

1 [Resolution of Intention to Issue Bonds Related to Infrastructure and Revitalization Financing
2 District No. 2 (Hoedown Yard)]

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3 **Resolution of intention to issue bonds for City and County of San Francisco**
4 **Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard) and**
5 **determining other matters in connection therewith.**

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8 WHEREAS, FC Pier 70, LLC (Forest City) and the City and County of San Francisco
9 (the City), acting by and through the San Francisco Port Commission (the Port Commission),
10 anticipate entering into a Disposition and Development Agreement (the DDA), which will
11 govern the disposition and development of approximately 28 acres of land in the waterfront
12 area of the City known as Pier 70 (the Project Site); and

13 WHEREAS, In the general election held on November 4, 2014, an initiative entitled, the
14 “Union Iron Works Historic District Housing, Waterfront Parks, Jobs and Preservation
15 Initiative” (Proposition F), was approved by the voters in the City; and,

16 WHEREAS, Pursuant to Proposition F, the voters in the City approved a policy of the
17 City, that the City encourage the timely development of the Project Site with a development
18 project that includes certain major uses, including without limitation, new below market-rate
19 homes affordable to middle- and low-income families and individuals, representing 30 percent
20 of all new housing units (Affordable Housing); and,

21 WHEREAS, Forest City and the City anticipate that Forest City will undertake pursuant
22 to the DDA an obligation to construct Affordable Housing on the Project Site and an area of
23 land in the vicinity of the Project Site and within Pier 70 commonly known as Parcel K South
24 (Parcel K South) to satisfy the requirements for Affordable Housing under Proposition F; and,

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1 WHEREAS, Under Chapter 2.6 of Part 1 of Division 2 of Title 5 of the California,
2 commencing with Government Code Section 53369 (IRFD Law), this Board of Supervisors is
3 authorized to establish an infrastructure and revitalization financing district and to act as the
4 legislative body for an infrastructure and revitalization financing district; and,

5 WHEREAS, Pursuant to the IRFD Law, this Board of Supervisors has adopted its
6 “Resolution of intention to establish City and County of San Francisco Infrastructure and
7 Revitalization Financing District No. 2 (Hoedown Yard) on land within the City and County of
8 San Francisco commonly known as the Hoedown Yard to finance the construction of
9 affordable housing within Pier 70 and Parcel K South; to call a public hearing on October 24,
10 2017 on the formation of the district and to provide public notice thereof; and determining
11 other matters in connection therewith” (Resolution of Intention to Establish IRFD), stating its
12 intention to form (i) the “City and County of San Francisco Infrastructure and Revitalization
13 Financing District No. 2 (Hoedown Yard)” (IRFD) pursuant to the IRFD Law, for the purpose of
14 financing Affordable Housing within the Project Site and Parcel K South to satisfy the
15 requirements for Affordable Housing under Proposition F as further provided in the Resolution
16 of Intention to Establish IRFD (the Facilities); and,

17 WHEREAS, In the Resolution of Intention to Establish IRFD, this Board of Supervisors
18 made certain findings under the California Environmental Quality Act (CEQA) about the Final
19 Environmental Impact Report (FEIR) for the construction of the Facilities within the Project
20 Site and Parcel K South, and those findings are incorporated in this Resolution as if set forth
21 in their entirety herein; and,

22 WHEREAS, In addition, this Board of Supervisors has adopted its “Resolution
23 authorizing and directing the Executive Director of the Port of San Francisco, or designee of
24 the Executive Director of the Port of San Francisco, to prepare an infrastructure financing plan
25 for the City and County of San Francisco Infrastructure and Revitalization Financing District

1 No. 2 (Hoedown Yard) and determining other matters in connection therewith,” ordering
2 preparation of an infrastructure financing plan for the IRFD (the Infrastructure Financing Plan)
3 consistent with the requirements of the IRFD Law; and,

4 WHEREAS, The Infrastructure Financing Plan includes a list of Facilities to be financed
5 by the IRFD; and,

6 WHEREAS, Pursuant to IRFD Law Section 53369.40, the Board of Supervisors may,
7 by majority vote, initiate proceedings to issue bonds pursuant to the IRFD Law by adopting a
8 resolution stating its intent to issue the bonds, and pursuant to IRFD Law Section 53369.14,
9 the Infrastructure Financing Plan must contain a detailed description of any intention to incur
10 debt for financing facilities for the IRFD; and,

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

17 WHEREAS, It is in the public interest and for the public benefit that the Board of
18 Directors, on behalf of the City, declares its official intent to reimburse the expenditures
19 referenced herein; now, therefore, be it

20 RESOLVED, That the Board of Supervisors proposes issuing one or more series of
21 bonds or other debt (Bonds) for the purpose of financing the costs of the Facilities, including
22 acquisition and improvement costs and all costs incidental to or connected with the
23 accomplishment of said purposes and of the financing thereof.

24 The Board of Supervisors hereby declares that it reasonably expects (i) to pay certain
25 costs of the Facilities prior to the date of issuance of the Bonds and (ii) to use a portion of the

1 proceeds of the Bonds for reimbursement of expenditures for the Facilities that are paid
2 before the date of issuance of the Bonds; and, be it

3 FURTHER RESOLVED, That the Bonds will be paid from property tax revenues
4 allocated to the IRFD; and, be it

5 FURTHER RESOLVED, That the Board of Supervisors hereby estimates that the cost
6 of the Facilities will be \$315.8 million (in 2017 dollars), and that the estimated costs of
7 preparing and issuing the Bonds will be equal to up to 10.0% of the par amount of the Bonds;
8 and be it

9 FURTHER RESOLVED, That this Board of Supervisors intends to authorize the
10 issuance and sale of the Bonds in one or more series for the IRFD in the maximum aggregate
11 principal amount of \$91.9 million, and the Bonds shall bear interest payable semi-annually or
12 in such other manner as this Board of Supervisors shall determine, at a rate not to exceed the
13 maximum rate of interest as may be authorized by applicable law at the time of sale of the
14 Bonds, and the maximum underwriter's discount of the Bonds shall be 2.0% of the par amount
15 of the Bonds; and, be it

16 FURTHER RESOLVED, That the Board of Supervisors estimates, based on the
17 analysis set forth in the Infrastructure Financing Plan, that the incremental property tax
18 revenues that are expected to be available to the IRFD to pay principal of and interest on the
19 Bonds is \$315.8 million, and in accordance with IRFD Law Section 53369.41(f), the Board of
20 Supervisors hereby finds that the amount necessary to pay principal of and interest on the
21 maximum principal amount of Bonds specified in the preceding paragraph is less than or
22 equal to the incremental property tax revenues that are expected to be available to the IRFD
23 to pay principal of and interest on the Bonds; and, be it

24 FURTHER RESOLVED, That the Board of Supervisors will call a special landowner
25 election for October 24, 2017, to consider the proposed authorization to issue Bonds. The

1 election will be consolidated with the election on the issue of the proposed formation of the
2 IRFD and approval of the proposed Infrastructure Financing Plan and appropriations limit for
3 the IRFD to be held on October 24, 2017. The Director of Elections is hereby designated as
4 the official to conduct the election in the IRFD and to receive all ballots until __:00 p.m. on
5 October 24, 2017, and pursuant to IRFD Law Section 53369.20, the election shall be
6 conducted by personal service or mail-delivered ballot; and, be it

7 FURTHER RESOLVED, That all references in this Resolution to Bonds shall be
8 deemed to include a reference to debt (as defined in the IRFD Law), to the extent applicable;
9 and, be it

10 FURTHER RESOLVED, That this Resolution shall in no way obligate the Board of
11 Supervisors to propose establishment of the IRFD or to authorize the issuance of bonds for
12 the IRFD, and the authorization to issue bonds shall be subject to the approval of this Board
13 of Supervisors by resolution following the elections of the qualified electors described above;
14 and, be it

15 FURTHER RESOLVED, That the Clerk of the Board of Supervisors shall publish this
16 resolution once a day for at least seven successive days in a newspaper published in the City
17 at least six days a week, or at least once a week for two successive weeks in a newspaper
18 published in the City less than six days a week, and if there are no newspapers meeting the
19 foregoing criteria, this resolution shall posted in three public places within the territory of the
20 IRFD for two succeeding weeks; and, be it

21 FURTHER RESOLVED, That the Board of Supervisors has reviewed and considered
22 the FEIR and finds that the FEIR is adequate for its use for the actions taken by this resolution
23 and incorporates the FEIR and the CEQA findings contained in Resolution No. ____ of this
24 Board of Supervisors; and, be it

1 FURTHER RESOLVED, That if any section, subsection, sentence, clause, phrase, or
2 word of this resolution, or any application thereof to any person or circumstance, is held to be
3 invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision
4 shall not affect the validity of the remaining portions or applications of this resolution, this
5 Board of Supervisors hereby declaring that it would have passed this resolution and each and
6 every section, subsection, sentence, clause, phrase, and word not declared invalid or
7 unconstitutional without regard to whether any other portion of this resolution or application
8 thereof would be subsequently declared invalid or unconstitutional; and, be it

9 FURTHER RESOLVED, That the Mayor, the Controller, the Director of the Office of
10 Public Finance, the Clerk of the Board of Supervisors and any and all other officers of the City
11 are hereby authorized, for and in the name of and on behalf of the City, to do any and all
12 things and take any and all actions, including execution and delivery of any and all
13 documents, assignments, certificates, requisitions, agreements, notices, consents,
14 instruments of conveyance, warrants and documents, which they, or any of them, may deem
15 necessary or advisable in order to effectuate the purposes of this Resolution; provided
16 however that any such actions be solely intended to further the purposes of this Resolution,
17 and are subject in all respects to the terms of the Resolution; and, be it

18 FURTHER RESOLVED, That all actions authorized and directed by this Resolution,
19 consistent with any documents presented herein, and heretofore taken are hereby ratified,
20 approved and confirmed by this Board of Supervisors; and, be it

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

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3 APPROVED AS TO FORM:
4 DENNIS J. HERRERA
5 City Attorney

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8 By: _____

 MARK D. BLAKE
 Deputy City Attorney
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