



MEMORANDUM

September 26, 2019

TO: MEMBERS, CAPITAL PLANNING COMMITTEE

FROM: Rebecca Benassini, Real Estate & Development Division
Wyatt Donnelly-Landolt, Finance Division
Port of San Francisco

SUBJECT: Memorandum on the intent to form Community Facilities Districts to finance improvements and ongoing services in the Pier 70 Mixed-Use Project located between 20th, Illinois, and 22nd Streets and San Francisco Bay

Executive Summary

This report provides information to the Capital Planning Committee on resolutions Port staff intend to bring to the Board of Supervisors to form Community Facilities Districts (“CFDs”) within the Pier 70 Mixed-Use District Project, consistent with prior approvals from the Port Commission and Board of Supervisors. Formation of these districts is one of the critical implementation pieces of the Pier 70 Financing Plan.

Board of Supervisions Resolution 401-17 approved the Pier 70 Disposition and Development Agreement (“DDA”) and directed Port staff to implement the DDA. The formation of these CFDs was detailed in accompanying staff Memorandum as a key implementing action to the DDA. Along with the Parcel K North sale (which closed in February 2019) and the formations of the Infrastructure Financing District (“IFD”) subareas over portions of Pier 70 and an Infrastructure and Revitalization Financing District (“IRFD”) over the Hoedown Yard (signed by the Mayor in September and October of 2018), formation of the CFDs will complete the key actions required under the Financing Plan to begin repaying outstanding developer capital and return.

Once these districts are formed, Port and City staff will pursue issuance of CFD bonds, which will require Board action.

Background

In September 2017, the Port Commission adopted a series of resolutions authorizing a mixed-use development project on the 28-Acre Site, the Illinois/20th Street parcels known as Parcel K North and Parcel K South, and the Hoedown Yard (together, the “Pier 70 Mixed-Use District Project” or “Project”). Subsequently, in October 2017, the San Francisco Board of Supervisors approved the Project, and on November 15th,

2017, Mayor Lee signed all Project-related legislation.

The Port's development partner for development of the 28-Acre Site is FC Pier 70, LLC ("Developer"), now an affiliate of Brookfield Properties. The 28-Acre Site project is governed by the DDA and related agreements between the Port and the Developer, including a Financing Plan.

The Financing Plan establishes the contractual framework for financing horizontal development, which relies heavily on public financing, including IFDs and CFDs to fund public improvements, and includes the following basic principles:

- Developer is responsible for funding all initial entitlement costs and the costs of constructing Horizontal Improvements to the extent other Project sources are not available;
- Land proceeds from the sale or lease of option parcels at fair market values and Project-based public financing will be used to repay the Developer's capital costs with an 18% market rate of return;
- No obligation for City General Funds or Port Harbor Funds (except for Project-generated proceeds from the sale or lease of land) to be pledged to the Project, though the Port Commission has the option in its sole discretion to invest Port Capital in the Project and to earn a 10% annual return on this investment;
- To maximize public benefits like affordable housing and parks, the Port will use CFD proceeds and IFD proceeds to the maximum extent legally permissible to repay the Developer and to reimburse the Port for any land proceeds and Port Capital it advances to the Project; and
- To maximize the value of the Port's property, offset certain CFD special taxes on rental residential and office projects with tax increment.

Consistent with the Financing Plan and prior Project approvals, the Board of Supervisors authorized (1) in September 2018 by Ordinance No. 220-18, formation of project areas within the Infrastructure Financing District No. 2 (Port of San Francisco) over the 28-Acre Site, Parcel K North, and Parcel K South to provide funding for public improvements, and (2) in October 2018 by Ordinance No. 248-18, formation of an IRFD over the Hoedown Yard to provide funding for affordable housing. The next step in the process is the formation of the CFDs, as described below.

Purpose and Structure of the CFDs

Port and City staff will initially request that the Board establish the Pier 70 Leased Property CFD and the Pier 70 Condominium CFD, followed at a later date by the Hoedown Yard CFD,¹ and authorize the CFDs to levy special taxes, issue bonds and use bond proceeds and annual special taxes to, among other things:

- reimburse the Port and Developer for project entitlement costs;

¹ The timing of formation of the Hoedown Yard CFD depends upon the landowner's – PG&E's – ability to support the formation of the CFD during bankruptcy.

- reimburse the Port and Developer for construction costs for public improvements and Port and Developer return or pay directly for these improvements;
- partially fund Historic Buildings 12 and 21 up to the feasibility gap to rehabilitate these buildings and construction of replacement space for the Noonan artists and the new Arts Building;
- fund shoreline improvements including the seawall and similar improvements to protect against sea-level rise; and
- fund ongoing, perpetual maintenance of parks, open space, streets and sidewalks.

Exhibit 1 summarizes the proposed structure and rates for each CFD.

Next Steps

Formation of the CFDs requires the Board of Supervisors to take the following actions:

- Adopt general amendments to the City's local version of the Mello-Roos law, including language to eliminate ambiguities as applied to the Pier 70 Mixed-Use District Project and the Mission Rock project and to expand the law to authorize project-specific uses such as reimbursement of entitlement costs and historic building rehabilitation. The Board of Supervisors finally passed these amendments on September 10, 2019 and the Mayor approved them on September 20, 2019;
- Adopt resolutions declaring its intent to form the CFDs and issue bonds and other debt for the CFDs, currently scheduled for introduction in October and adoption in January 2020 for the Pier 70 Leased Property CFD and Condominium Property CFD;
- Adopt resolutions forming the CFDs and authorizing the issuance of bonds, currently scheduled for introduction in October and adoption in January 2020 for the Pier 70 Leased Property CFD and Condominium Property CFD;
- Hold a landowner election on the questions of levying special taxes in the CFDs according to a rate and method of apportionment, currently scheduled for the same meeting in January 2020 for the Pier 70 Leased Property CFD and Condominium Property CFD; and
- Approve by ordinance the levy of special taxes in the CFDs, currently scheduled for January 2020 for the Pier 70 Leased Property CFD and Condominium Property CFD.

EXHIBITS

Exhibit 1: Summary Proposed CFD Tax Rates

Exhibit 2: Resolution of Intention to Establish City and County of San Francisco Special Tax District No. 2020-2 (Pier 70 Leased Properties)

Exhibit 3: Resolution of Intention to Establish City and County of San Francisco Special Tax District No. 2020-1 (Pier 70 Condominiums)

Exhibit 4: Resolution of Intention to Incur Bonded Indebtedness and Other Debt---
Special Tax District No. 2020-2 (Pier 70 Leased Properties)

Exhibit 5: Resolution of Intention to Incur Bonded Indebtedness and Other Debt---
Special Tax District No. 2020-1 (Pier 70 Condominiums)

Exhibit 1 Proposed CFD Tax Rates

	CFD/Tax Rate Area	Parcels Initially Identified*	Facilities & Operations Funded	Proposed Rates**
Leased Property CFD	Leased Property CFD / Tax Zone 1	28-Acre Site Phase 1 Residential Rental (Parcels 2 and E2) and Office Parcels (Parcel A)	<p>Facilities Tax: 28-Acre Project public facilities (credited by Tax Increment)</p> <p>Arts Tax: Noonan Replacement Space, Community Space, & Arts Building (or public building)</p> <p>Shoreline Tax: Project Reserve (for Project shortfalls) and Shoreline Account (for sea level rise improvements on Port property)</p> <p>Services Tax: Maintenance of 28-Acre Project public facilities</p>	<p>\$3.73-\$3.96/sf</p> <p>\$0.43-\$0.53/sf</p> <p>\$0.57 - \$0.60/sf</p> <p>\$0.87-\$1.07/sf</p>
	Leased Property CFD / Tax Zone 2	28-Acre Site Phase 2/3 Residential Rental (Parcel E3) and Commercial Office Parcels (Parcel B)	<p>Facilities Tax: 28-Acre Project public facilities (credited by Tax Increment)</p> <p>Arts Tax: Noonan Replacement Space, Community Space, & Arts Building (or public building)</p> <p>Shoreline Tax: Project Reserve (for Project shortfalls) and Shoreline Account (for sea level rise improvements on Port property)</p> <p>Services Tax: Maintenance of 28-Acre Project public facilities</p>	<p>\$3.73-\$3.96/sf</p> <p>\$0.43-\$0.53/sf</p> <p>\$0.84 - \$0.91/sf</p> <p>\$0.87-\$1.07/sf</p>
	Leased Property CFD / Tax Zone 3	28-Acre Site Historic Buildings 12 and 21	<p>Facilities Tax: Historic Building Feasibility Gap and 28-Acre Project public facilities (credited by Tax Increment)</p>	<p>\$3.52 - \$3.64/sf</p>
Condo CFD	Condo CFD / Tax Zone 1	Parcel K North	<p>Facilities Tax: Michigan Street, 28-Acre Project public facilities, and Shoreline Reserve (for sea level rise and shoreline improvements on Port property, after 28-Acre Site and Michigan Street are paid)</p> <p>Services Tax: Maintenance of Illinois Street public facilities & Crane Cove Park</p>	<p>\$5.22/sf</p> <p>\$1.68/sf</p>
	Condo CFD / Tax Zone 2	28-Acre Site Condominium Parcels	<p>Facilities Tax: 28-Acre Project public facilities and Shoreline Reserve (for sea level rise and shoreline improvements on Port property, after 28-Acre Site and Pier 70 Wide Facilities are paid)</p> <p>Arts Tax: Noonan Replacement Space, Community Space, & Arts Building (or public building)</p> <p>Services Tax: Maintenance of 28-Acre Project public facilities</p>	<p>\$4.89/sf</p> <p>\$0.66/sf</p> <p>\$1.34-\$2.02/sf</p>

	CFD/Tax Rate Area	Parcels Initially Identified*	Facilities & Operations Funded	Proposed Rates**
Hoedown CFD	Hoedown Yard CFD	Residential or Office Parcels on the Hoedown Yard	Facilities Tax: Irish Hill Park and acquisition of former Hunters Point Power Plant shoreline property, and Shoreline Reserve (for sea level rise improvements on Port property) Services Tax: Maintenance of Irish Hill Park, Illinois Street public facilities & Crane Cove Park	TBD TBD

* Each of the CFDs include "annexation parcels", which will be annexed in to the CFD once it has been determined whether a parcel is to be leased or sold.

**Rates vary within in each Zone based on building type (residential, non-residential, historic), building height if residential, and location within or outside of the 28-Acre Site. Rates are subject to refinement prior to introduction to the Board of Supervisors.

Exhibit 2: Resolution of Intention to Establish City and County of San Francisco Special Tax District No. 2020-2 (Pier 70 Leased Properties)

Exhibit 3: Resolution of Intention to Establish City and County of San Francisco Special Tax District No. 2020-1 (Pier 70 Condominiums)

Exhibit 4: Resolution of Intention to Incur Bonded Indebtedness and Other Debt---
Special Tax District No. 2020-2 (Pier 70 Leased Properties)

Exhibit 5: Resolution of Intention to Incur Bonded Indebtedness and Other Debt---
Special Tax District No. 2020-1 (Pier 70 Condominiums)

1 **8-20-19 Jones Hall Draft**

2 [Resolution of Intention to Establish City and County of San Francisco Special Tax District No.
3 2020-2 (Pier 70 Leased Properties)]

4 **Resolution of Intention to establish City and County of San Francisco Special Tax**
5 **District No. 2020-2 (Pier 70 Leased Properties) and a Future Annexation Area,**
6 **determining other matters in connection therewith and making findings under the**
7 **California Environmental Quality Act.**

8

9 WHEREAS, California Statutes of 1968, Chapter 1333 (“Burton Act”) and San
10 Francisco Charter Section 4.114 and Appendix B, beginning at Section B3.581, empower the
11 City and County of San Francisco (“City”), acting through the San Francisco Port Commission
12 (“Port” or “Port Commission”), with the power and duty to use, conduct, operate, maintain,
13 manage, regulate, and control the lands within Port jurisdiction; and

14 WHEREAS, FC Pier 70, LLC, a Delaware limited liability company (“Master
15 Developer”) and the City, acting by and through the Port, are parties to a Disposition and
16 Development Agreement (as amended from time to time, “DDA”), including a Financing Plan
17 (as amended from time to time, “Financing Plan”), that governs the disposition and
18 development of approximately 28 acres of land in the waterfront area of the City known as
19 Pier 70 (“Project Site”); and

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

23 WHEREAS, The DDA contemplates a project (“Project”) under which the Port would
24 initially lease the Project Site to the Master Developer for infrastructure development, and,
25

1 ultimately, lease and sell parcels in the Project Site to vertical developers, for development of
2 a mixed-use project described in the DDA; and

3 WHEREAS, The City anticipates that, in addition to the public infrastructure and private
4 development described above, future improvements will be necessary to ensure that the
5 shoreline, public facilities, and public access improvements will be protected should sea level
6 rise in the vicinity of the Project Site, and the Board of Supervisors desires to provide a
7 mechanism to pay for the costs of such improvements; and

8 WHEREAS, At its hearing on August 24, 2017, and prior to recommending proposed
9 Planning Code amendments for approval, by Motion No. 19976, the Planning Commission
10 certified a Final Environmental Impact Report (“FEIR”) for the Project (Case No. 2014-
11 001272ENV) pursuant to the California Environmental Quality Act (CEQA) (California Public
12 Resources Code Section 21000 et seq.), the CEQA Guidelines (14 Cal. Code Reg. Section
13 15000 et seq.), and Chapter 31 of the Administrative Code. A copy of said Motion is on file
14 with the Clerk of the Board of Supervisors (“Board of Supervisors”) in File No. 170930, and is
15 incorporated herein by reference; and

16 WHEREAS, In recommending the proposed Planning Code amendments for approval
17 by this Board of Supervisors at its hearing on August 24, 2017, by Motion No. 19977, the
18 Planning Commission also adopted findings under CEQA, including a statement of overriding
19 consideration, and a Mitigation Monitoring and Reporting Program (“MMRP”). A copy of said
20 Motion and MMRP are on file with the Clerk of the Board of Supervisors in File No. 170930,
21 and is incorporated herein by reference; and

22 WHEREAS, Under Chapter 43, Article X of the San Francisco Administrative Code (as
23 it may be amended from time to time, “Code”), which Code incorporates by reference the
24 Mello-Roos Community Facilities Act of 1982, as amended (“Mello-Roos Act”), this Board of
25

1 Supervisors is authorized to establish a special tax district and to act as the legislative body
2 for a special tax district; and

3 WHEREAS, This Board of Supervisors now desires to proceed with the establishment
4 of a special tax district in order to finance the costs of public infrastructure and other
5 authorized facilities and certain public services necessary or incident to development of the
6 Project Site, including, without limitation, future improvements necessitated by sea level rise;
7 and

8 WHEREAS, The Financing Plan provides for the possibility of annexation of certain
9 parcels into the proposed special tax district, and this Board of Supervisors further desires to
10 undertake proceedings to provide for future annexation of territory to the proposed special tax
11 district; now, therefore, be it

12 RESOLVED, That this Board of Supervisors proposes to conduct proceedings to
13 establish a special tax district pursuant to the Code and hereby determines that public
14 convenience and necessity require that a future annexation area be established; and, be it

15 FURTHER RESOLVED, That the name proposed for the special tax district is “City and
16 County of San Francisco Special Tax District No. 2020-2 (Pier 70 Leased Properties)”
17 (“Special Tax District”); and, be it

18 FURTHER RESOLVED, That the name proposed for the territory proposed to be
19 annexed into the Special Tax District in the future is “City and County of San Francisco
20 Community Facilities District No. 2020-2 (Pier 70 Leased Properties) (Future Annexation
21 Area)” (“Future Annexation Area”); and, be it

22 FURTHER RESOLVED, That the proposed boundaries of the Special Tax District and
23 the Future Annexation Area are as shown on the map of them on file with the Clerk of the
24 Board of Supervisors, which boundaries are hereby preliminarily approved and to which map
25 reference is hereby made for further particulars, and the Clerk of the Board of Supervisors is

1 hereby directed to record, or cause to be recorded, the map of the boundaries of the Special
2 Tax District and the Future Annexation Area in the office of the Assessor-Recorder for the City
3 and County of San Francisco within 15 days of the date of adoption of this Resolution; and, be
4 it

5 FURTHER RESOLVED, That, from time to time, parcels within the Future Annexation
6 Area shall be annexed to the Special Tax District only with the unanimous approval (each, a
7 “Unanimous Approval”) of the owner or owners of each parcel or parcels at the time that such
8 parcel(s) are annexed; pursuant to Section 43.10.14 of the Code, a Unanimous Approval
9 executed by the owner of a parcel constitutes the vote of the qualified elector in favor of the
10 matters addressed in the Unanimous Approval for purposes of the California Constitution,
11 including, but not limited to, Articles XIII A and XIII C; and, be it

12 FURTHER RESOLVED, That the Board of Supervisors hereby determines that any
13 property for which the owner or owners execute a Unanimous Approval in accordance with
14 applicable law shall be added to the Special Tax District without any further hearings or
15 proceedings and the Clerk of the Board of Supervisors is hereby directed to record an
16 amendment to the notice of special tax lien for the Special Tax District pursuant to Streets &
17 Highways Code Section 3117.5 as a result of which the obligation to pay the Special Tax shall
18 become a lien upon the annexed property; provided, however, the designation of property as
19 Future Annexation Area and the ability to annex property to the Special Tax District based on
20 a Unanimous Approval shall not limit, in any way, the annexation of property in the Future
21 Annexation Area to the Special Tax District pursuant to other provisions of applicable law;
22 and, be it

23 FURTHER RESOLVED, That the Director of the Controller’s Office of Public Finance
24 (“Director”) is hereby directed, from time to time in her discretion, to cause to be recorded one
25 or more consolidated maps of the Special Tax District reflecting all prior modifications,

1 amendments, and annexations pursuant to Section 3113.5 of the Streets & Highways Code;
2 and, be it

3 FURTHER RESOLVED, That the type of public facilities proposed to be financed by
4 the Special Tax District and the Future Annexation Area shall consist of those listed as
5 facilities on Exhibit A hereto and hereby incorporated herein (“Facilities”), subject to
6 compliance with the Code, and this Board of Supervisors hereby determines that the Facilities
7 are necessary to meet increased demands placed upon local agencies as the result of
8 development occurring within the Special Tax District and the Future Annexation Area and
9 that the financing of such Facilities constitutes a public purpose of the City; and, be it

10 FURTHER RESOLVED, That in order to advance the public purposes of the City, the
11 Special Taxes and proceeds of bonds and other debt issued by the Special Tax District may
12 be used to finance the incidental expenses described in Exhibit A hereto and hereby
13 incorporated herein (“incidental expenses”); and, be it

14 FURTHER RESOLVED, That this Board of Supervisors hereby finds and determines
15 that the public interest will not be served by allowing the property owners in the Special Tax
16 District to enter into a contract in accordance with Mello-Roos Act Section 53329.5(a), and
17 notwithstanding the foregoing, this Board of Supervisors, on behalf of the Special Tax District,
18 may enter into one or more contracts directly with any of the owners or lessees of property in
19 the Special Tax District with respect to the construction and/or acquisition of any portion of the
20 Facilities; and, be it

21 FURTHER RESOLVED, That the Director is hereby authorized and directed to enter
22 into joint community facilities agreements with any entity that will own or operate any of the
23 Facilities, as may be necessary to comply with the provisions of the Code, and this Board of
24 Supervisors’ approval of a joint community facilities agreement shall be conclusively
25 evidenced by the execution and delivery thereof by the Director, and this Board of Supervisors

1 hereby declares that such joint agreements will be beneficial to owners and lessees of
2 property in the area of the Special Tax District; and, be it

3 FURTHER RESOLVED, That the type of services proposed to be financed by the
4 Special Tax District and the Future Annexation Area shall consist of those listed in Exhibit A
5 hereto and hereby incorporated herein (“Services”), subject to compliance with the Code, and
6 this Board of Supervisors hereby determines that the Services are necessary to meet
7 increased demands for such services placed upon local agencies as the result of
8 development occurring within the area of the Special Tax District and the Future Annexation
9 Area and that the financing of such Services constitutes a public purpose of the City; and, be
10 it

11 FURTHER RESOLVED, That except to the extent that funds are otherwise available,
12 the City will levy a special tax (“Special Tax”) to pay for the costs of the Facilities, to pay for
13 the Services, to pay for the incidental expenses and to pay the principal and interest on bonds
14 and other debt (as defined in the Mello-Roos Act) of the City issued for the Special Tax
15 District to finance the Facilities; and, be it

16 FURTHER RESOLVED, That the Special Tax will be secured by recordation of a
17 continuing lien against all non-exempt real property in the Special Tax District, and will be
18 levied annually within the Special Tax District, and collected in the same manner as ordinary
19 ad valorem property taxes, or in such other manner as this Board of Supervisors or its
20 designee shall determine, including direct billing of the affected owners or lessees of property
21 in the Special Tax Districts; and, be it

22 FURTHER RESOLVED, That the Board of Supervisors expects the non-exempt real
23 property to consist of leasehold or possessory interests in land owned by the City or the Port
24 Commission, and hereby approves the levy of Special Taxes on such leasehold or
25 possessory interests on the secured roll; the Board of Supervisors does not currently expect

1 to levy Special Taxes on the fee simple interests in the property in the Special Tax District, but
2 will do so in the circumstances set forth in the Rate and Method; and, be it

3 FURTHER RESOLVED, That the proposed rate and method of apportionment of the
4 Special Tax among the parcels of real property within the Special Tax District, in sufficient
5 detail to allow each owner or lessee of property within the Special Tax District to estimate the
6 maximum amount such owner or lessee will have to pay, is described in Exhibit B attached
7 hereto and hereby incorporated herein (“Rate and Method”); and, be it

8 FURTHER RESOLVED, That the Special Tax to be levied in the Special Tax District
9 shall not be levied in the Special Tax District to finance Facilities after the fiscal year
10 established for that purpose in the Rate and Method, except that a Special Tax that was
11 lawfully levied in or before the final tax year and that remains delinquent may be collected in
12 subsequent years. Under no circumstances shall the Special Tax levied against any parcel in
13 the Special Tax District to finance Facilities (“Facilities Special Tax”) in any fiscal year be
14 increased in that fiscal year as a consequence of delinquency or default by the owner or
15 lessee of any other parcel or parcels within the Special Tax District by an amount that
16 exceeds 10 percent of the maximum Facilities Special Tax applicable to such parcel for that
17 fiscal year; and, be it

18 FURTHER RESOLVED, That this Board of Supervisors hereby finds that the provisions
19 of Mello-Roos Act Sections 53313.6, 53313.7 and 53313.9 (relating to adjustments to *ad*
20 *valorem* property taxes and schools financed by a community facilities district) are
21 inapplicable to the proposed Special Tax District; and, be it

22 FURTHER RESOLVED, That as required by Mello-Roos Act Section 53339.3(d), this
23 Board of Supervisors hereby determines that the Special Tax proposed to pay for the costs of
24 the Facilities to be supplied within the Future Annexation Area that are financed with bonds
25 that have already been issued and that are secured by previously-existing areas of the

1 Special Tax District will be equal to the Special Taxes levied to pay for the same Facilities in
2 previously-existing areas of the Special Tax District, except that (i) a higher Special Tax may
3 be levied within the Future Annexation Area to pay for the same Facilities to compensate for
4 the interest and principal previously paid from Special Taxes in the original area of the Special
5 Tax District, less any depreciation allocable to the financed Facilities and (ii) a higher Special
6 Tax may be levied in the Future Annexation Area to pay for new or additional Facilities, with or
7 without bond financing; and, be it

8 FURTHER RESOLVED, That as required by the Mello-Roos Act, this Board of
9 Supervisors hereby further determines that the Special Tax proposed to pay for Services to be
10 supplied within the Future Annexation Area shall be equal to any Special Tax levied to pay for
11 the same Services in the existing Special Tax District, except that a higher or lower tax may
12 be levied within the Future Annexation Area to the extent that the actual cost of providing the
13 Services in the Future Annexation Area is higher or lower than the cost of providing those
14 Services in the existing Special Tax District. In so finding, this Board of Supervisors does not
15 intend to limit its ability to levy a Special Tax within the Future Annexation Area to provide new
16 or additional services beyond those supplied within the existing Special Tax District or its
17 ability to implement changes to the extent permitted by law; and, be it

18 FURTHER RESOLVED, That as of the date hereof, there are no Leasehold Interests in
19 Assessor's Parcels (as those terms are defined in the Rate and Method) within the proposed
20 boundaries of the Special Tax District that are intended to be exempt from the levy of Special
21 Taxes. The Board of Supervisors intends for Leasehold Interests in Taxable Parcels within the
22 proposed boundaries of the Special Tax District that are purchased by a public entity,
23 including the United States, the State of California and/or the City, or any departments or
24 political subdivisions thereof ("public entity"), after formation of the Special Tax District to be
25 subject to the Special Tax, and, if a public entity purchases a Leasehold Interest in a Taxable

1 Parcel after formation of the Special Tax District, the obligation to pay Special Taxes on such
2 Leasehold Interest shall be governed by Section 53317.3 and 53317.5 of the Mello-Roos Act;
3 and, be it

4 FURTHER RESOLVED, That in the event that a portion of the property within the
5 Special Tax District shall become for any reason exempt, wholly or in part, from the levy of the
6 Special Tax, this Board of Supervisors will, on behalf of the Special Tax District, increase the
7 levy to the extent necessary upon the remaining property within the Special Tax District which
8 is not exempt in order to yield the required debt service payments and other annual expenses
9 of the Special Tax District, if any, subject to the provisions of the Rate and Method; and, be it

10 FURTHER RESOLVED, That the levy of the Special Tax in the Special Tax District
11 shall be subject to the approval of the qualified electors of the Special Tax District at a special
12 election, and the proposed voting procedure shall be by mailed or hand-delivered ballot
13 among the landowners in the Special Tax District, with each landowner having one vote for
14 each acre or portion of an acre such landowner owns in the Special Tax District not exempt
15 from the Special Tax; and, be it

16 FURTHER RESOLVED, That the City is a landowner under Mello-Roos Act Section
17 53317(f)(1) because the land in the Special Tax District owned by the City is subject to the
18 levy of the Special Tax pursuant to Section 53340.1 of the Mello-Roos Act; and, be it

19 FURTHER RESOLVED, That a special tax shall be levied in the Future Annexation
20 Area only with the Unanimous Approval of the owner or owners of each parcel or parcels at
21 the time that parcel or those parcels are annexed into the Special Tax District and in
22 accordance with the procedure established by applicable law; and, be it

23 FURTHER RESOLVED, That it is the intention of this Board of Supervisors, acting as
24 the legislative body of the Special Tax District, to cause bonds of the City and other debt (as
25 defined in the Mello-Roos Act) to be issued for the Special Tax District pursuant to the Code

1 to finance in whole or in part the construction and/or acquisition of the Facilities and the
2 incidental expenses; and, be it

3 FURTHER RESOLVED, That such debt may include an agreement by the Special Tax
4 District (or the City on behalf of the Special Tax District) to repay the City, acting by and
5 through the Port Commission, for one or more advances of land proceeds and other sources
6 of Port funding to pay the costs of the Facilities and incidental expenses (“Advances”), which
7 repayment obligation (“Repayment Obligation”) may be evidenced by a promissory note
8 ratified or executed by the Special Tax District in favor of the Port Commission; and, be it

9 FURTHER RESOLVED, That the bonds and other debt shall be in the aggregate
10 principal amount of not to exceed \$2,460,100,000 (“Limit”), shall be issued in such series and
11 bear interest payable semi-annually or in such other manner as this Board of Supervisors
12 shall determine, at a rate not to exceed the maximum rate of interest as may be authorized by
13 applicable law at the time of sale of each series of bonds and other debt, and shall mature not
14 later than 40 years from the date of the issuance thereof; and, be it

15 FURTHER RESOLVED, That because the City expects to repay the Repayment
16 Obligation with, among other sources, Special Taxes and proceeds of bonded indebtedness
17 and other debt incurred by or on behalf of the Special Tax District, the Board of Supervisors
18 hereby determines that (i) the Repayment Obligation shall be included in the calculation of the
19 Limit and (ii) any such bonded indebtedness or other debt (as defined in the Mello-Roos Act)
20 incurred by or on behalf of the Special Tax District to repay the Repayment Obligation (and
21 the related costs of issuance and costs of funding a debt service reserve fund) shall not be
22 included in the calculation of the Limit; and, be it

23 FURTHER RESOLVED, That the Director, as the officer having charge and control of
24 the Facilities and the Services in and for the Special Tax District and the Future Annexation
25 Area, is hereby directed to study said proposed Facilities and Services and to make, or cause

1 to be made, and file with the Clerk of the Board of Supervisors a report in writing (“Special Tax
2 District Report”) presenting the following:

3
4 (a) A description of the Facilities and the Services by type which will be
5 required to adequately meet the needs of the Special Tax District and the Future
6 Annexation Area.

7 (b) An estimate of the fair and reasonable cost of the Facilities including the
8 cost of acquisition of lands, rights-of-way and easements, any physical facilities
9 required in conjunction therewith and incidental expenses in connection therewith,
10 including the costs of the proposed bond financing and other debt and all other related
11 costs as provided in Mello-Roos Act Section 53345.3.

12 (c) An estimate of the fair and reasonable cost of the Services and incidental
13 expenses in connection therewith, and all other related costs.

14 The Special Tax District Report shall be made a part of the record of the public hearing
15 specified below; and, be it

16 FURTHER RESOLVED, January 14, 2020 at _:00 p.m. or as soon as possible
17 thereafter, and the Board of Supervisors Chambers, 1 Dr. Carlton B. Goodlett Place, San
18 Francisco, California, are hereby fixed as the time and place when and where this Board of
19 Supervisors, as the legislative body for the Special Tax District, will conduct a public hearing
20 on the establishment of the Special Tax District and the Future Annexation Area, and consider
21 and finally determine whether the public interest, convenience and necessity require the
22 formation of the Special Tax District and the Future Annexation Area and the levy of the
23 Special Tax and, be it

24 FURTHER RESOLVED, That the Clerk of the Board of Supervisors is hereby directed
25 to cause notice of the public hearing to be given by publication one time in a newspaper
published in the area of the Special Tax District and the Future Annexation Area. The
publication shall be completed at least seven days before the date of the public hearing

1 specified above. The notice shall be substantially in the form specified in Mello-Roos Act
2 Section 53322, with the form summarizing the provisions hereof hereby specifically approved;
3 and, be it

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

10 FURTHER RESOLVED, That Mello-Roos Act Section 53314.9 provides that, either
11 before or after formation of the Special Tax District, the City may accept advances of funds
12 and may provide, by resolution, for the use of those funds, including but not limited to pay any
13 cost incurred by the local agency in creating the Special Tax District, and may agree to
14 reimburse the advances under all of the following conditions: (A) the proposal to repay the
15 advances is included both in the resolution of intention and the resolution of formation to
16 establish the Special Tax District; and (B) any proposed special tax is approved by the
17 qualified electors of the Special Tax District and, if the qualified electors of the Special Tax
18 District do not approve the proposed special tax, the City shall return any funds which have
19 not been committed for any authorized purpose by the time of the election and, in furtherance
20 of Mello-Roos Act Section 53314.9, the Board of Supervisors hereby declares its intent to
21 enter into an agreement providing for the advance and reimbursement of funds between the
22 Port and the Master Developer; and, be it

23 FURTHER RESOLVED, That Mello-Roos Act Section 53314.9 provides that, either
24 before or after formation of the Special Tax District, the City may accept work in-kind from any
25 source, including, but not limited to, private persons or private entities, may provide, by

1 resolution, for the use of that work in-kind for any authorized purpose and this Board of
2 Supervisors may enter into an agreement, by resolution, with the person or entity advancing
3 the work in-kind, to reimburse the person or entity for the value, or cost, whichever is less, of
4 the work in-kind, as determined by this Board of Supervisors, with or without interest, under
5 the conditions specified in the Mello-Roos Act. Any work in-kind must be performed or
6 constructed as if the work had been performed or constructed under the direction and
7 supervision, or under the authority of, the City and, in furtherance of Mello-Roos Act Section
8 53314.9, the Board of Supervisors hereby declares its intent to authorize the Port to enter into
9 an acquisition and reimbursement agreement with the Master Developer and other entities
10 responsible for developing the Project; and, be it

11 FURTHER RESOLVED, That this Board of Supervisors reserves to itself the right and
12 authority set forth in Mello-Roos Act Section 53344.1, subject to any limitations set forth in any
13 bond resolution or trust indenture related to the issuance of bonds; and, be it

14 FURTHER RESOLVED, That this Board of Supervisors hereby waives any provisions
15 of the Amended and Restated Local Goals and Policies for Community Facilities Districts and
16 Special Tax Districts (“Goals and Policies”) adopted by this Board of Supervisors by
17 Resolution No. 414-13 to the extent the Goals and Policies are inconsistent with the
18 provisions hereof or the DDA; and, be it

19 FURTHER RESOLVED, That the Board of Supervisors hereby approves and ratifies
20 the appointment of the Port as the CFD Agent (as defined in the DDA) for the Special Tax
21 District and approves and ratifies all actions taken prior to the date hereof by the Port in its
22 capacity as CFD Agent, including, but not limited to, execution of one or more promissory
23 notes to evidence the Repayment Obligation and execution of one more pledge agreements
24 with an infrastructure financing district to receive property tax revenues to repay the
25 Repayment Obligation; and, be it

1 FURTHER RESOLVED, That in accordance with the actions contemplated herein, this
2 Board of Supervisors has reviewed the FEIR, concurs with its conclusions, affirms the
3 Planning Commission’s certification of the FEIR, and finds that the actions contemplated
4 herein are within the scope of the Project described and analyzed in the FEIR; and, be it

5 FURTHER RESOLVED, That this Board of Supervisors hereby adopts and
6 incorporates by reference as though fully set forth herein the Planning Commission’s CEQA
7 approval findings in the MMRP, including the statement of overriding considerations, and
8 adopts and incorporates by reference as though fully set forth herein the Project’s MMRP;
9 and, be it

10 FURTHER RESOLVED, That this Resolution shall in no way obligate this Board of
11 Supervisors of the City to form the Special Tax District and the Future Annexation Area. The
12 formation of the Special Tax District and the Future Annexation Area shall be subject to the
13 approval of this Board of Supervisors by resolution following the holding of the public hearing
14 referred to above; and, be it

15 FURTHER RESOLVED, That if any section, subsection, sentence, clause, phrase, or
16 word of this resolution, or any application thereof to any person or circumstance, is held to be
17 invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision
18 shall not affect the validity of the remaining portions or applications of this resolution, this
19 Board of Supervisors hereby declaring that it would have passed this resolution and each and
20 every section, subsection, sentence, clause, phrase, and word not declared invalid or
21 unconstitutional without regard to whether any other portion of this resolution or application
22 thereof would be subsequently declared invalid or unconstitutional; and, be it

23 FURTHER RESOLVED, That the Mayor, the Controller, the Director, the Clerk of the
24 Board of Supervisors and any and all other officers of the City are hereby authorized, for and
25 in the name of and on behalf of the City, to do any and all things and take any and all actions,

1 including execution and delivery of any and all documents, assignments, certificates,
2 requisitions, agreements, notices, consents, instruments of conveyance, warrants and
3 documents, which they, or any of them, may deem necessary or advisable in order to
4 effectuate the purposes of this Resolution; provided however that any such actions be solely
5 intended to further the purposes of this Resolution, and are subject in all respects to the terms
6 of the 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 this Board of Supervisors; and, be it

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

11

12 APPROVED AS TO FORM:
13 DENNIS J. HERRERA, City Attorney

14

15 By: _____
16 Mark D. Blake
17 Deputy City Attorney

18

19

20

21

22

23

24

25

EXHIBIT A

CITY AND COUNTY OF SAN FRANCISCO
Community Facilities District No. 2020-2
(Pier 70 Leased Properties)

DESCRIPTION OF FACILITIES, SERVICES AND OTHER COSTS TO BE
FINANCED BY THE SPECIAL TAX DISTRICT

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

EXHIBIT B

CITY AND COUNTY OF SAN FRANCISCO
Community Facilities District No. 2020-2
(Pier 70 Leased Properties)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

1 **8-20-19 Jones Hall Draft**

2 [Resolution of Intention to Establish City and County of San Francisco Special Tax District No.
3 2020-1 (Pier 70 Condominiums)]

4 **Resolution of Intention to establish City and County of San Francisco Special Tax**
5 **District No. 2020-1 (Pier 70 Condominiums) and a Future Annexation Area, determining**
6 **other matters in connection therewith and making findings under the California**
7 **Environmental Quality Act.**

8

9

10 WHEREAS, California Statutes of 1968, Chapter 1333 (“Burton Act”) and San
11 Francisco Charter Section 4.114 and Appendix B, beginning at Section B3.581, empower the
12 City and County of San Francisco (“City”), acting through the San Francisco Port Commission
13 (“Port” or “Port Commission”), with the power and duty to use, conduct, operate, maintain,
14 manage, regulate, and control the lands within Port jurisdiction; and

15 WHEREAS, FC Pier 70, LLC, a Delaware limited liability company (“Master
16 Developer”) and the City, acting by and through the Port, are parties to a Disposition and
17 Development Agreement (as amended from time to time, “DDA”), including a Financing Plan
18 (as amended from time to time, “Financing Plan”), that governs the disposition and
19 development of approximately 28 acres of land in the waterfront area of the City known as
20 Pier 70 (“Project Site”); and

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

24 WHEREAS, The DDA contemplates a project (“Project”) under which the Port would
25 initially lease the Project Site to the Master Developer for infrastructure development, and,

1 ultimately, lease and sell parcels in the Project Site to vertical developers, for development of
2 a mixed-use project described in the DDA; and

3 WHEREAS, The City anticipates that, in addition to the public infrastructure and private
4 development described above, future improvements will be necessary to ensure that the
5 shoreline, public facilities, and public access improvements will be protected should sea level
6 rise in the vicinity of the Project Site, and the Board of Supervisors desires to provide a
7 mechanism to pay for the costs of such improvements; and

8 WHEREAS, At its hearing on August 24, 2017, and prior to recommending proposed
9 Planning Code amendments for approval, by Motion No. 19976, the Planning Commission
10 certified a Final Environmental Impact Report (“FEIR”) for the Project (Case No. 2014-
11 001272ENV) pursuant to the California Environmental Quality Act (CEQA) (California Public
12 Resources Code Section 21000 et seq.), the CEQA Guidelines (14 Cal. Code Reg. Section
13 15000 et seq.), and Chapter 31 of the Administrative Code. A copy of said Motion is on file
14 with the Clerk of the Board of Supervisors (“Board of Supervisors”) in File No. 170930, and is
15 incorporated herein by reference; and

16 WHEREAS, In recommending the proposed Planning Code amendments for approval
17 by this Board of Supervisors at its hearing on August 24, 2017, by Motion No. 19977, the
18 Planning Commission also adopted findings under CEQA, including a statement of overriding
19 consideration, and a Mitigation Monitoring and Reporting Program (“MMRP”). A copy of said
20 Motion and MMRP are on file with the Clerk of the Board of Supervisors in File No. 170930,
21 and is incorporated herein by reference; and

22 WHEREAS, Under Chapter 43, Article X of the San Francisco Administrative Code (as
23 it may be amended from time to time, “Code”), which Code incorporates by reference the
24 Mello-Roos Community Facilities Act of 1982, as amended (“Mello-Roos Act”), this Board of
25

1 Supervisors is authorized to establish a special tax district and to act as the legislative body
2 for a special tax district; and

3 WHEREAS, This Board of Supervisors now desires to proceed with the establishment
4 of a special tax district in order to finance the costs of public infrastructure and other
5 authorized facilities and certain public services necessary or incident to development of the
6 Project Site, including, without limitation, future improvements necessitated by sea level rise;
7 and

8 WHEREAS, The Financing Plan provides for the possibility of annexation of certain
9 parcels into the proposed special tax district, and this Board of Supervisors further desires to
10 undertake proceedings to provide for future annexation of territory to the proposed special tax
11 district; now, therefore, be it

12 RESOLVED, That this Board of Supervisors proposes to conduct proceedings to
13 establish a special tax district pursuant to the Code and hereby determines that public
14 convenience and necessity require that a future annexation area be established; and, be it

15 FURTHER RESOLVED, That the name proposed for the special tax district is “City and
16 County of San Francisco Special Tax District No. 2020-1 (Pier 70 Condominiums)” (“Special
17 Tax District”); and, be it

18 FURTHER RESOLVED, That the name proposed for the territory proposed to be
19 annexed into the Special Tax District in the future is “City and County of San Francisco
20 Community Facilities District No. 2020-1 (Pier 70 Condominiums) (Future Annexation Area)”
21 (“Future Annexation Area”); and, be it

22 FURTHER RESOLVED, That the proposed boundaries of the Special Tax District and
23 the Future Annexation Area are as shown on the map of them on file with the Clerk of the
24 Board of Supervisors, which boundaries are hereby preliminarily approved and to which map
25 reference is hereby made for further particulars, and the Clerk of the Board of Supervisors is

1 hereby directed to record, or cause to be recorded, the map of the boundaries of the Special
2 Tax District and the Future Annexation Area in the office of the Assessor-Recorder for the City
3 and County of San Francisco within 15 days of the date of adoption of this Resolution; and, be
4 it

5 FURTHER RESOLVED, That, from time to time, parcels within the Future Annexation
6 Area shall be annexed to the Special Tax District only with the unanimous approval (each, a
7 “Unanimous Approval”) of the owner or owners of each parcel or parcels at the time that such
8 parcel(s) are annexed; pursuant to Section 43.10.14 of the Code, a Unanimous Approval
9 executed by the owner of a parcel constitutes the vote of the qualified elector in favor of the
10 matters addressed in the Unanimous Approval for purposes of the California Constitution,
11 including, but not limited to, Articles XIII A and XIII C; and, be it

12 FURTHER RESOLVED, That the Board of Supervisors hereby determines that any
13 property for which the owner or owners execute a Unanimous Approval in accordance with
14 applicable law shall be added to the Special Tax District without any further hearings or
15 proceedings and the Clerk of the Board of Supervisors is hereby directed to record an
16 amendment to the notice of special tax lien for the Special Tax District pursuant to Streets &
17 Highways Code Section 3117.5 as a result of which the obligation to pay the Special Tax shall
18 become a lien upon the annexed property; provided, however, the designation of property as
19 Future Annexation Area and the ability to annex property to the Special Tax District based on
20 a Unanimous Approval shall not limit, in any way, the annexation of property in the Future
21 Annexation Area to the Special Tax District pursuant to other provisions of applicable law;
22 and, be it

23 FURTHER RESOLVED, That the Director of the Controller’s Office of Public Finance
24 (“Director”) is hereby directed, from time to time in her discretion, to cause to be recorded one
25 or more consolidated maps of the Special Tax District reflecting all prior modifications,

1 amendments, and annexations pursuant to Section 3113.5 of the Streets & Highways Code;
2 and, be it

3 FURTHER RESOLVED, That the type of public facilities proposed to be financed by
4 the Special Tax District and the Future Annexation Area shall consist of those listed as
5 facilities on Exhibit A hereto and hereby incorporated herein (“Facilities”), subject to
6 compliance with the Code, and this Board of Supervisors hereby determines that the Facilities
7 are necessary to meet increased demands placed upon local agencies as the result of
8 development occurring within the Special Tax District and the Future Annexation Area and
9 that the financing of such Facilities constitutes a public purpose of the City; and, be it

10 FURTHER RESOLVED, That in order to advance the public purposes of the City, the
11 Special Taxes and proceeds of bonds and other debt issued by the Special Tax District may
12 be used to finance the incidental expenses described in Exhibit A hereto and hereby
13 incorporated herein (“incidental expenses”); and, be it

14 FURTHER RESOLVED, That this Board of Supervisors hereby finds and determines
15 that the public interest will not be served by allowing the property owners in the Special Tax
16 District to enter into a contract in accordance with Mello-Roos Act Section 53329.5(a), and
17 notwithstanding the foregoing, this Board of Supervisors, on behalf of the Special Tax District,
18 may enter into one or more contracts directly with any of the owners or lessees of property in
19 the Special Tax District with respect to the construction and/or acquisition of any portion of the
20 Facilities; and, be it

21 FURTHER RESOLVED, That the Director is hereby authorized and directed to enter
22 into joint community facilities agreements with any entity that will own or operate any of the
23 Facilities, as may be necessary to comply with the provisions of the Code, and this Board of
24 Supervisors’ approval of a joint community facilities agreement shall be conclusively
25 evidenced by the execution and delivery thereof by the Director, and this Board of Supervisors

1 hereby declares that such joint agreements will be beneficial to owners and lessees of
2 property in the area of the Special Tax District; and, be it

3 FURTHER RESOLVED, That the type of services proposed to be financed by the
4 Special Tax District and the Future Annexation Area shall consist of those listed in Exhibit A
5 hereto and hereby incorporated herein (“Services”), subject to compliance with the Code. This
6 Board of Supervisors hereby determines that the Services are necessary to meet increased
7 demands for such services placed upon local agencies as the result of development occurring
8 within the area of the Special Tax District and the Future Annexation Area and that the
9 financing of such Services constitutes a public purpose of the City; and, be it

10 FURTHER RESOLVED, That except to the extent that funds are otherwise available,
11 the City will levy a special tax (“Special Tax”) to pay directly for the Facilities, to pay for the
12 Services, to pay for the incidental expenses and to pay the principal and interest on bonds
13 and other debt (as defined in the Mello-Roos Act) of the City issued for the Special Tax
14 District to finance the Facilities; and, be it

15 FURTHER RESOLVED, That the Special Tax will be secured by recordation of a
16 continuing lien against all non-exempt real property in the Special Tax District, and will be
17 levied annually within the Special Tax District, and collected in the same manner as ordinary
18 ad valorem property taxes, or in such other manner as this Board of Supervisors or its
19 designee shall determine, including direct billing of the affected owners or lessees of property
20 in the Special Tax Districts; and, be it

21 FURTHER RESOLVED, That the Board of Supervisors expects the non-exempt real
22 property to include leasehold or possessory interests in land owned by the City or the Port
23 Commission, and hereby approves the levy of Special Taxes on such leasehold or
24 possessory interests on the secured roll; and, be it

25

1 FURTHER RESOLVED, That the proposed rate and method of apportionment of the
2 Special Tax among the parcels of real property within the Special Tax District, in sufficient
3 detail to allow each owner or lessee of property within the Special Tax District to estimate the
4 maximum amount such owner or lessee will have to pay, is described in Exhibit B attached
5 hereto and hereby incorporated herein (“Rate and Method”); and, be it

6 FURTHER RESOLVED, That the Special Tax to be levied in the Special Tax District
7 shall not be levied in the Special Tax District to finance Facilities after the fiscal year
8 established for that purpose in the Rate and Method, except that a Special Tax that was
9 lawfully levied in or before the final tax year and that remains delinquent may be collected in
10 subsequent years. Under no circumstances shall the Special Tax levied against any parcel in
11 the Special Tax District to finance Facilities (“Facilities Special Tax”) in any fiscal year be
12 increased in that fiscal year as a consequence of delinquency or default by the owner or
13 lessee of any other parcel or parcels within the Special Tax District by an amount that
14 exceeds 10 percent of the maximum Facilities Special Tax applicable to such parcel for that
15 fiscal year; and, be it

16 FURTHER RESOLVED, That this Board of Supervisors hereby finds that the provisions
17 of Mello-Roos Act Sections 53313.6, 53313.7 and 53313.9 (relating to adjustments to *ad*
18 *valorem* property taxes and schools financed by a community facilities district) are
19 inapplicable to the proposed Special Tax District; and, be it

20 FURTHER RESOLVED, That as required by Mello-Roos Act Section 53339.3(d), this
21 Board of Supervisors hereby determines that the Special Tax proposed to pay for the
22 Facilities to be supplied within the Future Annexation Area that are financed with bonds that
23 have already been issued and that are secured by previously-existing areas of the Special
24 Tax District will be equal to the Special Taxes levied to pay for the same Facilities in
25 previously-existing areas of the Special Tax District, except that (i) a higher Special Tax may

1 be levied within the Future Annexation Area to pay for the same Facilities to compensate for
2 the interest and principal previously paid from Special Taxes in the original area of the Special
3 Tax District, less any depreciation allocable to the financed Facilities and (ii) a higher Special
4 Tax may be levied in the Future Annexation Area to pay for new or additional Facilities, with or
5 without bond financing; and, be it

6 FURTHER RESOLVED, That as required by the Mello-Roos Act, this Board of
7 Supervisors hereby further determines that the Special Tax proposed to pay for Services to be
8 supplied within the Future Annexation Area shall be equal to any Special Tax levied to pay for
9 the same Services in the existing Special Tax District, except that a higher or lower tax may
10 be levied within the Future Annexation Area to the extent that the actual cost of providing the
11 Services in the Future Annexation Area is higher or lower than the cost of providing those
12 Services in the existing Special Tax District. In so finding, this Board of Supervisors does not
13 intend to limit its ability to levy a Special Tax within the Future Annexation Area to provide new
14 or additional services beyond those supplied within the existing Special Tax District or its
15 ability to implement changes to the extent permitted by law; and, be it

16 FURTHER RESOLVED, That as of the date hereof, there are no Assessor's Parcels
17 (as defined in the Rate and Method) within the proposed boundaries of the Special Tax
18 District that are owned by a public entity, including the United States, the State of California
19 and/or the City, or any departments or political subdivisions thereof ("public entity"), that are
20 intended to be exempt from the levy of Special Taxes except the Tax-Exempt Port Parcels (as
21 defined in the Rate and Method). The Board of Supervisors intends for Assessor's Parcels
22 within the proposed boundaries of the Special Tax District (other than the Tax-Exempt Port
23 Parcels) that are purchased by a public entity after formation of the Special Tax District to be
24 Taxable Parcels (as defined in the Rate and Method), and, if a public entity purchases a
25 Taxable Parcel in the Special Tax District after formation of the Special Tax District, the

1 obligation to pay Special Taxes on such Taxable Parcel shall be governed by Section 53317.3
2 and 53317.5 of the Mello-Roos Act; and, be it

3 FURTHER RESOLVED, That in the event that a portion of the property within the
4 Special Tax District shall become for any reason exempt, wholly or in part, from the levy of the
5 Special Tax, this Board of Supervisors will, on behalf of the Special Tax District, increase the
6 levy to the extent necessary upon the remaining property within the Special Tax District which
7 is not exempt in order to yield the required debt service payments and other annual expenses
8 of the Special Tax District, if any, subject to the provisions of the Rate and Method; and, be it

9 FURTHER RESOLVED, That the levy of the Special Tax in the Special Tax District
10 shall be subject to the approval of the qualified electors of the Special Tax District at a special
11 election, and the proposed voting procedure shall be by mailed or hand-delivered ballot
12 among the landowners in the Special Tax District, with each landowner having one vote for
13 each acre or portion of an acre such landowner owns in the Special Tax District not exempt
14 from the Special Tax; and, be it

15 FURTHER RESOLVED, That the City is a landowner under Mello-Roos Act Section
16 53317(f)(1) because the land in the Special Tax District owned by the City is subject to the
17 levy of the Special Tax pursuant to Section 53340.1 of the Mello-Roos Act; and, be it

18 FURTHER RESOLVED, That a special tax shall be levied in the Future Annexation
19 Area only with the Unanimous Approval of the owner or owners of each parcel or parcels at
20 the time that parcel or those parcels are annexed into the Special Tax District and in
21 accordance with the procedure established by applicable law; and, be it

22 FURTHER RESOLVED, That it is the intention of this Board of Supervisors, acting as
23 the legislative body of the Special Tax District, to cause bonds of the City and other debt (as
24 defined in the Mello-Roos Act) to be issued for the Special Tax District pursuant to the Code
25

1 to finance in whole or in part the construction and/or acquisition of the Facilities and the
2 incidental expenses; and, be it

3 FURTHER RESOLVED, That such debt may include an agreement by the Special Tax
4 District (or the City on behalf of the Special Tax District) to repay the City, acting by and
5 through the Port Commission, for one or more advances of land proceeds and other sources
6 of Port funding to pay the costs of the Facilities and incidental expenses (“Advances”), which
7 repayment obligation (“Repayment Obligation”) may be evidenced by a promissory note
8 ratified or executed by the Special Tax District in favor of the Port Commission; and

9 FURTHER RESOLVED, That the bonds and other debt shall be in the aggregate
10 principal amount of not to exceed \$2,370,600,000 (“Limit”), shall be issued in such series and
11 bear interest payable semi-annually or in such other manner as this Board of Supervisors
12 shall determine, at a rate not to exceed the maximum rate of interest as may be authorized by
13 applicable law at the time of sale of each series of bonds and other debt, and shall mature not
14 later than 40 years from the date of the issuance thereof; and, be it

15 FURTHER RESOLVED, That because the City expects to repay the Repayment
16 Obligation with, among other sources, Special Taxes and proceeds of bonded indebtedness
17 and other debt incurred by or on behalf of the Special Tax District, the Board of Supervisors
18 hereby determines that (i) the Repayment Obligation shall be included in the calculation of the
19 Limit and (ii) any such bonded indebtedness or other debt (as defined in the Mello-Roos Act)
20 incurred by or on behalf of the Special Tax District to repay the Repayment Obligation (and
21 the related costs of issuance and costs of funding a debt service reserve fund) shall not be
22 included in the calculation of the Limit; and, be it

23 FURTHER RESOLVED, That the Director, as the officer having charge and control of
24 the Facilities and the Services in and for the Special Tax District and the Future Annexation
25 Area, is hereby directed to study said proposed Facilities and Services and to make, or cause

1 to be made, and file with the Clerk of the Board of Supervisors a report in writing (“Special Tax
2 District Report”) presenting the following:

3
4 (a) A description of the Facilities and the Services by type which will be
5 required to adequately meet the needs of the Special Tax District and the Future
6 Annexation Area.

7 (b) An estimate of the fair and reasonable cost of the Facilities including the
8 cost of acquisition of lands, rights-of-way and easements, any physical facilities
9 required in conjunction therewith and incidental expenses in connection therewith,
10 including the costs of the proposed bond financing and other debt and all other related
11 costs as provided in Mello-Roos Act Section 53345.3.

12 (c) An estimate of the fair and reasonable cost of the Services and incidental
13 expenses in connection therewith, and all other related costs.

14 The Special Tax District Report shall be made a part of the record of the public hearing
15 specified below; and, be it

16 FURTHER RESOLVED, January 14, 2020, at 7:00 p.m. or as soon as possible
17 thereafter, and the Board of Supervisors Chambers, 1 Dr. Carlton B. Goodlett Place, San
18 Francisco, California, are hereby fixed as the time and place when and where this Board of
19 Supervisors, as the legislative body for the Special Tax District, will conduct a public hearing
20 on the establishment of the Special Tax District and the Future Annexation Area, and consider
21 and finally determine whether the public interest, convenience and necessity require the
22 formation of the Special Tax District and the Future Annexation Area and the levy of the
23 Special Tax and, be it

24 FURTHER RESOLVED, That the Clerk of the Board of Supervisors is hereby directed
25 to cause notice of the public hearing to be given by publication one time in a newspaper
published in the area of the Special Tax District and the Future Annexation Area. The
publication shall be completed at least seven days before the date of the public hearing

1 specified above. The notice shall be substantially in the form specified in Mello-Roos Act
2 Section 53322, with the form summarizing the provisions hereof hereby specifically approved;
3 and, be it

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

10 FURTHER RESOLVED, That Mello-Roos Act Section 53314.9 provides that, either
11 before or after formation of the Special Tax District, the City may accept advances of funds
12 and may provide, by resolution, for the use of those funds, including but not limited to pay any
13 cost incurred by the local agency in creating the Special Tax District, and may agree to
14 reimburse the advances under all of the following conditions: (A) the proposal to repay the
15 advances is included both in the resolution of intention and the resolution of formation to
16 establish the Special Tax District; and (B) any proposed special tax is approved by the
17 qualified electors of the Special Tax District and, if the qualified electors of the Special Tax
18 District do not approve the proposed special tax, the City shall return any funds which have
19 not been committed for any authorized purpose by the time of the election and, in furtherance
20 of Mello-Roos Act Section 53314.9, the Board of Supervisors hereby declares its intent to
21 enter into an agreement providing for the advance and reimbursement of funds between the
22 Port and the Master Developer; and, be it

23 FURTHER RESOLVED, That Mello-Roos Act Section 53314.9 provides that, either
24 before or after formation of the Special Tax District, the City may accept work in-kind from any
25 source, including, but not limited to, private persons or private entities, may provide, by

1 resolution, for the use of that work in-kind for any authorized purpose and this Board of
2 Supervisors may enter into an agreement, by resolution, with the person or entity advancing
3 the work in-kind, to reimburse the person or entity for the value, or cost, whichever is less, of
4 the work in-kind, as determined by this Board of Supervisors, with or without interest, under
5 the conditions specified in the Mello-Roos Act. Any work in-kind must be performed or
6 constructed as if the work had been performed or constructed under the direction and
7 supervision, or under the authority of, the City and, in furtherance of Mello-Roos Act Section
8 53314.9, the Board of Supervisors hereby declares its intent to authorize the Port to enter into
9 an acquisition and reimbursement agreement with the Master Developer and other entities
10 responsible for developing the Project; and, be it

11 FURTHER RESOLVED, That this Board of Supervisors reserves to itself the right and
12 authority set forth in Mello-Roos Act Section 53344.1, subject to any limitations set forth in any
13 bond resolution or trust indenture related to the issuance of bonds; and, be it

14 FURTHER RESOLVED, That this Board of Supervisors hereby waives any provisions
15 of the Amended and Restated Local Goals and Policies for Community Facilities Districts and
16 Special Tax Districts (“Goals and Policies”) adopted by this Board of Supervisors by
17 Resolution No. 414-13 to the extent the Goals and Policies are inconsistent with the
18 provisions hereof or the DDA; and, be it

19 FURTHER RESOLVED, That the Board of Supervisors hereby approves and ratifies
20 the appointment of the Port as the CFD Agent (as defined in the DDA) for the Special Tax
21 District and approves and ratifies all actions taken prior to the date hereof by the Port in its
22 capacity as CFD Agent, including, but not limited to, execution of one or more promissory
23 notes to evidence the Repayment Obligation and execution of one more pledge agreements
24
25

1 with an infrastructure financing district to receive property tax revenues to repay the
2 Repayment Obligation; and, be it

3 FURTHER RESOLVED, That in accordance with the actions contemplated herein, this
4 Board of Supervisors has reviewed the FEIR, concurs with its conclusions, affirms the
5 Planning Commission’s certification of the FEIR, and finds that the actions contemplated
6 herein are within the scope of the Project described and analyzed in the FEIR; and, be it
7

8 FURTHER RESOLVED, That this Board of Supervisors hereby adopts and
9 incorporates by reference as though fully set forth herein the Planning Commission’s CEQA
10 approval findings in the MMRP, including the statement of overriding considerations, and
11 adopts and incorporates by reference as though fully set forth herein the Project’s MMRP;
12 and, be it

13 FURTHER RESOLVED, That this Resolution shall in no way obligate this Board of
14 Supervisors of the City to form the Special Tax District and the Future Annexation Area. The
15 formation of the Special Tax District and the Future Annexation Area shall be subject to the
16 approval of this Board of Supervisors by resolution following the holding of the public hearing
17 referred to above; and, be it

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, this
22 Board of Supervisors hereby declaring that it would have passed this resolution and each and
23 every section, subsection, sentence, clause, phrase, and word not declared invalid or
24 unconstitutional without regard to whether any other portion of this resolution or application
25 thereof would be subsequently declared invalid or unconstitutional; and, be it

1 FURTHER RESOLVED, That the Mayor, the Controller, the Director, the Clerk of the
2 Board of Supervisors and any and all other officers of the City are hereby authorized, for and
3 in the name of and on behalf of the City, to do any and all things and take any and all actions,
4 including execution and delivery of any and all documents, assignments, certificates,
5 requisitions, agreements, notices, consents, instruments of conveyance, warrants and
6 documents, which they, or any of them, may deem necessary or advisable in order to
7 effectuate the purposes of this Resolution; provided however that any such actions be solely
8 intended to further the purposes of this Resolution, and are subject in all respects to the terms
9 of the Resolution; and, be it

10 FURTHER RESOLVED, That all actions authorized and directed by this Resolution,
11 consistent with any documents presented herein, and heretofore taken are hereby ratified,
12 approved and confirmed by this Board of Supervisors; 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

EXHIBIT A

CITY AND COUNTY OF SAN FRANCISCO
Community Facilities District No. 2020-1
(Pier 70 Condominiums)

DESCRIPTION OF FACILITIES, SERVICES AND OTHER COSTS TO BE
FINANCED BY THE SPECIAL TAX DISTRICT

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

EXHIBIT B

CITY AND COUNTY OF SAN FRANCISCO
Community Facilities District No. 2020-1
(Pier 70 Condominiums)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

1 8-20-19 Jones Hall Draft

2

3 [Resolution of Intention to Incur Bonded Indebtedness and Other Debt---Special Tax District
4 No. 2020-2 (Pier 70 Leased Properties)]

5 **Resolution of intention to incur bonded indebtedness and other debt in an aggregate**
6 **principal amount not to exceed \$2,460,100,000 for the City and County of San**
7 **Francisco Special Tax District No. 2020-2 (Pier 70 Leased Properties) and determining**
8 **other matters in connection therewith.**

9

10 WHEREAS, California Statutes of 1968, Chapter 1333 (“Burton Act”) and San
11 Francisco Charter Section 4.114 and Appendix B, beginning at Section B3.581, empower the
12 City and County of San Francisco (“City”), acting through the San Francisco Port Commission
13 (“Port Commission” or “Port”), with the power and duty to use, conduct, operate, maintain,
14 manage, regulate, and control the lands within Port jurisdiction; and

15 WHEREAS, FC Pier 70, LLC, a Delaware limited liability company (“Master
16 Developer”) and the City, acting by and through the, are parties to a Disposition and
17 Development Agreement (“DDA”), including a Financing Plan (“Financing Plan”), that governs
18 the disposition and development of approximately 28 acres of land in the waterfront area of
19 the City known as Pier 70 (“Project Site”); and

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

23 WHEREAS, The DDA contemplates a project (“Project”) under which the Port would
24 initially lease the Project Site to the Master Developer for infrastructure development, and,

25

1 ultimately, lease and sell parcels in the Project Site to vertical developers, for development of
2 a mixed-use project described in the DDA; and

3 WHEREAS, The City anticipates that, in addition to the public infrastructure and private
4 development described above, future improvements will be necessary to ensure that the
5 shoreline, public facilities, and public access improvements will be protected should sea level
6 rise in the vicinity of the Project Site, and the Board of Supervisors desires to provide a
7 mechanism to pay for the costs of such improvements; and

8 WHEREAS, Under Chapter 43, Article X of the San Francisco Administrative Code (as
9 it may be amended from time to time, "Code"), which Code incorporates by reference the
10 Mello-Roos Community Facilities Act of 1982, as amended ("Mello-Roos Act"), this Board of
11 Supervisors has this date adopted its "Resolution of Intention to establish City and County of
12 San Francisco Special Tax District No. 2020-2 (Pier 70 Leased Properties) and a Future
13 Annexation Area, determining other matters in connection therewith and making findings
14 under the California Environmental Quality Act" ("Resolution of Intention to Establish"), stating
15 its intention to form (i) "City and County of San Francisco Special Tax District No. 2020-2 (Pier
16 70 Leased Properties)" ("Special Tax District") and (ii) a future annexation area for the Special
17 Tax District ("Future Annexation Area") for the purpose of financing the costs of certain public
18 improvements ("Facilities"), public services and incidental expenses, as further provided in the
19 Resolution of Intention to Establish; and

20 WHEREAS, In the Resolution of Intention to Establish, this Board of Supervisors made
21 certain findings under the California Environmental Quality Act ("CEQA") about the Final
22 Environmental Impact Report ("FEIR") for the disposition and development of the Project Site,
23 and those findings are incorporated in this Resolution as if set forth in their entirety herein;
24 and

1 WHEREAS, This Board of Supervisors estimates the amount required for the financing
2 of the costs of the Facilities and incidental expenses in the territory of the Special Tax District
3 and the Future Annexation Area to be the sum of not to exceed \$2,460,100,000; and

4 WHEREAS, In order to finance the costs of the Facilities and incidental expenses it is
5 necessary to incur bonded indebtedness and other debt (as defined in the Mello-Roos Act) in
6 the amount of not to exceed \$2,460,100,000 (“Limit”) on behalf of the Special Tax District; and

7 WHEREAS, Such debt may include an agreement by the Special Tax District (or the
8 City on behalf of the Special Tax District) to repay the City, acting by and through the Port, for
9 one or more advances of land proceeds and other sources of Port funding to pay the costs of
10 the Facilities and incidental expenses (“Advances”), which repayment obligation (“Repayment
11 Obligation”) may be evidenced by a promissory note executed by the Special Tax District (or
12 the City on behalf of the Special Tax District) in favor of the Port;

13 now, therefore, be it

14 RESOLVED, That in order to finance the costs of the Facilities and incidental
15 expenses, it is necessary for the City to incur bonded indebtedness and other debt (as defined
16 in the Mello-Roos Act) in one or more series in an aggregate amount not to exceed the Limit;
17 and, be it

18 FURTHER RESOLVED, That the bonded indebtedness and other debt is proposed to
19 be incurred for the purpose of financing the costs of the Facilities, including acquisition and
20 improvement costs, and all incidental expenses; and, be it

21 FURTHER RESOLVED, That this Board of Supervisors, acting as legislative body for
22 the Special Tax District, intends to authorize the issuance and sale of bonds and other debt in
23 one or more series in the maximum aggregate principal amount of not to exceed the Limit,
24 bearing interest payable semi-annually or in such other manner as this Board of Supervisors
25 shall determine, at a rate not to exceed the maximum rate of interest as may be authorized by

1 applicable law at the time of sale of such bonds and other debt, and maturing not later than 40
2 years from the date of the issuance of the bonds and other debt; and, be it

3 FURTHER RESOLVED, That because the City expects to repay the Repayment
4 Obligation from, among other sources, special taxes levied in the Special Tax District and
5 proceeds of bonded indebtedness and other debt incurred by or on behalf of the Special Tax
6 District, the Board of Supervisors hereby determines that (i) the Repayment Obligation shall
7 be included in the calculation of the Limit and (ii) any such bonded indebtedness or other debt
8 (as defined in the Mello-Roos Act) incurred by or on behalf of the Special Tax District to repay
9 the Repayment Obligation (and the related costs of issuance and costs of funding a debt
10 service reserve fund) shall not be included in the calculation of the Limit; and, be it

11 FURTHER RESOLVED, That January 14, 2020, at _:00 p.m. or as soon as possible
12 thereafter, and the Board of Supervisors Chambers, 1 Dr. Carlton B. Goodlett Place, San
13 Francisco, California, are hereby fixed as the time and place when and where this Board of
14 Supervisors, as the legislative body for the Special Tax District, will conduct a public hearing
15 on the proposed debt issue and consider and finally determine whether the public interest,
16 convenience and necessity require the issuance of bonds and other debt of the of the City on
17 behalf of the Special Tax District; and, be it

18 FURTHER RESOLVED, That the Clerk of the Board of Supervisors is hereby directed
19 to cause notice of the public hearing to be given by publication one time in a newspaper of
20 general circulation circulated within the Special Tax District, and the publication of the notice
21 shall be completed at least seven (7) days before the date specified above for the public
22 hearing, and such notice shall be substantially in the form specified in Mello-Roos Act Section
23 53346, with the form summarizing the provisions hereof hereby specifically approved; and, be
24 it

1 FURTHER RESOLVED, That notwithstanding the foregoing, because of the complexity
2 associated with the project and the financing plan described in the Resolution of Intention to
3 Establish, the Board of Supervisors hereby authorizes the Clerk of the Board of Supervisors to
4 determine that the public hearing should be held on a later date or time and to cause notice of
5 such later date or time to be given by publication one time in a newspaper published in the
6 area of the Special Tax District; and, be it

7 FURTHER RESOLVED, That this Board of Supervisors hereby waives any provisions
8 of the Amended and Restated Local Goals and Policies for Community Facilities Districts and
9 Special Tax Districts (“Goals and Policies”) adopted by this Board of Supervisors by
10 Resolution No. 414-13 to the extent the Goals and Policies are inconsistent with the
11 provisions hereof or the DDA; and, be it

12 FURTHER RESOLVED, That this Resolution shall in no way obligate the Board of
13 Supervisors of the City to form the Special Tax District or to authorize the issuance of bonds
14 or other debt for the Special Tax District. Issuance of the bonds and other debt shall be
15 subject to the approval of this Board of Supervisors by resolution following the holding of the
16 public hearing referred to above; 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, this
21 Board of Supervisors hereby declaring that it would have passed this resolution and each and
22 every section, subsection, sentence, clause, phrase, and word not declared invalid or
23 unconstitutional without regard to whether any other portion of this resolution or application
24 thereof would be subsequently declared invalid or unconstitutional; and, be it

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

10 FURTHER RESOLVED, That all actions authorized and directed by this Resolution,
11 consistent with any documents presented herein, and heretofore taken are hereby ratified,
12 approved and confirmed by this Board of Supervisors; 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
21
22
23
24
25

1 8-20-19 Jones Hall Draft

2

3 [Resolution of Intention to Incur Bonded Indebtedness and Other Debt---Special Tax District
4 No. 2020-1 (Pier 70 Condominiums)]

5 **Resolution of intention to incur bonded indebtedness and other debt in an aggregate**
6 **amount not to exceed \$2,370,600,000 for the City and County of San Francisco Special**
7 **Tax District No. 2020-1 (Pier 70 Condominiums) and determining other matters in**
8 **connection therewith.**

9

10

11 WHEREAS, California Statutes of 1968, Chapter 1333 (“Burton Act”) and San
12 Francisco Charter Section 4.114 and Appendix B, beginning at Section B3.581, empower the
13 City and County of San Francisco (“City”), acting through the San Francisco Port Commission
14 (“Port”), with the power and duty to use, conduct, operate, maintain, manage, regulate, and
15 control the lands within Port jurisdiction; and

16

17 WHEREAS, FC Pier 70, LLC, a Delaware limited liability company (“Master
18 Developer”) and the City and County of San Francisco (“City”), acting by and through the San
19 Francisco Port Commission (“Port Commission” or “Port”), are parties to a Disposition and
20 Development Agreement (“DDA”), including a Financing Plan (“Financing Plan”), that governs
21 the disposition and development of approximately 28 acres of land in the waterfront area of
the City known as Pier 70 (“Project Site”); and

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

25

1 WHEREAS, The DDA contemplates a project (“Project”) under which the Port would
2 initially lease the Project Site to the Master Developer for infrastructure development, and,
3 ultimately, lease and sell parcels in the Project Site to vertical developers, for development of
4 a mixed-use project described in the DDA; and

5 WHEREAS, The City anticipates that, in addition to the public infrastructure and private
6 development described above, future improvements will be necessary to ensure that the
7 shoreline, public facilities, and public access improvements will be protected should sea level
8 rise in the vicinity of the Project Site, and the Board of Supervisors desires to provide a
9 mechanism to pay for the costs of such improvements; and

10 WHEREAS, Under Chapter 43, Article X of the San Francisco Administrative Code (as
11 it may be amended from time to time, “Code”), which Code incorporates by reference the
12 Mello-Roos Community Facilities Act of 1982, as amended (“Mello-Roos Act”), this Board of
13 Supervisors has this date adopted its “Resolution of Intention to establish City and County of
14 San Francisco Special Tax District No. 2020-1 (Pier 70 Condominiums) and a Future
15 Annexation Area, determining other matters in connection therewith and making findings
16 under the California Environmental Quality Act” (“Resolution of Intention to Establish”), stating
17 its intention to form (i) “City and County of San Francisco Special Tax District No. 2020-1 (Pier
18 70 Condominiums)” (“Special Tax District”) and (ii) a future annexation area for the Special
19 Tax District (“Future Annexation Area”) for the purpose of financing certain public
20 improvements (“Facilities”), public services and incidental expenses, as further provided in the
21 Resolution of Intention to Establish; and

22 WHEREAS, In the Resolution of Intention to Establish, this Board of Supervisors made
23 certain findings under the California Environmental Quality Act (“CEQA”) about the Final
24 Environmental Impact Report (“FEIR”) for the disposition and development of the Project Site,
25

1 and those findings are incorporated in this Resolution as if set forth in their entirety herein;
2 and

3 WHEREAS, This Board of Supervisors estimates the amount required for the financing
4 of the costs of the Facilities and incidental expenses in the territory of the Special Tax District
5 and the Future Annexation Area to be the sum of not to exceed \$2,370,600,000; and

6 WHEREAS, In order to finance the costs of the Facilities and incidental expenses it is
7 necessary to incur bonded indebtedness and other debt (as defined in the Mello-Roos Act) in
8 the amount of not to exceed \$2,370,600,000 (“Limit”) on behalf of the Special Tax District; and

9 WHEREAS, Such debt may include an agreement by the Special Tax District (or the
10 City on behalf of the Special Tax District) to repay the City and County of San Francisco (“City”), acting by and through the San Francisco Port Commission (“Port Commission” or
11 “Port”), for one or more advances of land proceeds and other sources of Port funding to pay
12 the costs of the Facilities and incidental expenses (“Advances”), which repayment obligation (“Repayment Obligation”) may be evidenced by a promissory note executed by the Special
13 Tax District (or the City on behalf of the Special Tax District) in favor of the Port Commission;
14 and
15
16

17 RESOLVED, That in order to finance the costs of the Facilities and incidental
18 expenses, it is necessary for the City to incur bonded indebtedness and other debt (as defined
19 in the Mello-Roos Act) in one or more series in an aggregate amount not to exceed the Limit;
20 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 incidental expenses; and, be it

24 FURTHER RESOLVED, That this Board of Supervisors, acting as legislative body for
25 the Special Tax District, intends to authorize the issuance and sale of bonds and other debt in

1 one or more series in the maximum aggregate principal amount of not to exceed the Limit,
2 bearing interest payable semi-annually or in such other manner as this Board of Supervisors
3 shall determine, at a rate not to exceed the maximum rate of interest as may be authorized by
4 applicable law at the time of sale of such bonds and other debt, and maturing not later than 40
5 years from the date of the issuance of the bonds and other debt; and, be it

6 FURTHER RESOLVED, That because the City expects to repay the Repayment
7 Obligation with, among other sources, special taxes levied in the Special Tax District and
8 proceeds of bonded indebtedness and other debt incurred by or on behalf of the Special Tax
9 District, the Board of Supervisors hereby determines that (i) the Repayment Obligation shall
10 be included in the calculation of the Limit and (ii) any such bonded indebtedness or other debt
11 (as defined in the Mello-Roos Act) incurred by or on behalf of the Special Tax District to repay
12 the Repayment Obligation (and the related costs of issuance and costs of funding a debt
13 service reserve fund) shall not be included in the calculation of the Limit; and, be it

14 FURTHER RESOLVED, That January 14, 2020 at _:00 p.m. or as soon as possible
15 thereafter, in the Board of Supervisors Chambers, 1 Dr. Carlton B. Goodlett Place, San
16 Francisco, California, are hereby fixed as the time and place when and where this Board of
17 Supervisors, as legislative body for the Special Tax District, will conduct a public hearing on
18 the proposed debt issue and consider and finally determine whether the public interest,
19 convenience and necessity require the issuance of bonds and other debt of the of the City on
20 behalf of the Special Tax District; and, be it

21 FURTHER RESOLVED, That the Clerk of the Board of Supervisors is hereby directed
22 to cause notice of the public hearing to be given by publication one time in a newspaper of
23 general circulation circulated within the Special Tax District, and the publication of the notice
24 shall be completed at least 7 days before the date specified above for the public hearing. The
25

1 notice shall be substantially in the form specified in Mello-Roos Act Section 53346, with the
2 form summarizing the provisions hereof hereby specifically approved; and, be it

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

9 FURTHER RESOLVED, That this Board of Supervisors hereby waives any
10 provisions of the Amended and Restated Local Goals and Policies for Community Facilities
11 Districts and Special Tax Districts (“Goals and Policies”) adopted by this Board of Supervisors
12 by Resolution No. 414-13 to the extent the Goals and Policies are inconsistent with the
13 provisions hereof or the DDA; and, be it

14 FURTHER RESOLVED, That this Resolution shall in no way obligate the Board of
15 Supervisors of the City to form the Special Tax District or to authorize the issuance of bonds
16 or other debt for the Special Tax District. Issuance of the bonds and other debt shall be
17 subject to the approval of this Board of Supervisors by resolution following the holding of the
18 public hearing referred to above; and, be it

19 FURTHER RESOLVED, That if any section, subsection, sentence, clause, phrase, or
20 word of this resolution, or any application thereof to any person or circumstance, is held to be
21 invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision
22 shall not affect the validity of the remaining portions or applications of this resolution, this
23 Board of Supervisors hereby declaring that it would have passed this resolution and each and
24 every section, subsection, sentence, clause, phrase, and word not declared invalid or
25

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

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

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

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

16
17 APPROVED AS TO FORM:
18 DENNIS J. HERRERA, City Attorney

19
20 By: _____
21 Mark D. Blake
22 Deputy City Attorney
23
24
25