

AGENDA ITEM 8
Treasure Island Development Authority Board of Directors
City and County of San Francisco
Meeting of December 14, 2011

Item: Resolution clarifying the term “Transitioning Households” in the Transition Housing Rules and Regulations for the Villages at Treasure Island for the Treasure Island / Yerba Buena Island Project. (Action Item)

Contact: Michael Tymoff, Project Director, Office of Economic and Workforce Development

Background

On April 21, 2011, the Treasure Island Development Authority ("TIDA") Board of Directors (“TIDA Board”) took action on the Treasure Island/Yerba Buena Island Development Project (“Project”) final transaction and entitlement documents. Included in these approvals was Resolution 11-16-04/21 approving the Transition Housing Rules and Regulations for the Villages at Treasure Island for the Treasure Island/Yerba Buena Island Project (“THRRs”). On June 7, 2011, the San Francisco Board of Supervisors approved Resolution 241-11, which authorized execution of the Disposition and Development Agreement ("DDA") between Treasure Island Community Development, LLC ("TICD") and TIDA, to which the THRRs are attached as an exhibit. The THRRs set forth the specific standards and procedures by which eligible households residing in the Villages at Treasure Island ("Villages") who meet all of the eligibility requirements of "Transitioning Households" under the THRRs will be offered transition benefits, including the opportunity to occupy new housing to be built on Treasure Island.

Transition Housing Rules and Regulations For The Villages At Treasure Island

Naval Station Treasure Island (“NSTI”) currently houses an existing community of approximately 1,800 residents, including approximately 1,100 residents who occupy approximately 420 units in the Villages, the market-rate housing on Treasure Island and Yerba Buena Island managed by the John Stewart Company. The THRRs only apply to the residential tenants of the Villages. Residents of units that are part of the Treasure Island Homeless Development Initiative (“TIHDI”) program would be transitioned under a separate TIHDI transition plan.

In 2006, the TIDA Board and the Board of Supervisors endorsed the Term Sheet and Development Plan (“Term Sheet”) for the Project. In endorsing the Term Sheet, the Board of Supervisors provided direction to TIDA that the Project provide “existing households” with the opportunity to remain on Treasure Island in connection with the development of the Project, provided that their lease is active and in good standing on the date the Board of Supervisors approves the DDA, and that they continue to maintain their lease in good standing until they receive a notice to move. The Term Sheet defined “existing households” as those existing tenants on a single lease who occupy an existing market rate unit on Treasure Island or Yerba Buena Island on the qualifying date set forth in the DDA. The THRRs attached to the DDA set this

qualifying date as the effective date of the DDA, which is July 14, 2011 (the "DDA Effective Date").

In developing the draft and final THRRs, numerous public meetings, including ten on-island resident meetings and multiple Treasure Island/Yerba Buena Island Citizens Advisory Board, TIDA Board and Board of Supervisors meetings, were held where representatives of TIDA, the John Stewart Company, and TICD made presentations, provided up to date information, answered questions regarding the planning process and proposed timing for the Project, and solicited feedback and input on the policies and procedures of the draft THRRs. In addition to TIDA's normal meeting notification procedures, a written notice of each on-island meeting was mailed to every Villages household at least 7 days in advance of the meeting.

Discussion

Under the final THRRs, existing Villages households who satisfy the requirements for Transitioning Households and other eligibility requirements defined in the THRRs, will receive housing opportunities and/or other benefits as described in the final THRRs.

OEWD staff has been working collaboratively with the John Stewart Company on procedures for implementation of the THRRs, updating the residential lease agreements for tenants at the Villages, and coordinating various property management and Project pre-implementation activities. While these activities were on-going, a certain number of existing households on Treasure Island and Yerba Buena Island submitted applications to the John Stewart Company to add co-tenants to their leases. All such applications have been placed on hold, and have not been processed, pending coordination of property management activities and updating the residential lease agreement. While a majority of the applications were submitted after the DDA Effective Date, a certain number of the applications were submitted prior to the DDA Effective Date.

In order to qualify for benefits under the THRRs, Transitioning Households must meet certain eligibility requirements, including the requirement in Subsection 2.A.1.f(i) of the THRRs that the residents be lawfully occupying an existing unit in the Villages as its primary dwelling on the DDA Effective Date as evidenced by each adult resident's signature on the residential lease. The definition of Transitioning Households in Section 2.A.1.f of the THRRs is as follows (*italics added*):

f. "Transitioning Household" means a Villages Household consisting of residents who: (i) *lawfully occupied an Existing Unit in The Villages as its primary Dwelling on the DDA Effective Date as evidenced by each adult resident's signature on the Residential Lease and each minor child identified as an occupant in the Residential Lease*; (ii) continue to live in an Existing Unit until the Household receives a First Notice to Move for a Long-Term Move or accepts an In-Lieu Payment or Down Payment Assistance; and (iii) remain in Good Standing under its Residential Lease until the Household receives a First Notice to Move for a Long Term Move or accepts an In-Lieu Payment or Down Payment Assistance. A Transitioning Household specifically excludes the following: (A) any Person or Household in Unlawful Occupancy of the Existing Unit; (B) any Post-DDA Tenant in the Household; (C) any Person who occupies an Existing Unit under an

arrangement with a business entity that has entered into a Residential Lease with TIDA; and (D) any Person who occupies the Existing Unit solely for the purpose of obtaining Transition Benefits.

The resolution currently before the TIDA Board of Directors would clarify the “Transitioning Households” definition with respect to those households that submitted an application to the John Stewart Company for approval to add one or more co-tenants to the existing household’s lease prior to, or on, the DDA Effective Date of July 14, 2011. If those households’ applications are subsequently approved by the John Stewart Company in accordance with its customary approval criteria and procedures, then the approved co-tenants would be deemed to have met the requirements of Subsection 2.A.1.f.(i) of the definition of Transitioning Households. This clarification is being requested at this time so that households who submitted applications prior to the DDA Effective Date will not be penalized due to the delay in processing applications pending coordination of property management activities and updating the residential lease agreement.

For households that submitted an application for approval to add one or more co-tenants to the existing household’s lease after the DDA Effective Date of July 14, 2011, the proposed co-tenants do not meet the requirements of Section 2.A.1.f.(i) of the definition of Transitioning Households regardless of when the application is processed. If those households’ applications are subsequently approved by the John Stewart Company in accordance with its customary approval criteria and procedures, then the approved co-tenants will be Post-DDA Tenants under the THRRs.

Recommendation

Staff recommends that the TIDA Board of Directors adopt the resolution clarifying the term “Transitioning Households” in the Transition Housing Rules and Regulations for the Villages at Treasure Island for the Treasure Island / Yerba Buena Island Project.

1 **[Transition Housing Rules and Regulations]**
2 **Resolution clarifying the term “Transitioning Households” in the Transition**
3 **Housing Rules and Regulations for the Villages at Treasure Island for the**
4 **Treasure Island / Yerba Buena Island Project.**

5 WHEREAS, Former Naval Station Treasure Island (the "Base" or "Treasure Island") is
6 a former military base consisting of approximately 550 acres on Treasure Island and Yerba
7 Buena Island, and is currently owned by the United States of America, acting by and through
8 the Department of the Navy (the "Navy"); and,

9 WHEREAS, The Base was selected for closure and disposition by the Base
10 Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its
11 subsequent amendments, and the Base ceased operations in 1997; and,

12 WHEREAS, Under the Treasure Island Conversion Act of 1997 (AB 699), which
13 amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to
14 Chapter 1333 of the Statutes of 1968, the State Legislature (i) granted to the Board of
15 Supervisors the authority to designate the Treasure Island Development Authority ("TIDA") as
16 a redevelopment agency under California Community Redevelopment Law with authority over
17 the Base; and (ii) with respect to those portions of the Base that are subject to the public trust
18 for commerce, navigation and fisheries (the "Public Trust"), vested in TIDA the authority to
19 administer the Public Trust as to such property; and,

20 WHEREAS, TIDA is not exercising any of its redevelopment powers under California
21 Community Redevelopment Law in connection with the reuse and development of the Base,
22 and no redevelopment project area or redevelopment plan has been adopted for the Base;
23 and,

24 WHEREAS, Under the Conversion Act and TIDA's Articles of Incorporation and
25 Bylaws, TIDA, acting by and through its Board of Directors (the "TIDA Board"), has the power,

1 subject to applicable laws, to sell, lease, exchange, transfer, convey or otherwise grant
2 interests in or rights to use or occupy all or any portion of the Base; and,

3 WHEREAS, In 1994, the Treasure Island/Yerba Buena Island Citizens Advisory Board
4 ("CAB") was formed to (1) review reuse planning efforts for Treasure Island by the San
5 Francisco Planning Department and the San Francisco Redevelopment Agency, and (2) make
6 recommendations to the City's Planning Commission and Board of Supervisors; and,

7 WHEREAS, After completion of a competitive master developer selection process, in
8 2003, TIDA and Treasure Island Community Development, LLC ("Developer") entered into an
9 Exclusive Negotiating Agreement with respect to portions of Treasure Island and Yerba
10 Buena Island to facilitate the planning for the reuse and development of the Base (the
11 "Project"); and,

12 WHEREAS, In 2006, the Board of Supervisors by Resolution No. 699-06 endorsed a
13 Development Plan and Term Sheet for the Project that set forth the proposed terms of the
14 Project, and provided direction to TIDA that the Project provide "existing households" with the
15 opportunity to remain on Treasure Island in connection with the development of the Project,
16 provided that their lease is active and in good standing on the date the Board of Supervisors
17 approves the Disposition and Development Agreement between TIDA and Developer and
18 they continue to maintain their lease in good standing until they receive a notice to move; and,

19 WHEREAS, The 2006 Development Plan and Term Sheet defined "existing
20 households" as those existing tenants on a single lease who occupy an existing market rate
21 unit on Treasure Island or Yerba Buena Island on the qualifying date set forth in the
22 Disposition and Development Agreement; and,

23 WHEREAS, On April 21, 2011, the TIDA Board approved the Disposition and
24 Development Agreement and various other transaction and entitlement documents relating to
25

1 the Project, including the Transition Housing Rules and Regulations for the Villages at
2 Treasure Island ("Transition Housing Rules and Regulations"); and,

3 WHEREAS, The Transition Housing Rules and Regulations set forth the specific
4 standards and procedures by which eligible households residing in the Villages at Treasure
5 Island ("Villages") who meet all of the eligibility requirements of "Transitioning Households"
6 under the Transition Housing Rules and Regulations will be offered transition benefits,
7 including the opportunity to occupy new housing to be built on Treasure Island, thereby
8 implementing the direction from the Board of Supervisors; and,

9 WHEREAS, TIDA, Developer and the Office of Economic and Workforce Development
10 worked collaboratively with members of the CAB and members of the Treasure Island and
11 Yerba Buena Island community to develop the Transition Housing Rules and Regulations,
12 which were presented to the public at numerous meetings, including neighborhood community
13 meetings held in September 2009, June 2010 and December 2010, duly noticed meetings of
14 the CAB on January 11, 2011 and April 19, 2011 when the CAB voted to recommend the
15 Transition Housing Rules and Regulations for approval, duly noticed meetings of the TIDA
16 Board on January 12, 2011 and April 21, 2011, and a community meeting on January 29,
17 2011; and,

18 WHEREAS, On June 7, 2011, the Board of Supervisors approved the Disposition and
19 Development Agreement to which the Transition Housing Rules and Regulations are attached
20 as an exhibit, and the Disposition and Development Agreement became effective on July 14,
21 2011 (the "DDA Effective Date"); and,

22 WHEREAS, OEWD staff has been working collaboratively with the John Stewart
23 Company on procedures for implementation of the Transition Housing Rules and Regulations,
24 updating the residential lease agreements for tenants at the Villages, and coordinating various
25 property management and Project pre-implementation activities; and,

1 WHEREAS, While these activities were on-going, a certain number of existing
2 households on Treasure Island and Yerba Buena Island submitted applications to the John
3 Stewart Company to add co-tenants to their leases, and all such applications have been
4 placed on hold, and have not been processed, pending coordination of property management
5 activities and updating the residential lease agreement; and,

6 WHEREAS, A majority of the applications were submitted after the DDA Effective Date,
7 but a certain number of the applications were submitted prior to the DDA Effective Date; and,

8 WHEREAS, In order to qualify for benefits under the Transition Housing Rules and
9 Regulations, Transitioning Households must meet certain eligibility requirements, including
10 the requirement in Subsection 2.A.1.f(i) of the Transition Housing Rules and Regulations that
11 the residents be lawfully occupying an existing unit in the Villages as its primary dwelling on
12 the DDA Effective Date as evidenced by each adult resident's signature on the residential
13 lease; and,

14 WHEREAS, Project staff is recommending that the TIDA Board adopt this resolution to
15 clarify the "Transitioning Households" definition with respect to those households that
16 submitted an application to the John Stewart Company for approval to add one or more co-
17 tenants to the existing household's lease prior to, or on, the DDA Effective Date of July 14,
18 2011, such that if those households' applications are subsequently approved by the John
19 Stewart Company in accordance with its customary approval criteria and procedures, then the
20 approved co-tenants would be deemed to have met the requirements of Subsection 2.A.1.f.(i)
21 of the definition of Transitioning Households; and,

22 WHEREAS, For households that submitted an application for approval to add one or
23 more co-tenants to the existing household's lease after the DDA Effective Date of July 14,
24 2011, the proposed co-tenants do not meet the requirements of Section 2.A.1.f.(i) of the
25 definition of Transitioning Households regardless of when the application is processed, so if

1 those households' applications are subsequently approved by the John Stewart Company in
2 accordance with its customary approval criteria and procedures, then the approved co-tenants
3 will be Post-DDA Tenants under the Transition Housing Rules and Regulations; and,

4 WHEREAS, The clarification is being proposed at this time so that households who
5 submitted applications prior to the DDA Effective Date will not be penalized due to the delay in
6 processing applications pending coordination of property management activities and updating
7 the residential lease agreement; now, therefore, be it,

8 RESOLVED, That for households that submitted an application to the John Stewart
9 Company for approval to add one or more co-tenants to the existing household's lease prior
10 to, or on, the DDA Effective Date of July 14, 2011, if those households' applications are
11 subsequently approved by the John Stewart Company in accordance with its customary
12 approval criteria and procedures, then the approved co-tenants are deemed to have met the
13 requirements of Subsection 2.A.1.f.(i) of the definition of Transitioning Households; and, be it

14 FURTHER RESOLVED, That for households that submitted an application for approval
15 to add one or more co-tenants to the existing household's lease after the DDA Effective Date
16 of July 14, 2011, if those households' applications are subsequently approved by the John
17 Stewart Company in accordance with its customary approval criteria and procedures, then the
18 approved co-tenants will be Post-DDA Tenants under the Transition Housing Rules and
19 Regulations; and be it,

20 FURTHER RESOLVED, That the TIDA Board authorizes the Treasure Island Project
21 Director ("Director") to make any amendments or modifications to the Transition Housing
22 Rules and Regulations that the Director determines, in consultation with the City Attorney, are
23 in the best interest of TIDA, do not materially decrease the benefits to or materially increase
24 the obligations or liabilities of TIDA, and are in compliance with all applicable laws.

25

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on December 14, 2011.

Larry Mazzola, Jr.
Secretary