

1 **Draft 5-30-18 [FOR DISCUSSION PURPOSES ONLY]**

2 [Resolution of Intention - Incurring Bonded Indebtedness and Other Debt for the Central SoMa
3 Special Tax District]

4 **Resolution of Intention to incur bonded indebtedness and other debt for City and**
5 **County of San Francisco Special Tax District No. 2018-1 (Central SoMa), and**
6 **determining other matters in connection therewith.**

7

8 WHEREAS, The Central SoMa planning area (the "Central SoMa Plan Area") runs from
9 2nd Street to 6th Street, Market Street to Townsend Street, exclusive of those areas that are
10 part of the Downtown Plan or in the C-3 zoning districts; and

11 WHEREAS, The Board of Supervisors has this date adopted its "Resolution of intention
12 to establish City and County of San Francisco Special Tax District No. 2018-1 (Central SoMa),
13 and determining other matters in connection therewith" (the "Resolution of Intention"), stating
14 its intention to form the "City and County of San Francisco Special Tax District No. 2018-1
15 (Central SoMa)" (the "Special Tax District") pursuant to Chapter 43, Article X of the San
16 Francisco Administrative Code (the "Code"), which Code incorporates the Mello-Roos
17 Community Facilities Act of 1982, as amended (the "Act"), for the purpose of financing costs
18 of public infrastructure and other authorized facilities (the "Facilities") and services necessary
19 or incident to development of the Central SoMa Plan Area; and

20 WHEREAS, This Board included in the Resolution of Intention certain findings,
21 determinations and declarations, which findings, determinations and declarations this Board of
22 Supervisors further incorporates herein by this reference; and

23 WHEREAS, In the Resolution of Intention, this Board of Supervisors stated its intention
24 to undertake the proceedings to form the Special Tax District under the alternate procedures
25 established by Section 43.10.17 of the Code; and

1 WHEREAS, This Board of Supervisors wishes to undertake the proceedings to
2 authorize the issuance of bonded indebtedness and other debt (as defined in the Code) for
3 the Special Tax District under the alternate procedure established by Section 43.10.18 of the
4 Code; and

5 WHEREAS, This Board of Supervisors estimates the amount required for the financing
6 of the costs of the Facilities to be the sum of not to exceed \$5,300,000,000; and

7 WHEREAS, In order to finance the costs of the Facilities it is necessary to incur
8 bonded indebtedness and other debt in the amount not to exceed \$5,300,000,000 on behalf
9 of the Special Tax District; and

10 WHEREAS, United States Income Tax Regulations section 1.150-2 provides generally
11 that proceeds of tax-exempt debt are not deemed to be expended when such proceeds are
12 used for reimbursement of expenditures made prior to the date of issuance of such debt
13 unless certain procedures are followed, one of which is a requirement that (with certain
14 exceptions), prior to the payment of any such expenditure, the issuer declares an intention to
15 reimburse such expenditure; and

16 WHEREAS, It is in the public interest and for the public benefit that the City declares its
17 official intent to reimburse the expenditures referenced herein; now, therefore, be it

18 RESOLVED, That it is necessary to incur bonded indebtedness and other debt within
19 the boundaries of the proposed Special Tax District in the amount of up to \$5,300,000 to
20 finance the costs of the Facilities; and, be it

21 FURTHER RESOLVED, That the bonded indebtedness and other debt is proposed to
22 be incurred for the purpose of financing the costs of the Facilities, including acquisition and
23 improvement costs and all costs incidental to or connected with the accomplishment of said
24 purposes and of the financing thereof, as permitted by Section 53345.3 of the Act; and, be it

1 FURTHER RESOLVED, That the City hereby declares that it reasonably expects (i) to
2 pay certain costs of the Facilities prior to the date of issuance of the bonded indebtedness and
3 other debt and (ii) to use a portion of the proceeds of the bonded indebtedness and other debt
4 for reimbursement of expenditures for the Facilities that are paid before the date of issuance
5 of the bonded indebtedness and other debt; and, be it

6 FURTHER RESOLVED, That this Board of Supervisors, acting as legislative body for
7 the Special Tax District, intends to authorize the issuance and sale of bonded indebtedness
8 and other debt in one or more series in the maximum aggregate principal amount of not to
9 exceed \$5,300,000,000 bearing interest payable semi-annually or in such other manner as
10 this Board of Supervisors shall determine, at a rate not to exceed the maximum rate of
11 interest as may be authorized by applicable law at the time of sale of such bonded
12 indebtedness or other debt, and maturing not to exceed 40 years from the date of the
13 issuance of the bonded indebtedness or other debt; and, be it

14 FURTHER RESOLVED, That _____, _____, 2018 at ___:00 p.m. or as soon as
15 possible thereafter, in the Board of Supervisors Chambers, 1 Dr. Carlton B. Goodlett Place,
16 City Hall, San Francisco, California 94704, be, and the same are hereby appointed and fixed
17 as the time and place when and where this Board of Supervisors, as legislative body for the
18 Special Tax District, will conduct a public hearing on the proposed issuance of bonded
19 indebtedness and other debt and consider and finally determine whether the public interest,
20 convenience and necessity require the issuance of bonded indebtedness and other debt of
21 the City on behalf of the Special Tax District; and, be it

22 FURTHER RESOLVED, That the Clerk of the Board of Supervisors is hereby directed
23 to cause notice of the public hearing to be given by publication one time in a newspaper of
24 general circulation circulated within the Special Tax District. The publication of the notice shall
25

1 be completed at least seven days before the date specified above for the public hearing. The
2 notice shall be substantially in the form specified in Section 53346 of the Act; and, be it

3 FURTHER RESOLVED, notwithstanding the foregoing, because of the complexity
4 associated with the Central SoMa Plan, the Board of Supervisors hereby authorizes the Clerk
5 of the Board of Supervisors to determine that the public hearing should be held on a later date
6 or time and to cause notice of such later date or time to be given by publication one time in a
7 newspaper published in the area of the Special Tax District; and, be it

8 FURTHER RESOLVED, That pursuant to Section 43.10.18 of the Code, in lieu of the
9 procedure set forth elsewhere in the Code and in Sections 53353.5, 53354 and 53355 of the
10 Act, the proposition to authorize issuance of the bonded indebtedness and other debt for the
11 Special Tax District shall be approved by the owner or owners of a parcel or parcels of
12 property at the time that the parcel or parcels are annexed to the Special Tax District pursuant
13 to the unanimous approval described in 43.10.17 of the Code or such other procedures
14 established by the Code; and, be it

15 FURTHER RESOLVED, That consistent with the Resolution of Intention, and pursuant
16 to Section 43.10.19 of the Code, in connection with the annexation of a parcel or parcels to
17 the Special Tax District pursuant to the alternate and independent procedure set forth in
18 Section 43.10.17 of the Code and the conduct of an election on the proposition to authorize
19 bonded indebtedness pursuant to the alternate and independent procedure set forth in
20 Section 43.10.18 of the Code, the City may, without additional hearings or procedures,
21 designate a parcel or parcels as an improvement area within the Special Tax District. Each
22 improvement area will be known as "Improvement Area No. ____ of City and County of San
23 Francisco Special Tax District No. 2018-1 (Central SoMa)." After the designation of a parcel or
24 parcels as an improvement area, all proceedings for approval of the appropriations limit, the
25 rate, method of apportionment and manner of collection of special tax and the authorization to

1 incur bonded indebtedness and other debt for such parcel or parcels shall apply only to the
2 improvement area. The City may incur bonded indebtedness and other debt payable solely
3 from special taxes levied on property in the improvement area; and, be it

4 FURTHER RESOLVED, That the Board of Supervisors has reviewed and considered
5 the Final EIR (as defined in the Resolution of Intention) and finds that the Final EIR is
6 adequate for its use for the actions taken by this resolution and incorporates herein the Final
7 EIR and the CEQA findings in the Resolution of Intention by this reference; and, be it

8 FURTHER RESOLVED, That this Resolution shall in no way obligate the Board to form
9 the Special Tax District or to issue bonded indebtedness and other debt for the Special Tax
10 District. Issuance of the bonded indebtedness and other debt shall be subject to the approval
11 of this Board of Supervisors by resolution following the holding of the public hearing referred
12 to above; and, be it

13 FURTHER RESOLVED, That this Resolution shall take effect upon its adoption.

14
15 APPROVED AS TO FORM:
16 DENNIS J. HERRERA, City Attorney

17
18 By: _____
19 Mark D. Blake
20 Deputy City Attorney