

Resolution modifying the draft Infrastructure Financing Plan for the proposed San Francisco Enhanced Infrastructure Financing District No. 3 (3333/3700 California Street) and the project areas therein, and determining other matters in connection therewith.

WHEREAS, Laurel Heights Partners, LLC, a Delaware limited liability company ("3333 California Street Developer"), owns and operates an approximately 10.25-acre site located in the City and County of San Francisco ("City") bounded by California Street to the north, Presidio Avenue to the east, Masonic Avenue to the southeast, Euclid Avenue to the south, and Laurel Street and Mayfair Drive to the west, currently comprised of an approximately 455,000 gross square foot office building, an approximately 14,000 gross square foot annex building, surface and subsurface parking areas, and landscaping or landscaped open space ("3333 California Street Project Site"); and

WHEREAS, The City, acting by and through its Planning Department, and the 3333 California Street Developer entered into a Development Agreement dated as of September 11, 2020, and recorded in the Official Records on September 11, 2020, as Document No. 2020015925 ("Original Development Agreement"), and a Memorandum of Minor Modification of Development Agreement (Amendment No. 1) dated as of June 5, 2024, and recorded in the Official Records on June 26, 2024, as Document No. 2024048267 ("Amendment No. 1"), and a Second Amendment to Development Agreement, dated as of April 30, 2025 and recorded in the Official Records on May 7, 2025, as Document No. 2025034503 ("Amendment No. 2" and together with Amendment No. 1 and the Original Development Agreement, the "3333 California Street Development Agreement"), and a copy of the 3333 California Street Development Agreement is on file with the Clerk of the Board of Supervisors in File No. 240816; and

WHEREAS, The 3333 California Street Developer proposes to construct a mixed-use development on the 3333 California Street Project Site that will include residential, non-residential, open space, child care, and related uses, including (i) approximately 744 residential units, including approximately 124 on-site affordable senior residential units, (ii) approximately 38,094 square feet of retail/restaurant/commercial use in buildings along California Street, (iii) an approximately 13,933 gross square foot space for child care use, and (iv) approximately 52 percent of the overall lot area (approximately 236,000 square feet – excluding green roofs) as open area, with portions to be developed with a combination of public open space, common open space (some of which would be open to the public) and private open space for residents; the proposed 3333 California Street Project would include 2.87 acres of publicly accessible landscaped open space with multi-purpose plazas, lawns, pathways and streetscape improvements (collectively, the “3333 California Street Project”) ; and

WHEREAS, On September 5, 2019, by Motion No. 20512, the Planning Commission certified as adequate, accurate and complete the Final Environmental Impact Report (“3333 California Street FEIR”) for the 3333 California Street Project pursuant to the California Environmental Quality Act (California Public Resources Code Section 21000 et seq.) (“CEQA”); a copy of Planning Commission Motion No. 20512 is on file with the Clerk of the Board of Supervisors in File No. 190947; also, on September 5, 2019, by Motion No. 20513, the Planning Commission adopted findings, including a rejection of alternatives and a statement of overriding considerations (“3333 California Street CEQA Findings”) and a Mitigation Monitoring and Reporting Program (“3333 California Street MMRP”); these Motions are on file with the Clerk of the Board of Supervisors in File No. 190947; in Ordinance No. 276-19, adopted by the Board of Supervisors on November 19, 2019, and signed by the Mayor on November 27, 2019, the Board of Supervisors declared that it had reviewed the

3333 California Street FEIR and related documents, and adopted as its own and incorporated
1 by reference as though fully set forth therein the 3333 California Street CEQA Findings,
2 including the statement of overriding considerations, and the 3333 California Street MMRP,
3 and adopted the supplemental 3333 California Street CEQA findings on file with the Clerk of
4 the Board of Supervisors in File No. 190845; and

5 WHEREAS, On November 19, 2024, the Board of Supervisors adopted Resolution No.
6 271-24, which the Mayor signed on November 25, 2024, pursuant to which the Board of
7 Supervisors (i) approved Amendment No. 2, (ii) found that, on October 10, 2024, the San
8 Francisco Planning Department issued an addendum to the 3333 California Street FEIR
9 ("3333 California Street FEIR Addendum") finding that Amendment No. 2 would not change
10 the conclusions in the 3333 California Street FEIR and Amendment No. 2 would not result in
11 any new or more severe environmental impacts than were previously identified in the 3333
12 California Street FEIR (a copy of the 3333 California Street FEIR Addendum is on file with the
13 Clerk of the Board of Supervisors in File No. 240797) and (iii) found that the 3333 California
14 Street FEIR and the 3333 California Street FEIR Addendum are adequate for their use for the
15 actions taken by Resolution No. 271-24 and that, pursuant to CEQA Guidelines Section
16 15162, no additional environmental review is required; and

17 WHEREAS, CALIFORNIA 3700, LLC, a Delaware limited liability company ("3700
18 California Street Developer" and, together with the 3333 California Street Developer, the
19 "Developers") owns 14 parcels on a 4.9-acre site located in the City on California Street
20 between Maple Street and Cherry Street ("3700 California Street Project Site"); and

21 WHEREAS, The 3700 California Street Developer proposed, and the City approved, a
22 modification to existing entitlements that allows a mixed-use development on the 3700
23 California Street Project Site that will include demolition of five of the six existing hospital
24 buildings on the 3700 California Street Project Site, including a five-story accessory parking
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garage; demolition of a two-level, below-grade parking structure; renovation and adaptive re-
1 use of a portion of the Marshal Hale hospital building at 3698 California Street to residential
2 and institutional use; retention and renovation of the existing nine-unit residential building at
3 401 Cherry Street; construction of approximately 19 new buildings that may contain
4 approximately 492 dwelling units, including 15 single-family homes and four multi-family
5 residential buildings (exclusive of the nine units in the existing 401 Cherry Street building that
6 are not included in the boundaries of the EIFD), and approximately 74 institutional units for
7 assisted living and memory care; and construction of approximately 45,500 square feet of
8 residential and 8,400 square feet of institutional shared onsite amenity space and
9 approximately 70,700 square feet of private and common open space areas for residents
10 (collectively, the "3700 California Street Project"); and

11 WHEREAS, The City and the 3700 California Street Developer have not executed a
12 development agreement related to the 3700 California Street Project; and

13 WHEREAS, On February 27, 2020, by Motion No. 20671, the Planning Commission
14 certified as adequate, accurate, and complete for the existing entitlements of the 3700
15 California Street Project the Final Environmental Impact Report ("3700 California Street
16 FEIR") for the 3700 California Street Project pursuant to CEQA; a copy of Planning
17 Commission Motion No. 20671 is on file with the Clerk of the Board of Supervisors in File No.
18 240816; also, on February 27, 2020, by Motion No. 20677, the Planning Commission adopted
19 findings ("3700 California Street CEQA Findings") and a Mitigation Monitoring and Reporting
20 Program ("3700 California Street MMRP") for the 3700 California Street Project; these
21 Motions are on file with the Clerk of the Board of Supervisors in File No. 240816; the Planning
22 Commission also declared in its Motion No. 20672, on February 27, 2020, that it had reviewed
23 and considered the 3700 California Street FEIR and related documents, and adopted and
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incorporated by reference as though fully set forth therein, the 3700 California Street MMRP
1 and the 3700 California Street CEQA Findings; and

2 WHEREAS, Subsequent to certification of the 3700 California Street FEIR, the 3700
3 California Street Project was revised, and, on April 10, 2025, the San Francisco Planning
4 Department issued an addendum to the 3700 California Street FEIR ("3700 California Street
5 FEIR Addendum") in which the Planning Department concluded that the revised 3700
6 California Street Project would not cause new significant impacts not identified in the 3700
7 California Street FEIR, no new mitigation measures would be necessary to reduce significant
8 impacts, and no supplemental environmental review is required beyond the 3700 California
9 Street FEIR Addendum; and

10 WHEREAS, On May 1, 2025, by Motion No. 21731, the Planning Commission
11 approved a conditional use application for the 3700 California Street Project to modify the
12 prior February 27, 2020 approvals and incorporated by reference the 3700 California Street
13 CEQA Findings contained in Motion No. 20677; and

14 WHEREAS, The 3333 California Street Project and 3700 California Street Project are
15 both being developed by Prado Group, Inc.; and

16 WHEREAS, The 3333 California Street Project Site and the 3700 California Street
17 Project Site are collectively referred to in this Resolution as the "3333/3700 California Street
18 Project Sites"; and

19 WHEREAS, The 3333 California Street Project and the 3700 California Street Project
20 are collectively referred to in this Resolution as the "3333/3700 California Street Projects"; and

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

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

WHEREAS, Under the minimum threshold criteria set forth in the Guidelines, the maximum incremental property tax revenue that may be allocated to an infrastructure financing district is 50% of the total incremental property tax revenue, although the City may allocate all or a portion of the remaining 50% of the incremental property tax revenue on a conditional basis to provide debt service coverage for the infrastructure financing district's bonds or other debt; and

WHEREAS, Under the Guidelines, the "incremental property tax revenue" that can be allocated by the City to an infrastructure financing district includes: (1) "general property tax increment," i.e., property tax revenue annually allocated to the City and generated by the levy of the 1% ad valorem tax rate upon the increased assessed values of taxable property in the infrastructure financing district above the values shown upon the assessment roll that was last equalized before the formation of the IFD and (2) "MVILF tax increment," i.e., that portion of any ad valorem property tax revenue annually allocated to the City pursuant to Revenue and Taxation Code Section 97.70 and that corresponds to the

increase in the assessed valuation of taxable property; and

1 WHEREAS, The 3333/3700 California Street Projects will provide significant public
2 benefits to the City, including the conversion of two vacant buildings into significant new
3 housing units to contribute to the City's housing supply, including affordable housing, as well
4 as the construction and maintenance of new privately-owned publicly accessible open space
5 and pedestrian pathways, transportation demand management measures, street and
6 infrastructure improvements, and on-site childcare facilities, but the 3333/3700 California
7 Street Projects have significant public infrastructure obligations that must be completed before
8 the 3333/3700 California Street Projects' residential units and community benefits can be
9 constructed; and
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11 WHEREAS, The 3333/3700 California Street Projects are eligible for financial
12 assistance from an infrastructure financing district under the Guidelines; and
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14 WHEREAS, Under Chapter 2.99 of Part 1 of Division 2 of Title 5 of the California
15 Government Code (commencing with Section 53398.50, and herein referred to as the "EIFD
16 Law"), the Board of Supervisors is authorized to initiate the process to establish an enhanced
17 infrastructure financing district (including project areas therein) and approve an infrastructure
18 financing plan allocating tax revenues to such enhanced infrastructure financing district; and

19 WHEREAS, Pursuant to Resolution No. 553-24, adopted by the Board of Supervisors
20 on November 5, 2024, and signed by the Mayor on November 14, 2024 ("Resolution of
21 Intention"), the Board of Supervisors declared its intention to establish San Francisco
22 Enhanced Infrastructure Financing District No. 3 (3333/3700 California Street) ("3333/3700
23 California Street EIFD") over the 3333/3700 California Street Project Sites, including project
24 areas (each, "Project Area"; collectively, "Project Areas") pursuant to the EIFD Law, to finance
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(i) the purchase, construction, expansion, improvement, seismic retrofit or rehabilitation of certain real or other tangible property with an estimated useful life of 15 years or longer that are public capital facilities or other projects of communitywide significance that provide significant benefits to the 3333/3700 California Street EIFD or the surrounding community, including any directly-related planning and design work and (ii) the costs described in Government Code Sections 53398.56, 53398.57 and 53398.58 (as applicable), all as more fully described in Exhibit A attached to the Resolution of Intention; and

WHEREAS, Under the EIFD Law, the 3333/3700 California Street EIFD shall be a legally constituted governmental entity separate and distinct from the City and its sole purpose shall be to finance public capital facilities and projects of communitywide significance; and

WHEREAS, The Board of Supervisors established the Enhanced Infrastructure Financing District Public Financing Authority No. 1 ("EIFD Public Financing Authority No. 1") pursuant to Ordinance No. 44-23, which was adopted on April 4, 2023, and signed by the Mayor on April 7, 2023 ("Ordinance Establishing PFA"), which Ordinance established Article XLVIII of Chapter 5 of the Administrative Code to govern the EIFD Public Financing Authority No. 1; and

WHEREAS, Pursuant to Ordinance No. 210-24, which was passed by the Board of Supervisors on July 23, 2024, and signed by the Mayor on August 1, 2024, Article XLVIII of Chapter 5 of the Administrative Code was amended to provide for the EIFD Public Financing Authority No. 1 to act as the governing body of multiple enhanced infrastructure financing districts on such terms and conditions as the Board of Supervisors shall determine in the resolution of intention for such districts; and

WHEREAS, In the Resolution of Intention, the Board of Supervisors designated the EIFD Public Financing Authority No. 1 to act as the governing board of the 3333/3700 California Street EIFD; and

WHEREAS, The EIFD Public Financing Authority No. 1 is responsible for causing
1 preparation of the infrastructure financing plan for the 3333/3700 California Street EIFD
2 (“3333/3700 California Street IFP”), which will describe, among other things, the allocation by
3 the City to the 3333/3700 California Street EIFD of certain incremental property tax revenue
4 for the purpose of financing public capital facilities or other specified projects of
5 communitywide significance that provide significant benefits to the 3333/3700 California Street
6 EIFD or the surrounding community and the issuance by the 3333/3700 California Street EIFD
7 of bonds and other debt; and

8 WHEREAS, On July 17, 2025, pursuant to Resolution No. 2025-03, the EIFD Public
9 Financing Authority No. 1 directed the Executive Director of the EIFD Public Financing
10 Authority No. 1 to work with the necessary City staff and professionals to prepare a draft of
11 the 3333/3700 California Street IFP and make such 3333/3700 California Street IFP available
12 to interested parties as required by the EIFD Law; and

13 WHEREAS, On September 11, 2025, the EIFD Public Financing Authority No. 1 held a
14 public meeting at which the draft 3333/3700 California Street IFP was presented; and

15 WHEREAS, The Executive Director of the EIFD Public Financing Authority No. 1 has
16 proposed certain changes to the draft 3333/3700 California Street IFP, and such modified
17 draft 3333/3700 California Street IFP is on file with the Secretary of the Board and is posted
18 on the EIFD Public Financing Authority No. 1’s website; and

19 WHEREAS, On the date hereof, the EIFD Public Financing Authority No. 1 held a
20 public hearing on the modified draft 3333/3700 California Street IFP, which public hearing was
21 properly noticed (pursuant to a written notice that, among other things, notifies interested
22 persons that revisions to the 3333/3700 California Street IFP were proposed and available for
23 review on the EIFD Public Financing Authority No. 1’s website) and held in accordance with
24 all applicable law; and
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WHEREAS, In accordance with Government Code Section 53398.66(b)(2), the EIFD
1 Public Financing Authority No. 1 wishes to modify the draft 3333/3700 California Street IFP;
2 now, therefore, be it

3 RESOLVED, That the EIFD Public Financing Authority No. 1 hereby finds that the
4 recitals are true and correct; and, be it

5 FURTHER RESOLVED, That the EIFD Public Financing Authority No. 1 hereby
6 modifies the draft 3333/3700 California Street IFP in the form on file with the Secretary of the
7 Board, and such modified draft 3333/3700 California Street IFP shall be the subject of a
8 protest proceeding at a public hearing to be held by the EIFD Public Financing Authority No. 1
9 to consider whether the landowners and residents within the 3333/3700 California Street EIFD
10 wish to present oral and written protests against the adoption of the modified draft 3333/3700
11 California Street IFP; and, be it

12 FURTHER RESOLVED, That the EIFD Public Financing Authority No. 1 has reviewed
13 and considered the 3333 California Street FEIR and 3333 California Street FEIR Addendum,
14 and finds that the 3333 California Street FEIR and 3333 California Street FEIR Addendum are
15 adequate for their use for the actions taken by this resolution and incorporates the 3333
16 California Street FEIR and the 3333 California Street CEQA Findings contained in Ordinance
17 No. 276-19 and the 3333 California Street FEIR Addendum by this reference and further finds
18 that, pursuant to CEQA Guidelines Section 15162, no additional environmental review is
19 required because there are no substantial changes to the 3333 California Street Project
20 analyzed in the 3333 California Street FEIR and the 3333 California Street FEIR Addendum,
21 no change in circumstances under which the 3333 California Street Project is being
22 undertaken, and no new information that was not known and could not have been known
23 shows that new significant impacts would occur, or that the impacts identified in the 3333
24 California Street FEIR and the 3333 California Street FEIR Addendum as significant impacts

would be substantially more severe, or that mitigation or alternatives previously found
1 infeasible are now feasible; and, be it

2 FURTHER RESOLVED, That the EIFD Public Financing Authority No. 1 has reviewed
3 and considered the 3700 California Street FEIR and 3700 California Street FEIR Addendum,
4 and finds that the 3700 California Street FEIR and 3700 California Street FEIR Addendum are
5 adequate for their use for the actions taken by this resolution and incorporates the 3700
6 California Street FEIR and the 3700 California Street CEQA Findings contained in Motion No.
7 20671, 20672, 20677 and 21731 and the 3700 California Street FEIR Addendum by this
8 reference and further finds that, pursuant to CEQA Guidelines Section 15162 and Section
9 15164, no additional environmental review is required because there are no substantial
10 changes to the 3700 California Street Project analyzed in the 3700 California Street FEIR and
11 the 3700 California Street FEIR Addendum, no change in circumstances under which the
12 3700 California Street Project is being undertaken, and no new information that was not
13 known and could not have been known shows that new significant impacts would occur, that
14 the impacts identified in the 3700 California Street FEIR and the 3700 California Street FEIR
15 Addendum as significant impacts would be substantially more severe, or that mitigation or
16 alternatives previously found infeasible are now feasible; and, be it

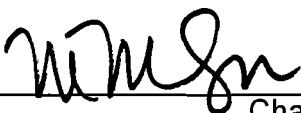
17 FURTHER RESOLVED, That if any section, subsection, sentence, clause, phrase, or
18 word of this resolution, or any application thereof to any person or circumstance, is held to be
19 invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision
20 shall not affect the validity of the remaining portions or applications of this resolution, the EIFD
21 Public Financing Authority No. 1 hereby declaring that it would have passed this resolution
22 and each and every section, subsection, sentence, clause, phrase, and word not declared
23 invalid or unconstitutional without regard to whether any other portion of this resolution or
24 application thereof would be subsequently declared invalid or unconstitutional; and, be it

FURTHER RESOLVED, That the Chair, the Vice Chair, the Executive Director, the
1 Treasurer and the Secretary are hereby authorized, for and in the name of and on behalf of
2 the 3333/3700 California Street EIFD, to do any and all things and take any and all actions
3 which they, or any of them, may deem necessary or advisable in order to effectuate the
4 purposes of this resolution; provided however that any such actions be solely intended to
5 further the purposes of this resolution, and are subject in all respects to the terms of the
6 Resolution; and, be it

7 FURTHER RESOLVED, That all actions authorized and directed by this resolution,
8 consistent with any documents presented herein, and heretofore taken are hereby ratified,
9 approved and confirmed by the EIFD Public Financing Authority No. 1; and, be it

10 FURTHER RESOLVED, That this resolution shall take effect upon its adoption.

11 I hereby certify that the forgoing Resolution was adopted on January 8, 2026, by the Board
12 of the Enhanced Infrastructure Financing District Public Financing Authority No. 1.

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15 _____
Chair

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Secretary