

ITEM 7
Treasure Island Development Authority
City and County of San Francisco
Meeting of February 11, 2026

Subject: Infill Infrastructure Grant Funding Reallocation (Informational)

Staff Contact: Joey Benassini, Vertical Development Project Manager

Reviewed By: Jamie Querubin, Acting Treasure Island Director

EXECUTIVE SUMMARY

This report provides an informational update to the Treasure Island Development Authority (“TIDA”) Board on the reallocation of approximately \$12 million in Infill Infrastructure Grant (“IIG”) funds from the Mayor’s Office of Housing and Community Development (“MOHCD”) to fund key infrastructure on Treasure Island and Yerba Buena Island that supports housing development.

BACKGROUND

The Infill Infrastructure Grant (IIG) Program

The California Department of Housing and Community Development (“HCD”) administers the IIG program, which funds infrastructure improvements that support higher-density, affordable, and mixed-income housing developments. The program is designed to reduce the cost of housing construction by covering essential infrastructure such as utilities, streets, transit improvements, and open space.

In March 2023, HCD released a Notice of Funding Availability under the IIG Catalytic Qualifying Infill Area Program. This competitive program provides funding for catalytic projects that enable large-scale infill housing.

MOHCD Application and Award

In response, the Mayor’s Office of Housing and Community Development (“MOHCD”) applied to HCD for several large-scale projects, including Sunnydale HOPE SF, Potrero HOPE SF, and the India Basin development. On August 22, 2023, HCD issued a conditional award of \$45 million to MOHCD. Since the award, a portion of the original housing components included in the application have been delayed. In order to preserve the grant award, MOHCD identified certain housing projects on Treasure Island as an opportunity to reallocate grant funding associated with housing unit production within the grant’s term. MOHCD has worked with TIDA to identify eligible uses to reallocate approximately \$12 million of the \$45 million award (“Reallocated IIG

Funds”) to TIDA to fund shovel-ready infrastructure projects that directly support affordable housing delivery on Treasure Island.

DISCUSSION

In evaluating the opportunities in which the Reallocated IIG Funds could be used, TIDA prioritized scopes of work on TI/YBI that adhere to the eligible requirements of the IIG grant, leverage already-committed sources, and serve as “just in time” funding to complete otherwise fully funded projects.

As required by of the IIG grant, the Reallocated IIG Funds will advance key infrastructure projects on Treasure Island and Yerba Buena Island that support affordable housing in the Stage 2 infrastructure area, including a 100-unit Senior Housing Building, 120-bedroom Behavioral Health Building, and a 150-unit family housing building. The infrastructure projects anticipated to be funded by IIG include:

1. Treasure Island Road Improvement Project (“TIRI”)

- **Scope:** The Treasure Island Roadway Improvement Project (“TIRI”) consists of roadway improvements from the intersection of Macalla Road and Treasure Island Road to the limits of the Westside Bridges project, widening Treasure Island Road to add a bus-only lane. The project dramatically improves regional pedestrian and bicycle connectivity between San Francisco and Oakland, complementing Treasure Island ferry service. Attachment 2 shows an illustrative plan of the Treasure Island Road Improvements.
- **Administration:** San Francisco County Transportation Authority (SFCTA) will manage the project with support from TIDA. The project is currently at 55% Construction Documents in design.
- **Cost/Schedule:** Total cost of the TIRI Project is approx. \$45 million, with \$8 million in funding yet to be identified. A portion of the Reallocated IIG Funds will close the \$8M funding gap. Construction anticipated to start Q2 2026 with 18–24-month duration.

2. Stage 2 Infrastructure/Street Improvement Plan (SIP)

- **Scope:** Installation of public utilities (sewer, storm drain, power, telecom, gas), street improvements (roadways, sidewalks, lighting, traffic signals, signage, striping), and a sanitary sewer pump station and stormwater bio-retention facility. Includes development of parks and open spaces.
- **Administration:** Master developer, TICD, will manage and construct the project. A late-round plan review comment from SFPUC Power Enterprise resulted in the addition of 2” shadow conduit for potential future Supervisory Control and Data Acquisition (“SCADA”) applications.
- **Cost/Schedule:** Total cost of the SCADA conduit is approx. \$500K-\$1M. Because of the late added scope, the SCADA conduit was not originally included in the Stage 2 COP funding plan, which resulted in a funding gap. A portion of the Reallocated IIG Funds will close the up to \$1M gap. The SCADA conduit will be installed during construction of the joint trench, estimated for completion in 2027.

3. Yerba Buena Island Roadway Projects

- **Scope:** The West Side Bridges Retrofit project seismically upgrades existing bridge structures along Treasure Island Road and improves multimodal circulation for vehicles, buses, and bicycles, including expanded bike lanes and enhanced access to the Bay Bridge. The Hillcrest Road Improvement Project reconstructs and modernizes Hillcrest Road to current roadway and seismic standards, adds shoulders, lighting, bike facilities, and new retaining walls. Together, the West Side Bridges Retrofit project and the Hillcrest Road Improvement Project (the “YBI Roadway Projects”) enhance regional connectivity, safety, and resilience by improving critical transportation links between Treasure Island, Yerba Buena Island, and the Bay Bridge for motorists, transit riders and bicyclists and pedestrians.
- **Administration:** San Francisco County Transportation Authority (SFCTA) manage the YBI Roadway Projects with support from TIDA. The West Side Bridges Retrofit project and the Hillcrest Road Improvement Project are currently under construction.
- **Cost/Schedule:** The total cost of the YBI Roadway Projects is approximately \$126 million and \$38 million for West Side Bridges and Hillcrest Road Improvement projects, respectively, of which TIDA has made prior funding obligations to fund final project contingencies in the amount of \$3.505 million for West Side Bridges and \$500K for Hillcrest Road. A portion of the Reallocated IIG Funds will directly fund the remaining balance of outstanding TIDA funding obligations of approx. \$2.5-\$3 million to support project delivery.

FISCAL IMPACT

The reallocation provides approximately \$12 million in additional outside funding for Treasure Island/Yerba Buena Island projects. This funding will help ensure timely delivery of infrastructure and support affordable housing development.

NEXT STEPS

MOHCD brought a resolution for consideration and approval by the Board of Supervisors in October 2025 to approve the execution of a HCD Standard Agreement that allows for the reallocation of grant funding to the Treasure Island and Yerba Buena Island Redevelopment, which was approved on 11/21/2025, BOS File #251054 included as Attachment 1. TIDA will work to finalize agreements with MOHCD to administer grant reimbursements and transfer funds consistent with IIG program guidelines. TIDA staff will coordinate with development partners to integrate IIG funds into project budgets and delivery schedules.

ATTACHMENTS

1. MOHCD IIG Accept and Expend Resolution (File No. 251054)
2. Treasure Island Road Improvement Project Illustrative Plan

ATTACHMENT 1: MOHCD IIG ROUND 10 RESOLUTION

1 [Accept and Expend Grant - California Department of Housing and Community Development
2 Infill Infrastructure Grant Program - Catalytic Qualifying Infill Area - \$45,000,000]

3 **Resolution authorizing the Mayor's Office of Housing and Community Development**
4 **("MOHCD") to execute a Standard Agreement with California Department of Housing**
5 **and Community Development ("HCD" or "Department") under the Infill Infrastructure**
6 **Grant Program - Catalytic Qualifying Infill Area for a total award of \$45,000,000**
7 **disbursed by HCD as a grant to the City for infrastructure improvements for the**
8 **housing development related to the revitalization and master development of up to**
9 **1770 units of replacement public housing, affordable housing and market rate housing,**
10 **commonly known as the Sunnydale HOPE SF Development ("Sunnydale Project"); the**
11 **housing development related to the revitalization and master development of up to**
12 **8,000 units of affordable housing and market rate housing, commonly known as the**
13 **Treasure Island Project ("Treasure Island Project"); and the housing development**
14 **related to the mixed-use urban village, including up to 1575 units of affordable and**
15 **market rate housing commonly known as the India Basin Development ("India Basin**
16 **Project"), for the period starting on the execution date of the Standard Agreement**
17 **through June 30, 2031, and any and all other documents required or deemed necessary**
18 **or appropriate, as defined herein.**

19
20 WHEREAS, The State of California Department of Housing and Community
21 Development ("Department") issued a Request for Concept Proposals for the Infill
22 Infrastructure Grant - Catalytic Qualifying Infill Area Program ("IIGC Program") dated
23 November 30, 2022, and issued Infill Infrastructure Grant - Catalytic Qualifying Infill Area
24 Program Guidelines and Notice of Funding Availability (collectively, the "NOFA") dated
25

1 March 15, 2023, as amended March 22, 2023, and as further amended on August 3, 2023,
2 under the IIGC Program established under Part 12.5 of Division 31 of the Health and Safety
3 Code commencing with Section 53559; and

4 WHEREAS, The Department is authorized to approve funding allocations for the IIGC
5 Program, subject to the terms and conditions of the NOFA IIGC Program Guidelines adopted
6 by the Department on March 15, 2023, as amended March 22, 2023, and as further amended
7 on August 3, 2023 ("Program Guidelines"), an application package released by the
8 Department for the IIGC Program ("Application Package"), and an IIGC Program standard
9 agreement with the State of California ("Standard Agreement"), the Department is authorized
10 to administer the approved funding allocations of the IIGC Program; and

11 WHEREAS, The IIGC Program provides infrastructure for Capital Improvements
12 Projects in support of Qualifying Infill Projects or Qualifying Infill Areas to applicants identified
13 through a competitive process for the development of projects that, per the Program
14 Guidelines, support higher-density affordable and mixed-income housing and mixed-use infill
15 developments; and

16 WHEREAS, The City and County of San Francisco, through MOHCD, submitted an
17 application to the Department in response to the NOFA (the "Application") and based on the
18 Application the Department made an award of Program funds (the "Program Award"); and

19 WHEREAS, On January 31, 2017, by Ordinance No. 18-17, the Board of Supervisors
20 approved the Development Agreement between the City and County of San Francisco, the
21 Housing Authority of the City and County of San Francisco, and Sunnydale Development Co.,
22 LLC, for the Sunnydale Project, which Ordinance is on file with the Clerk of the Board of
23 Supervisors in File No. 161164 and incorporated herein by reference; and

24 WHEREAS, On January 31, 2017, by Ordinance No. 20-17, the Board of Supervisors
25 made findings for the Sunnydale Project under the California Environmental Quality Act

1 (Public Resources Code Sections 21000 et seq.) and findings of consistency with the General
2 Plan, and the eight priority policies of Planning Code, Section 101.1, which Ordinance is on
3 file with the Clerk of the Board of Supervisors in File No. 161309 and is incorporated herein by
4 reference; and

5 WHEREAS, On April 21, 2011, by Motion No. 18325 (and related actions), the San
6 Francisco Planning Commission certified the Final Environmental Impact Report for the
7 Treasure Island/Yerba Buena Island Redevelopment Project, pursuant to the California
8 Environmental Quality Act (Public Resources Code §§ 21000 et seq.), which Motion is on file
9 with the Clerk of the Planning Commission and is incorporated herein by reference; and

10 WHEREAS, On June 14, 2011, the Board of Supervisors passed, and on June 15,
11 2011, the Mayor enacted Ordinance No. 95-11 (File No. 110226), approving the Development
12 Agreement between the City and County of San Francisco and Treasure Island Community
13 Development, LLC, for the Treasure Island/Yerba Buena Island Redevelopment Project, and
14 adopting Findings of Fact, a Statement of Overriding Considerations, and a Mitigation
15 Monitoring and Reporting Program under CEQA for the project, which Ordinance is on file
16 with the Clerk of the Board of Supervisors and is incorporated herein by reference; and

17 WHEREAS, On June 28, 2011, the Treasure Island Development Authority and
18 Treasure Island Community Development, LLC entered into the Disposition and Development
19 Agreement ("DDA") for the Treasure Island/Yerba Buena Island Redevelopment Project, and
20 by Resolution No. 241-11 (File No. 110291), the Board of Supervisors approved the DDA,
21 which requires that not less than twenty-five percent (25%) of the authorized residential units
22 be developed as affordable housing consistent with the City's housing policies, which
23 resolution is on file with the Clerk of the Board of Supervisors and is incorporated herein by
24 reference; and

1 WHEREAS, On October 23, 2018, by Ordinance No. 252-18, the Board of Supervisors
2 approved the Development Agreement between the City and County of San Francisco and
3 India Basin Investment LLC, for the India Basin Project, which Ordinance is on file with the
4 Clerk of the Board of Supervisors in File No. 180681 and incorporated herein by reference;
5 and

6 WHEREAS, On January 31, 2017, by Ordinance No. 261-18, the Board of Supervisors
7 made findings for the India Basin Project under the California Environmental Quality Act
8 (Public Resources Code, Sections 21000 et seq.) and findings of consistency with the
9 General Plan, and the eight priority policies of Planning Code Section 101.1, which Ordinance
10 is on file with the Clerk of the Board of Supervisors in File No. 180816 and is incorporated
11 herein by reference; and

12 WHEREAS, MOHCD desires to award funds from the Program Award to these three
13 development agreement projects across San Francisco known as the Sunnydale Project, the
14 Treasure Island Project and the India Basin Project (the "IIGC Projects"); and

15 WHEREAS, The grant terms prohibit including indirect costs in the grant budget; and

16 WHEREAS, The grant does not require an ASO amendment; and

17 WHEREAS, Through a conditional award letter dated August 22, 2023, the Department
18 made an award in the total amount of \$45,000,000 to be disbursed by HCD as a grant to the
19 City for infrastructure work as approved by HCD, subject to the terms and conditions of the
20 STD 213, Standard Agreement ("Standard Agreement"), a copy of which is on file with the
21 Clerk of the Board of Supervisors in File No. 251054; now, therefore, be it

22 RESOLVED, That the Board of Supervisors approves and authorizes the MOHCD to
23 enter into the Standard Agreement with the Department, with terms and conditions that IIGC
24 Program funds are to be used for allowable capital asset project expenditures identified in
25 Exhibit A of the Standard Agreement; and, be it

1 FURTHER RESOLVED, That the Board of Supervisors hereby waives inclusion of
2 indirect costs in the grant budget; and, be it

3 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes and directs
4 the Director of the Mayor's Office of Housing and Community Development to execute the
5 Standard Agreement and related documents necessary to participate in the Program; and, be
6 it

7 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes and directs
8 the Director of the Mayor's Office of Housing and Community Development to accept and
9 incur an obligation for the Program Award in an amount not to exceed \$45,000,000, and to
10 enter into, execute, and deliver an STD 213, Standard Agreement (the "Standard
11 Agreement"), and any and all other documents required or deemed necessary or appropriate
12 to secure the Program Award from the California Department of Housing and Community
13 Development and to participate in the Program, including, but not limited to, an affordable
14 housing covenant, a performance deed of trust, a disbursement agreement, and all
15 amendments thereto (collectively, the "Program Award Documents"); and, be it

16 FURTHER RESOLVED, That the Director of the Mayor's Office of Housing and
17 Community Development is hereby authorized to execute such documents; and, be it

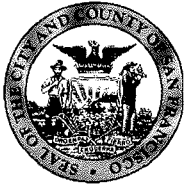
18 FURTHER RESOLVED, That the Director of the Mayor's Office of Housing and
19 Community Development, or their designee, is hereby authorized to execute the Program
20 Award Documents and all amendments thereto on behalf of the City and County of San
21 Francisco.

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Daniel Adams, Director
Mayor's Office of Housing and Community Development

Daniel Lurie, Mayor

Greg Wagner, Controller



City and County of San Francisco
Tails
Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 251054

Date Passed: November 18, 2025

Resolution authorizing the Mayor's Office of Housing and Community Development ("MOHCD") to execute a Standard Agreement with California Department of Housing and Community Development ("HCD" or "Department") under the Infill Infrastructure Grant Program - Catalytic Qualifying Infill Area for a total award of \$45,000,000 disbursed by HCD as a grant to the City for infrastructure improvements for the housing development related to the revitalization and master development of up to 1770 units of replacement public housing, affordable housing and market rate housing, commonly known as the Sunnydale HOPE SF Development ("Sunnydale Project"); the housing development related to the revitalization and master development of up to 8,000 units of affordable housing and market rate housing, commonly known as the Treasure Island Project ("Treasure Island Project"); and the housing development related to the mixed-use urban village, including up to 1575 units of affordable and market rate housing commonly known as the India Basin Development ("India Basin Project"), for the period starting on the execution date of the Standard Agreement through June 30, 2031, and any and all other documents required or deemed necessary or appropriate, as defined herein.

November 05, 2025 Budget and Finance Committee - RECOMMENDED

November 18, 2025 Board of Supervisors - ADOPTED

Ayes: 10 - Chan, Chen, Dorsey, Fielder, Mahmood, Mandelman, Melgar, Sauter, Sherrill and Walton

File No. 251054

I hereby certify that the foregoing
Resolution was ADOPTED on 11/18/2025 by
the Board of Supervisors of the City and
County of San Francisco.

Angela Calvillo
Clerk of the Board

Daniel Lurie
Mayor

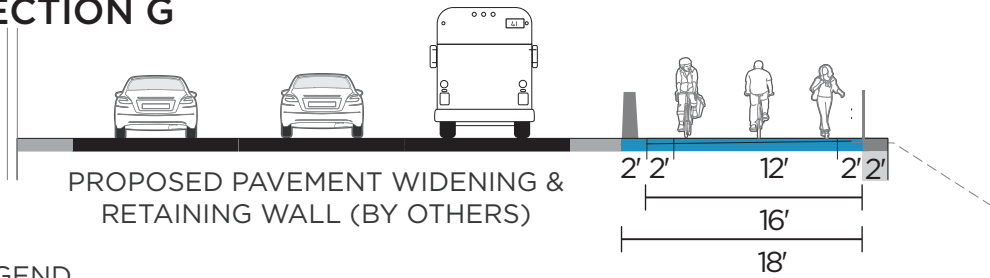
NOV 21, 2025

Date Approved

ATTACHMENT 2: TREASURE ISLAND ROAD IMPROVEMENT PROJECT ILLUSTRATIVE PLAN



SECTION G



LEGEND

- Path Alignment
- Landings
- ROW/ Easement

*Note: ROW & Easement boundaries informed by CAD data and CALTRANS ROW Appraisal Map.



1" = 100'
0 100'

Treasure Island Development Authority

Item 7: Reallocation of Infill Infrastructure Grant Funds

Informational

February 11, 2026



IIG Program Overview

- Administered by California Department of Housing & Community Development (“HCD”)
- Funds infrastructure supporting affordable and mixed-income housing
- Eligible uses: utilities, streets, transit, open space and related improvements
- Goal: promote infill housing development by providing financial assistance for capital improvement projects necessary to facilitate affordable or mixed-income housing



California Department of
**Housing and Community
Development**

MOHCD IIG Award

- MOHCD applied under IIG Catalytic Qualifying Infill Area Program Round 10
- Awarded \$45M in August 2023 for large-scale infill housing projects (Sunnydale, Potrero, India Basin)
- Certain housing components delayed → MOHCD reallocating approximately \$12M to TIDA for active Treasure Island / Yerba Buena Island projects
- Reallocation approved via Accept & Expend Resolution by Board of Supervisors 11/21/2025, File #251054



Mayor's Office of
Housing and Community
Development



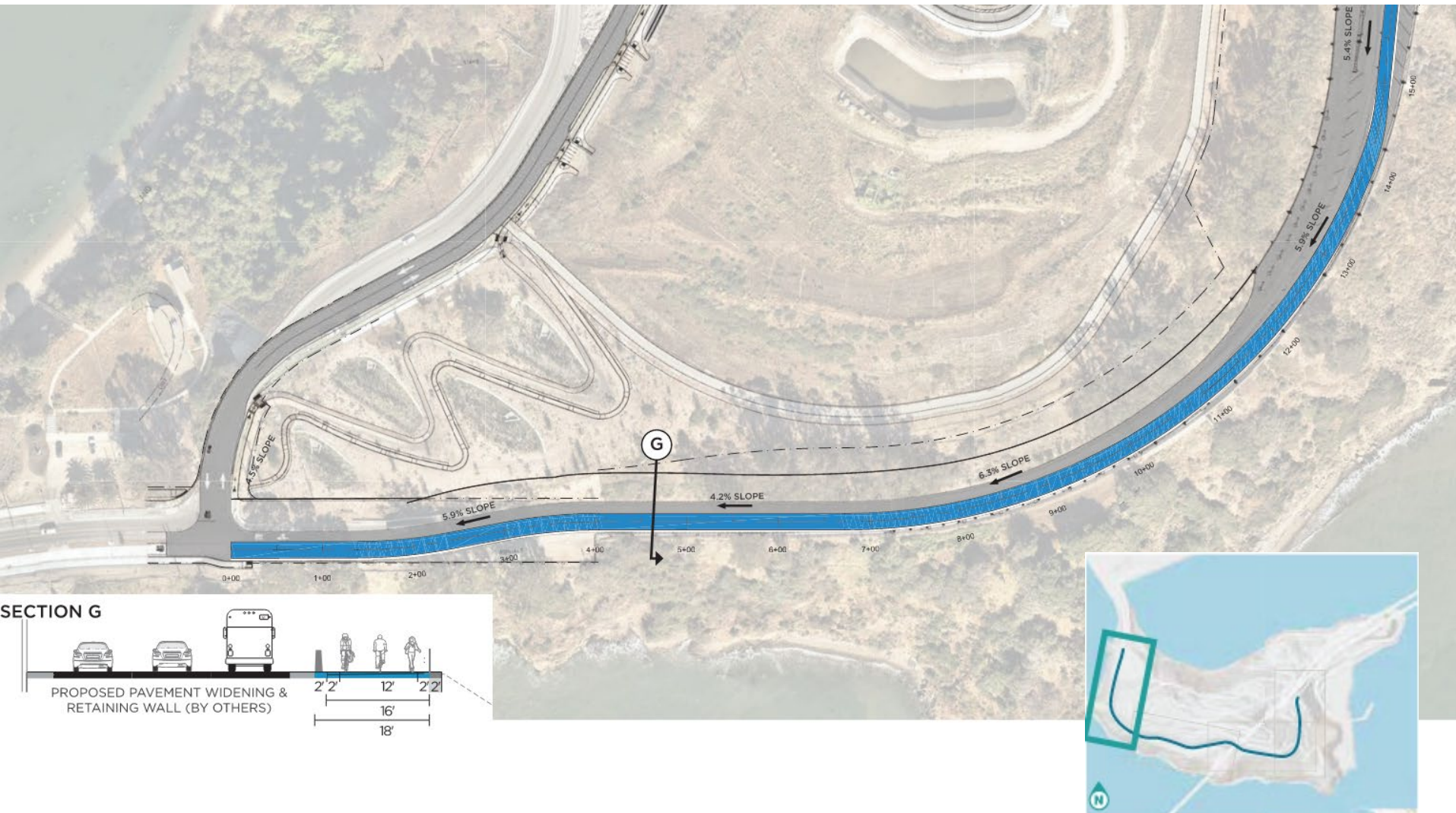
California Department of
**Housing and Community
Development**

Proposed Uses of Reallocated Funds

1. Treasure Island Road Improvement Project

- Scope: Roadway improvements from the intersection of Macalla and TI Road to the limits of Westside Bridges Project. Adds a bus-only lane. Improves regional pedestrian and bicycle connectivity between San Francisco and Oakland
- Cost: \$45M total budget; \$8M funding gap to be filled by IIG
- Schedule: Construction Q2 2026 – End of 2027

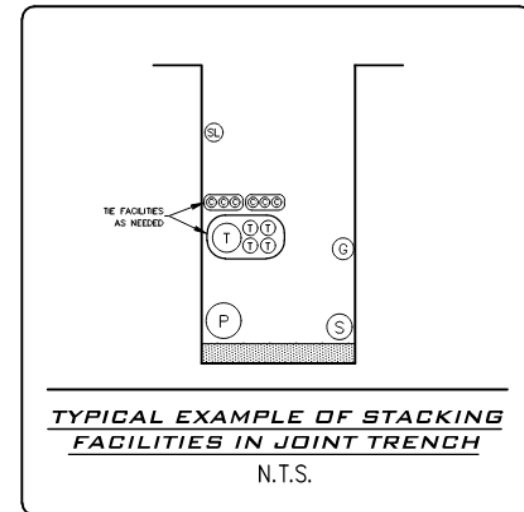
Treasure Island Road Improvement Project



Proposed Uses of Reallocated Funds

2. Stage 2 Street Improvement Shadow Conduit

- Scope: Late-round SIP Stage 2 plan review comment resulted in addition of 2" shadow conduit for future Supervisory Control and Data Acquisition applications
- Cost: Est. \$500K-\$1M unfunded scope
- Schedule: Anticipated completion late 2027



Proposed Uses of Reallocated Funds

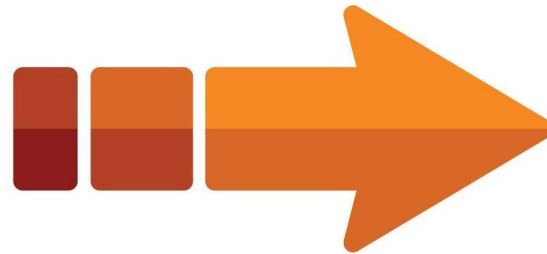
3. YBI Roadway Projects

- Scope: West Side Bridges Retrofit and Hillcrest Road Widening Project (together, "YBI Roadway Projects") enhance regional connectivity, safety, and resilience by improving critical transportation links between Treasure Island, Yerba Buena Island, and the Bay Bridge
- Cost: \$164M total budget (incl. \$4.5M committed from TIDA); \$2.5-3M to be filled by IIG
- Construction Schedule: West Side Bridges Q3 2023-Q4 2026
Hillcrest Q3 2024-Q1 2026



Next Steps

- TIDA to finalize agreements with MOHCD for transfer of funds consistent with IIG program guidelines
- TIDA to coordinate with development partners to integrate IIG funds into projects
- Begin construction of affordable housing projects in Q4 2026 for Senior Building and Behavioral Health Building, and by Spring 2027 for IC4.3 Family Housing



THANK YOU

This reallocation ensures that state grant funding continues to deliver critical infrastructure to support housing for TI / YBI residents

