

AGENDA ITEM 9
Treasure Island Development Authority
City and County of San Francisco
Meeting of July 13, 2022

Subject: Resolution Approving the Use of a Portion of Authority Parcel E1.2 for Residential Stepdown, Transitional Housing and Treatment Programs in Accordance with the Disposition and Development Agreement and One Treasure Island Agreement and Authorizing the Director to Enter in to Agreements Related to These Uses (Action Item)

Contact Robert P. Beck, Treasure Island Director

BACKGROUND

The Treasure Island Development Authority, (“TIDA” or “Authority”), is charged with implementation of the Disposition and Development Agreement dated June 28, 2011, between TIDA and Treasure Island Community Development, LLC (the “DDA”) and the Amended and Restated Base Closure Homeless Assistance Agreement (the “One TI Agreement”) dated June 28, 2011, between TIDA and One Treasure Island (“One TI”; formerly the “Treasure Island Homeless Development Initiative”).

Member agencies in One TI, including HeathRight 360 (“HR360”), Swords to Plowshares, Catholic Charities, and HomeRise (formerly Community Housing Partnership), operate programs in former Navy residential units on Treasure Island. The One TI Agreement commits the Authority to construct replacement facilities for these One TI member agencies in new Authority Buildings on Treasure Island.

Maceo May Apartments, the first Authority Building in partnership with Swords to Plowshares, broke ground in 2020, and Star View Court, the second Authority Building in partnership with Catholic Charities closed financing in May 2022 and is beginning construction.

Authority staff have been working with One TI, HR360, the Mayor’s Office of Housing and Community Development (“MOHCD”) and the Department of Public Health (“DPH”) to plan for the construction of replacement facilities for HR360 in the third Authority Building and have identified Treasure Island Parcel E1.2 (the “Parcel”) as the preferred site for this development.

As currently envisioned, a portion the Parcel will be developed to include up to 110 affordable housing and Transition Units, but the larger portion of the Parcel will be used to replace HR360’s existing units/beds on TI and create additional units/beds in partnership with DPH. Mercy Housing California is proposed to serve as the turnkey developer.

PROPOSED

DPH is prepared to apply for grant funding from the Community Care Expansion (“CCE”) program administered by the California Department of Social Services (“CDSS”). If awarded, DPH would receive a \$15 million grant to contribute towards the new expansion beds. The funding application requires a form of site control.

The purpose of this Resolution is to expressly commit to DPH and HR360 that a portion of the Parcel can be used for the development of residential stepdown, transitional housing, and treatment programs to support DPH’s pursuit of CCE funding and to demonstrate that commitment via a letter in substantially the form attached as Exhibit A and to take other necessary actions to support this funding pursuit.

The CCE program funds construction of adult and senior care facilities that serve applicants and recipients of Social Security Income (“SSI”) including individuals who are at risk of or experiencing homelessness and those who have behavioral health conditions, expanding the state’s housing and care continuum and ensuring better treatment outcomes and preventing the cycle of homelessness or unnecessary institutionalization.

CCE funds are available on a rolling basis and are expected to run out. If this Resolution is approved an application will be submitted in July 2022.

This Resolution acknowledges the use of a portion of the Parcel as an indication of site control and further allows the Director to enter into any and all funding Agreements as result of this use. Staff will return to the Authority Board for authorization prior to executing any eventual ground lease or option to ground lease for the Parcel.

BUDGET IMPACT

The costs affiliated with the tasks performed by TIDA, DPH and HR360 in this funding pursuit will be borne by each respective Agency. Any Authority costs associated with this acknowledgement of land use and application for grant funding are accounted for in the FY 22/23 Budget.

RECOMMENDATION

Project Staff recommends approval of the use for a portion of the Parcel for up to 150 bedrooms/300 beds for residential stepdown, transitional housing and residential treatment programs and that the Director be authorized to provide DPH with a letter memorializing this approval in substantially the form attached in Exhibit A and to enter into any and all Agreements with respect to this funding pursuit.

EXHIBITS

Exhibit A. Site use Authorization letter from TIDA to the Department of Public Health

Prepared by: Natalie Bonnewit, Affordable Housing Consultant

For: Robert P. Beck, Treasure Island Director

1 **Resolution Approving the Use of a Portion of Authority Parcel E1.2 for Residential**
2 **Stepdown, Transitional Housing and Treatment Programs in Accordance with the**
3 **Disposition and Development Agreement and One Treasure Island Agreement and**
4 **Authorizing the Director to Enter in to Agreements Related to These Uses**

5
6 WHEREAS, Former Naval Station Treasure Island is a military base located on
7 Treasure Island and Yerba Buena Island (together, the "Base"); and

8 WHEREAS, The Base was selected for closure and disposition by the Base
9 Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its
10 subsequent amendments; and

11 WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97,
12 authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit
13 corporation known as the Treasure Island Development Authority (the "Authority") to act as a
14 single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and
15 conversion of the Base for the public interest, convenience, welfare and common benefit of
16 the inhabitants of the City and County of San Francisco (the "City"), which is on file with the
17 Clerk of the Board of Supervisors in File No. 244-97-3 and is incorporated herein by
18 reference; and

19 WHEREAS, The Authority, acting by and through its Board of Directors (the "Authority
20 Board"), has the power, subject to applicable laws, to sell, lease, exchange, transfer, convey
21 or otherwise grant interests in or rights to use or occupy all or any portion of the Base; and

22 WHEREAS, In 2003, Treasure Island Community Development, LLC (the "Master
23 Developer") was selected as master developer for the Base following a competitive process;
24 and

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1 WHEREAS, The Authority, the Authority Board, the Treasure Island Citizens Advisory
2 Board, the City, and the Master Developer worked for more than a decade to plan for the
3 reuse and development of Treasure Island, and as a result of this community-based planning
4 process, the Authority and Master Developer negotiated the Disposition and Development
5 Agreement ("DDA") to govern the disposition and subsequent development of the proposed
6 development project (the "Project"); and

7 WHEREAS, The Financing Plan, an exhibit to the DDA, calls for the Authority and
8 Master Developer to work together to seek appropriate grants for the Project; and

9 WHEREAS, On April 21, 2011, in a joint session with the Planning Commission, the
10 Authority Board unanimously approved a series of entitlement and transaction documents
11 relating to the Project, including certain environmental findings under the California
12 Environmental Quality Act ("CEQA"), Mitigation Monitoring and Reporting Program, and DDA
13 and other transaction documents; and

14 WHEREAS, On June 7, 2011, the Board of Supervisors unanimously confirmed
15 certification of the final environmental impact report and made certain environmental findings
16 under CEQA (collectively, the "FEIR") by Resolution No. 246-11, which is on file with the Clerk
17 of the Board of Supervisors in File No. 110328 and is incorporated herein by reference, and
18 approved the DDA and other transaction documents; and

19 WHEREAS, The Authority and Treasure Island Community Development, LLC, entered
20 into the DDA dated June 28, 2011, and pursuant to the Housing Plan (Exhibit E) of the DDA,
21 the Authority is committed to the development of affordable housing for a portion of the site;
22 and

23 WHEREAS, the Authority and One Treasure Island (formerly the Treasure Island
24 Homeless Development Initiation) entered into that certain Legally Binding Agreement known
25 as the One TI Agreement dated June 29, 2011 (the "One TI Agreement"), the Authority is

1 committed to the replacement of existing units on Treasure Island operated by One Treasure
2 Island member agencies; and

3 WHEREAS, HealthRight360 (“HR360”) is a One Treasure Island Member Agency and
4 operates transitional housing and treatment programs in Treasure Island residential units; and

5 WHEREAS, Mercy Housing is a One Treasure Island member and the proposed
6 turnkey developer for HR360 replacement facilities; and

7 WHEREAS, The Authority is the fee owner of Parcel E1.2, San Francisco, ”(the
8 “Property”), a land parcel with approximately 49,533 square feet area; and

9 WHEREAS, the California Department of Health Care Services (“DHCS”) and
10 California Department of Social Services (“CDSS”) are working in tandem to implement two
11 new programs: the Behavioral Health Continuum Infrastructure Program (“BHCIP”) and the
12 Community Care Expansion (“CCE”) program; and

13 WHEREAS, DHCS issued a Request for Applications (“RFA”) dated January 31, 2022
14 establishing the CCE program (the “Program”); and

15 WHEREAS, Authority staff have been working with One Treasure Island, the Mayors
16 Office of Housing and Community Development (“MOHCD”), the County Department of Public
17 Health (“DPH”), HR360, and Mercy Housing to plan for the development of replacement
18 facilities to support the HR360 programs currently operated on Treasure Island; and

19 WHEREAS, DPH is an Eligible Applicant/Sponsor under the Program and site control
20 is a requirement for the application and DPH will be adding expansion residential stepdown
21 and transitional beds to the building; now, therefore, be it,

22 RESOLVED, That the Authority Board authorizes the City to enter into any and all
23 Agreements necessary for the funding application; and be it

24 FURTHER RESOLVED, That the Authority Board authorizes the Executive Director of
25 the Authority (or his designee) to execute and deliver any documents in the name of the

1 Authority that are necessary, appropriate or advisable to accept and expend the Program
2 funds from DHCS, and all amendments thereto, and complete the transactions contemplated
3 herein and to use the funds for eligible capital asset(s) in the manner presented in the
4 Program application as approved by DHCS and in accordance with the RFA and Program
5 Guidelines and Application Package; and, be it

6 FURTHER RESOLVED, That all actions authorized and directed by this Resolution
7 and heretofore taken are ratified, approved and confirmed by this Board;

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9

10 **CERTIFICATE OF SECRETARY**

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12 ***I hereby certify that I am the duly elected and acting Secretary of the Treasure***
13 ***Island Development Authority, a California nonprofit public benefit corporation, and***
14 ***that the above Resolution was duly adopted and approved by the Board of Directors of***
15 ***the Authority at a properly noticed meeting on July 13, 2022.***

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Mark Dunlop, Secretary

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CITY & COUNTY OF SAN FRANCISCO

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LONDON N. BREED
MAYOR

ROBERT BECK
TREASURE ISLAND DIRECTOR

July 13, 2022

Grant Colfax, Director
Department of Public Health
101 Grove Street
San Francisco, CA 94102

RE: Treasure Island Parcel E1.2

Dear Mr. Colfax,

Treasure Island was decommissioned as a Naval Station and transferred to City of San Francisco control in 1997. A Disposition and Development Agreement (DDA) with a Master Developer was unanimously approved and executed by the San Francisco Board of Supervisors in 2011. The Treasure Island Development Authority (TIDA) is the City Agency responsible for supervising the redevelopment efforts and the incredible opportunities the redevelopment of Treasure Island represents.

The transformation of Treasure Island into a brand new, world-class San Francisco neighborhood is now underway. This new neighborhood will be a transit-focused community complete with bike paths, ferry terminal and bus service to both the City of San Francisco and the East Bay. The Treasure Island redevelopment plan also includes 250,000 square feet of commercial space, two hotels, a new marina and 290 acres of parks, wetlands and sports fields. At completion, 8,000 new units of housing will be developed of which over 27% will be affordable-- For Rent and For Sale. A minimum of 20% of affordable rental units will be reserved for households experiencing homelessness. Treasure Island represents a significant response to San Francisco's housing and homelessness crisis.

The Treasure Island Development Authority (TIDA) is pleased to approve (via TIDA Board Resolution # [REDACTED]) that a portion of Parcel E1.2 will be used for Residential Stepdown, transitional housing and treatment beds for up to 150 units/300 beds in accordance with the DDA and One Treasure Island Agreement which governs the replacement of existing One Treasure Island units and also defines eligible uses of Authority controlled parcels.

TIDA further acknowledges that DPH is applying for California State Community Care Expansion (CCE) funding, and TIDA will enter into any and all Agreements related to eligible uses at Parcel E1.2.

Date: July 13,2022
Subject: Approval of portion of site use for
Parcel E1.2 Development

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Parcel E1.2 will be the third Authority development to move forward on Treasure Island as part of Major Phase 1 of the Treasure Island/Yerba Buena Island Development Plan. TIDA fully supports this project and looks forward to working collaboratively with your agency to bring this project to completion.

Regards,

Robert Beck
Treasure Island Director

DRAFT