

Resolution modifying the draft Infrastructure Financing Plan for the proposed San

**1 Francisco Enhanced Infrastructure Financing District No. 2 (Stonestown) and the
2 project areas therein, and determining other matters in connection therewith.**

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

12 WHEREAS, The Developer Property is fully developed and comprises approximately
13 27 acres of surface parking lots and operational uses, a vacant building, and approximately
14 three acres of existing privately-owned streets; and

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

19 WHEREAS, The City owns the approximately three acre open space known as Rolph
20 Nicol Jr. Playground adjacent to the Developer Property ("RPD Parcel");

21 WHEREAS, The City also owns approximately 0.2 acres of developed and
22 undeveloped public rights-of-way, consisting of portions of Winston Drive and Monte Vista
23 Drive ("Existing City-Owned Rights-of-Way"; and together with portions of the RPD Parcel, the
24 Developer Property, and the Variant Sub-Area, "Project Site"); and

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1 WHEREAS, Shopping Owner and Anchor Owner also own the existing Stonestown
2 Galleria, which is not a part of the Project Site but is included as part of the development
3 agreement relating to the Project Site ("Development Agreement") for the limited purposes
4 specified in the Development Agreement; and

5 WHEREAS, Developer proposes a mixed use development to be developed on the
6 Project Site that may include residential, retail, commercial, open space, parking and related
7 uses to be developed on the Project Site, all as more particularly described in the
8 Development Agreement ("Stonestown Project"); and

9 WHEREAS, On May 9, 2024, by Motion No. 21559, the Planning Commission certified
10 as adequate, accurate and complete the Final Environmental Impact Report ("FEIR") for the
11 Project pursuant to the California Environmental Quality Act (California Public Resources
12 Code Section 21000 et seq.) ("CEQA"); a copy of Planning Commission Motion No. 21559 is
13 on file with the Clerk of the Board of Supervisors in File No. 240681; also, on May 9, 2024, by
14 Motion No. 21560, the Planning Commission adopted findings, including a rejection of
15 alternatives and a statement of overriding considerations ("CEQA Findings") and a Mitigation
16 Monitoring and Reporting Program ("MMRP"); these Motions are on file with the Clerk of the
17 Board of Supervisors in File No. 240681; in the Ordinance contained in File No. 240410, the
18 Board of Supervisors adopted as its own and incorporated by reference as though fully set
19 forth therein the CEQA Findings, including the statement of overriding considerations, and the
20 MMRP; 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
25 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;

1 and

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

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

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

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1 WHEREAS, The Stonestown Project will provide significant public benefits to the
2 City, including (i) conversion of parking lots to housing, including affordable housing; (ii)
3 construction and maintenance of new pedestrian pathways, and landscape areas for a
4 total of approximately six (6) acres of publicly accessible open areas, (iii) transportation
5 demand management measures that exceed the level otherwise required; (iv) street and
6 infrastructure improvements, including enhancement of existing public rights-of-way; (v)
7 workforce obligations; (vi) on-site child care facilities; (vii) a replacement on-site senior
8 center; and (viii) improvements to Rolph Nicol Jr. Playground, all as set forth in greater
9 detail in the Development Agreement; and

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

12 WHEREAS, Under Chapter 2.99 of Part 1 of Division 2 of Title 5 of the California
13 Government Code (commencing with Section 53398.50, and herein referred to as the "EIFD
14 Law"), the Board of Supervisors is authorized to initiate the process to establish an enhanced
15 infrastructure financing district (including project areas therein) and approve an infrastructure
16 financing plan allocating tax revenues to such enhanced infrastructure financing district; and

17 WHEREAS, Pursuant to Resolution No. 399-24, adopted by the Board of Supervisors
18 on July 16, 2024, and signed by the Mayor on July 26, 2024 ("Resolution of Intention"), the
19 Board of Supervisors declared its intention to establish San Francisco Enhanced
20 Infrastructure Financing District No. 2 (Stonestown) ("Stonestown EIFD") over the Stonestown
21 Project Site, including project areas (each, "Project Area"; collectively, "Project Areas")
22 pursuant to the EIFD Law, to finance (i) the purchase, construction, expansion, improvement,
23 seismic retrofit or rehabilitation of certain real or other tangible property with an estimated
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useful life of 15 years or longer that are public capital facilities or other projects of
1 communitywide significance that provide significant benefits to the Stonestown EIFD or the
2 surrounding community, including any directly-related planning and design work and (ii) the
3 costs described in Government Code Sections 53398.56, 53398.57 and 53398.58 (as
4 applicable), all as more fully described in Exhibit A attached to the Resolution of Intention; and

5 WHEREAS, Under the EIFD Law, the Stonestown EIFD shall be a legally constituted
6 governmental entity separate and distinct from the City and its sole purpose shall be to
7 finance public capital facilities and projects of communitywide significance; and

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

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

20 WHEREAS, In the Resolution of Intention, the Board of Supervisors designated the
21 EIFD Public Financing Authority No. 1 to act as the governing board of the Stonestown EIFD;
22 and

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

5 WHEREAS, On July 17, 2025, pursuant to Resolution No. 2025-02, the EIFD Public
6 Financing Authority No. 1 directed the Executive Director of the EIFD Public Financing
7 Authority No. 1 to work with the necessary City staff and professionals to prepare a draft of
8 the Stonestown IFP and make such Stonestown IFP available to interested parties as
9 required by the EIFD Law; and

10 WHEREAS, On November 20, 2025, the EIFD Public Financing Authority No. 1 held a
11 public meeting at which the draft Stonestown IFP was presented; and

12 WHEREAS, The Executive Director of the EIFD Public Financing Authority No. 1 has
13 proposed certain changes to the draft Stonestown IFP, and such modified draft Stonestown
14 IFP is on file with the Secretary of the Board and is posted on the EIFD Public Financing
15 Authority No. 1's website; and

16 WHEREAS, On the date hereof, the EIFD Public Financing Authority No. 1 held a
17 public hearing on the modified draft Stonestown IFP, which public hearing was properly
18 noticed (pursuant to a written notice that, among other things, notified interested persons that
19 revisions to the Stonestown IFP were proposed and available for review on the EIFD Public
20 Financing Authority No. 1's website) and held in accordance with all applicable law; and

21 WHEREAS, In accordance with Government Code Section 53398.66(b)(2), the EIFD
22 Public Financing Authority No. 1 wishes to modify the draft Stonestown IFP; now, therefore,
23 be it

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

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

8 FURTHER RESOLVED, That the EIFD Public Financing Authority No. 1 has reviewed
9 and considered the FEIR, and finds that the FEIR is adequate for their use for the actions
10 taken by this resolution and incorporates the FEIR and the CEQA findings contained in the
11 Ordinance contained in File No. 240410 and further finds that, pursuant to CEQA Guidelines
12 Section 15162, no additional environmental review is required because there are no
13 substantial changes to the Stonestown Project analyzed in the FEIR, no change in
14 circumstances under which Stonestown Project is being undertaken, and no new information
15 that was not known and could not have been known that new significant impacts would occur,
16 that the impacts identified in the FEIR as significant impacts would be substantially more
17 severe, or that mitigation or alternatives previously found infeasible are now feasible; and, be

18 FURTHER RESOLVED, That if any section, subsection, sentence, clause, phrase, or
19 word of this resolution, or any application thereof to any person or circumstance, is held to be
20 invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision
21 shall not affect the validity of the remaining portions or applications of this resolution, the EIFD
22 Public Financing Authority No. 1 hereby declaring that it would have passed this resolution
23 and each and every section, subsection, sentence, clause, phrase, and word not declared

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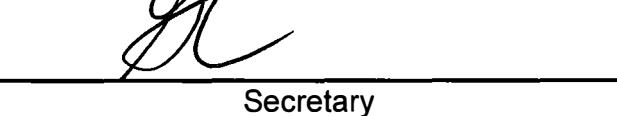
invalid or unconstitutional without regard to whether any other portion of this resolution or
1 application thereof would be subsequently declared invalid or unconstitutional; and, be it

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

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

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

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

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17 Chair Secretary
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