of Supervisors and so
7 that the California State Board of Equalization can assign tax rate areas to the Project Areas,
8 the Board of Supervisors hereby declares its intention that the Stonestown IFP shall establish
9 a procedure by which certain future amendments of the boundaries of the Stonestown EIFD
10 and the Project Areas and corresponding amendments to the Stonestown IFP may be
11 approved by the EIFD Public Financing Authority No. 1 without further hearings or approvals,
12 as long as the EIFD Public Financing Authority No. 1 finds that the amendments will not
13 impair the Stonestown EIFD's ability to pay debt service on its bonds or other debt or, in and
14 of themselves, reduce the debt service coverage on any bonds or other debt below the
15 amount required to issue parity debt; and

16 FURTHER RESOLVED, That the Board of Supervisors hereby determines and finds
17 that the boundaries of the proposed EIFD do not include any portion of a former
18 redevelopment project area that was created pursuant to Part 1 (commencing with Section
19 33000) of Division 24 of the California Health and Safety Code; and, be it

20 FURTHER RESOLVED, That the Board of Supervisors hereby determines and finds
21 that there are no existing dwelling units within the boundaries of the proposed EIFD; and, be it

22 FURTHER RESOLVED, That the Board of Supervisors hereby determines and finds
23 that the types of public capital facilities and other projects of communitywide significance to be
24 financed by the Stonestown EIFD shall consist of those described on Exhibit A hereto and
25 hereby incorporated herein ("Facilities"), that the Facilities are authorized to be financed by

1 the Stonestown EIFD under Government Code, Sections 53398.52 and 53398.55(b), and that
2 each of the Facilities (i) constitutes real or other tangible property with an estimated useful life
3 of 15 years or longer that is a public capital facility or a project of communitywide significance
4 and provides significant benefits to the Stonestown EIFD or the surrounding community, (ii) is
5 in addition to those facilities provided in the territory of the Stonestown EIFD before the
6 Stonestown EIFD was created, (iii) will not supplant facilities already available within the
7 proposed boundaries of the Stonestown EIFD, although the Facilities may supplement,
8 rehabilitate or upgrade such facilities or make such facilities more sustainable and (iv) if it is
9 located outside the boundaries of the proposed EIFD, it has a tangible connection to the work
10 of the Stonestown EIFD; and, be it

11 FURTHER RESOLVED, That the Board of Supervisors hereby finds that the
12 Stonestown EIFD is necessary to advance the City's goal in proposing establishment of the
13 Stonestown EIFD, which is to help address a shortfall in (i) funding for the provision of public
14 capital facilities and projects of communitywide significance that provide significant benefits
15 and promote economic development and the construction of housing within the boundaries of
16 the Stonestown EIFD or the surrounding community and (ii) funding for affordable housing;
17 and, be it

18 FURTHER RESOLVED, That the Board of Supervisors hereby declares that, pursuant
19 to the EIFD Law, if the Stonestown EIFD is approved by the EIFD Public Financing Authority
20 No. 1 in accordance with the EIFD Law, and if the Stonestown IFP is approved by Resolution
21 of the Board of Supervisors pursuant to Government Code, Section 53398.68, in each case
22 after any public hearings required by the EIFD Law, the incremental property tax revenue that
23 is allocated by the City to the Stonestown EIFD (but not by any other affected taxing entity),
24 which may include incremental property tax revenue described in Government Code, Sections
25

1 53398.75(a)(2) and 53398.75(e)(1), may be used to finance Facilities and other authorized
2 costs and to pay debt service on bonds and other debt of the Stonestown EIFD; and, be it

3 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes the Director
4 of the Office of Public Finance to establish the time and date for a public hearing of the Board
5 of Supervisors on the proposed Stonestown IFP and to cause the Clerk of the Board of
6 Supervisors to (i) publish a notice of such public hearing in accordance with the EIFD Law and
7 (ii) mail a copy of such notice to (A) each owner of land (as defined in the EIFD Law) within
8 the proposed EIFD, (B) each affected taxing entity (as defined in the EIFD Law), if any, and
9 (C) the EIFD Public Financing Authority No. 1; and, be it

10 FURTHER RESOLVED, Pursuant to Government Code, Section 53398.60, the Board
11 of Supervisors hereby directs the Clerk of the Board of Supervisors to mail a copy of this
12 Resolution to (i) each owner of land within the proposed EIFD (although the Director of the
13 Office of Public Finance is hereby authorized to instead mail a notice of intention to create the
14 Stonestown EIFD in accordance with Government Code, Section 53398.60(b)), (ii) each
15 affected taxing entity and (iii) the EIFD Public Financing Authority No. 1; and, be it

16 FURTHER RESOLVED, The Board of Supervisors hereby authorizes and approves the
17 execution and delivery of a Deposit and Reimbursement Agreement (Deposit Agreement) in
18 substantially the form on file with the Clerk of the Board of Supervisors in File No. _____, to
19 provide for a deposit by the Developer to pay the costs of forming the Stonestown EIFD and
20 managing the Stonestown EIFD, and, to the extent applicable, the formation of one or more
21 community facilities districts for the Stonestown Project, including any costs incurred by the
22 EIFD Public Financing Authority No. 1 and the City, and each of the Mayor, the Controller, the
23 Director of Public Works and the Director of the Office of Public Finance, or such other official
24 of the City as may be designated by such officials (each, an "Authorized Officer"), is hereby
25 authorized and directed to execute the Deposit Agreement, together with such additions or

1 changes as are approved by such Authorized Officer upon consultation with the City Attorney,
2 such changes being consistent with the terms of this resolution and the Development
3 Agreement; and, be it

4 FURTHER RESOLVED, That this Resolution in no way obligates the Board of
5 Supervisors or the EIFD Public Financing Authority No. 1 to form the Stonestown EIFD; the
6 establishment of the Stonestown EIFD is subject to all requirements of EIFD Law, including:
7 (a) the Board of Supervisors' approval of a proposed Stonestown IFP following a public
8 hearing, to the extent required by the EIFD Law; and (b) the EIFD Public Financing Authority
9 No. 1's approval of the Stonestown IFP following three public hearings conducted pursuant to
10 EIFD Law; 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 their use for the actions taken by this
13 Resolution and incorporates the FEIR and the CEQA findings contained in the Ordinance
14 contained in File No. 240410 and further finds that, pursuant to CEQA Guidelines, Section
15 15162, no additional environmental review is required because there are no substantial
16 changes to the Project analyzed in the FEIR, no change in circumstances under which
17 Stonestown Project is being undertaken, and no new information that was not known and
18 could not have been known shows that new significant impacts would occur, that the impacts
19 identified in the FEIR as significant impacts would be substantially more severe, or that
20 mitigation or alternatives previously found infeasible are now feasible; and, be it

21 FURTHER RESOLVED, That if any section, subsection, sentence, clause, phrase, or
22 word of this Resolution, or any application thereof to any person or circumstance, is held to be
23 invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision
24 shall not affect the validity of the remaining portions or applications of this Resolution, this
25 Board of Supervisors hereby declaring that it would have passed this Resolution and each

1 and every section, subsection, sentence, clause, phrase, and word not declared invalid or
2 unconstitutional without regard to whether any other portion of this Resolution or application
3 thereof would be subsequently declared invalid or unconstitutional; and, be it

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

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

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

20 APPROVED AS TO FORM:
21 DAVID CHIU, City Attorney

22
23 By: /s/ Mark D. Blake
24 Mark D. Blake
Deputy City Attorney

25 n:\financlas2024\1300182\01765004.docx

