

File No. 211309

Committee Item No. 1

Board Item No. 15

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight  
Board of Supervisors Meeting:

Date: February 17, 2022

Date: March 1, 2022

#### Cmte Board

- |                                     |                                     |  |
|-------------------------------------|-------------------------------------|--|
| <input type="checkbox"/>            | <input type="checkbox"/>            | Motion                                       |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution                                   |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Ordinance                                    |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Legislative Digest                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Budget and Legislative Analyst Report        |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Youth Commission Report                      |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Introduction Form                            |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/>            | MOU  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Budget                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Subcontract Budget                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Contract/Agreement                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Form 126 – Ethics Commission                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Award Letter                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Application                                  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Public Correspondence                        |

#### OTHER

- |                                     |                                     |   |
|-------------------------------------|-------------------------------------|---|
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <u>CON Presentation – February 17, 202</u>                          |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>CON Memo – December 10, 2021</u>                                 |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Recorded Amend to Notice of Special Tax Lien – June 30, 2020</u> |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Annexation No. 4 Approval Document – April 29, 2020</u>          |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>BOS Reso 350-14 – November 1, 20217</u>                          |

Prepared by: John Carroll

Date: February 11, 2022

Prepared by: John Carroll

Date: February 19, 2022

Prepared by: John Carroll

Date: \_\_\_\_\_

1 [Resolution Determining Annexation of Property to City and County of San Francisco  
2 Community Facilities District No. 2014-1 (Transbay Transit Center) and Determining and  
3 Confirming Annexation Process]

3

4 **Resolution confirming that property is annexed to the City and County of San**  
5 **Francisco Community Facilities District No. 2014-1 (Transbay Transit Center), and**  
6 **determining and confirming the process for properties to annex into the District.**

7

8 WHEREAS, The Board of Supervisors has adopted a Resolution entitled "Resolution of  
9 formation of City and County of San Francisco Community Facilities District No. 2014-1  
10 (Transbay Transit Center) and determining other matters in connection therewith" ("Resolution  
11 of Formation"), ordering the formation of the "City and County of San Francisco Community  
12 Facilities District No. 2014-1 (Transbay Transit Center)" ("CFD") and a "City and County of  
13 San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center) (Future  
14 Annexation Area)" ("Future Annexation Area"), authorizing the levy of a special tax on  
15 property within the CFD and preliminarily establishing an appropriations limit for the CFD, all  
16 pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, constituting  
17 Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California  
18 Government Code ("Mello-Roos Act"); and

19 WHEREAS, The Board of Supervisors has also adopted a Resolution entitled  
20 "Resolution determining necessity to incur bonded indebtedness for City and County of San  
21 Francisco Community Facilities District No. 2014-1 (Transbay Transit Center) and determining  
22 other matters in connection therewith" ("Resolution of Necessity"), determining the necessity  
23 to incur bonded indebtedness and other debt (as defined in the Mello-Roos Act) in the  
24 maximum aggregate principal amount of \$1,400,000,000 upon the security of the special tax  
25 to be levied within the CFD pursuant to the Mello-Roos Act; and

1           WHEREAS, Under the provisions of the Resolution of Formation and the Resolution of  
2 Necessity and pursuant to a “Resolution calling special election in City and County of San  
3 Francisco Community Facilities District No. 2014-1 (Transbay Transit Center)” (“Election  
4 Resolution”) heretofore adopted by the Board of Supervisors, the propositions of the levy of  
5 the special tax, the establishment of the appropriations limit, and the incurring of bonded  
6 indebtedness and other debt were submitted to the qualified electors of the CFD as required  
7 by the provisions of the Mello-Roos Act and more than two-thirds of the votes cast at the  
8 election were in favor of the propositions; and

9           WHEREAS, In Ordinance No. 1-15 heretofore adopted by the Board of Supervisors  
10 (“Special Tax Ordinance”), the Board of Supervisors authorized and levied special taxes  
11 within the CFD pursuant to the Mello-Roos Act, at the rate and in accordance with the rate  
12 and method of apportionment of special tax (“Rate and Method”) set forth in the Resolution of  
13 Formation, and further ordered that the provisions of the Special Tax Ordinance shall apply  
14 not only to the initial territory included in the CFD but also to parcels included in the Future  
15 Annexation Area that are annexed to the CFD at the rate or rates to be approved unanimously  
16 by the owner or owners of each parcel or parcels to be annexed to the CFD; and

17           WHEREAS, Section 53339.8 of the Mello-Roos Act provides that upon a determination  
18 by the legislative body that the area proposed to be annexed is added to the existing  
19 community facilities district, the clerk of the legislative body shall record notice of the  
20 annexation pursuant to Section 3117.5 of the Streets and Highways Code; and

21           WHEREAS, In the Resolution of Formation, the Board of Supervisors resolved that  
22 parcels within the Future Annexation Area shall be annexed to the CFD only with the  
23 unanimous approval (each, “Unanimous Approval”) of the owner or owners of each parcel or  
24 parcels at the time that parcel or those parcels are annexed, without any requirement for  
25 further public hearings or additional proceedings; and

1           WHEREAS, The Board of Supervisors has been provided with a Unanimous Approval  
2           executed by the owner of certain property in the Future Annexation Area, namely Assessor's  
3           Parcel Block Nos. 3741-045 ("Annexation Property"), and an Amendment to Notice of Special  
4           Tax Lien ("Notice") was recorded in the office of the Assessor-Recorder for the City and  
5           County of San Francisco as Document No. 2020K946978 on June 30, 2020; and

6           WHEREAS, The Board of Supervisors wishes to confirm that the Annexation Property  
7           is added to the CFD; and

8           WHEREAS, The Board of Supervisors further wishes to determine and confirm the  
9           process for annexing properties into the CFD; now, therefore, be it

10          RESOLVED, That the foregoing recitals are all true and correct; and, be it

11          FURTHER RESOLVED, That the Board of Supervisors hereby confirms that the  
12          Annexation Property is added to the CFD and ratifies the recordation of the Notice; and, be it

13          FURTHER RESOLVED, That the Board of Supervisors determines and confirms that  
14          the process for annexing properties into the CFD as approved by the Board of Supervisors in  
15          the Resolution of Formation is set forth below:

16           (a)     the Office of Public Finance shall work with the City Attorney's office, bond  
17           counsel and special tax consultant to prepare the Unanimous Approval to be executed by  
18           property owners wishing to annex into the CFD;

19           (b)     upon delivery of the executed Unanimous Approval to the Office of Public  
20           Finance, the annexing property shall be added to and part of the CFD with full legal effect;

21           (c)     upon receipt of an executed Unanimous Approval, the Office of Public Finance  
22           shall work with the City Attorney's office, bond counsel and special tax consultant to prepare,  
23           and the Clerk of the Board of Supervisors shall execute and record in the office of the  
24           Assessor-Recorder for the City and County of San Francisco, a notice of special tax lien for

25          ///

1 the annexing property pursuant to Section 3117.5 of the California Streets and Highways  
2 Code; and

3 (d) no further public hearings or additional proceedings shall be required; and, be it  
4 FURTHER RESOLVED, That this Resolution shall take effect upon its adoption.

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6 APPROVED AS TO FORM:  
7 DAVID CHIU, City Attorney

8 By: MARK D. BLAKE  
9 MARK D. BLAKE  
Deputy City Attorney

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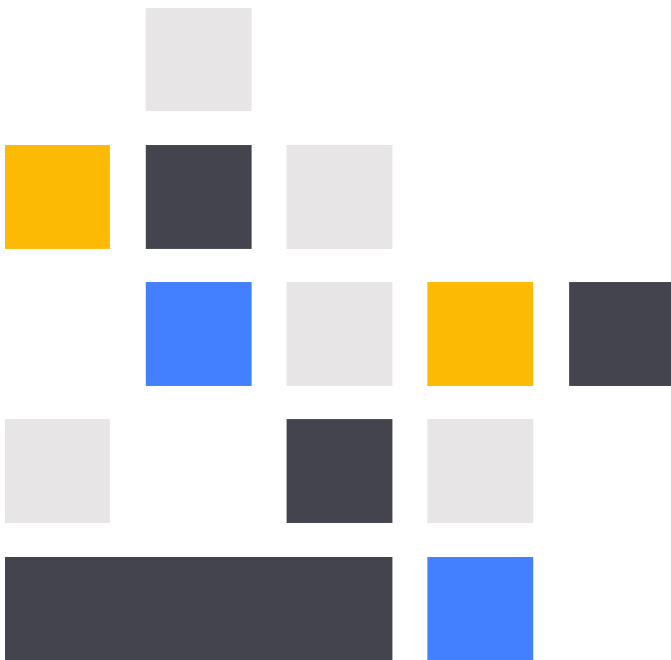
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# Community Facilities District No. 2014-1 (Transbay Transit Center)

## GOVERNMENT AUDIT & OVERSIGHT COMMITTEE

Resolution for Annexation: Resolution Determining Annexation of Property to the City and County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center) and Determining and Confirming Annexation Process



February 17, 2022

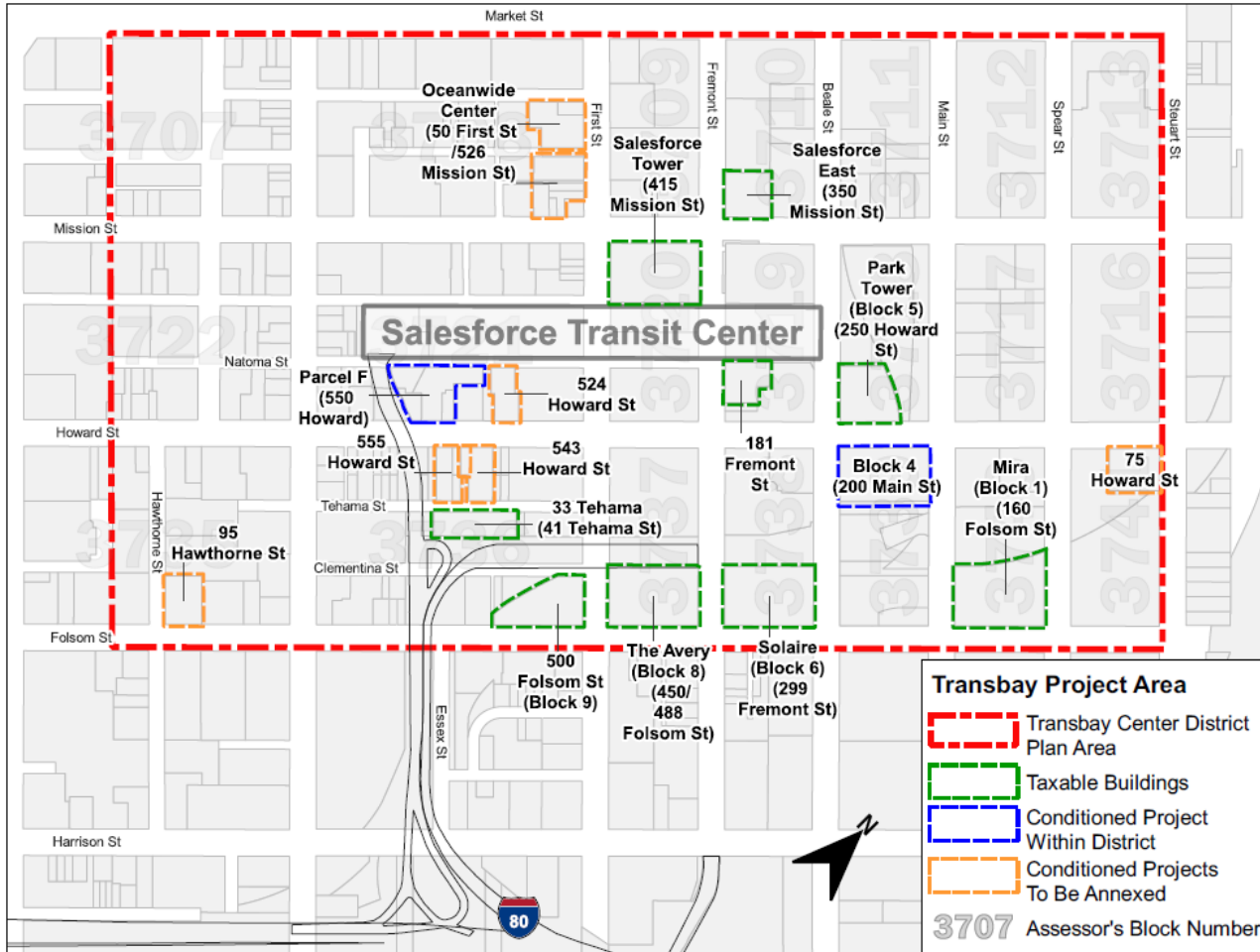
City & County of San Francisco  
Controller's Office of Public Finance

# Community Facilities District (CFD) 2014-1 (Transbay Transit Center)

- Transbay Communities Facilities District (CFD) 2014-1 was formed in FY2015
  - Not-to-exceed bonded indebtedness of \$1.4 billion; to date \$514 million of bonds issued
  - Secured by special taxes within the CFD to pay for the downtown rail extension and plan infrastructure
  - Under a Joint Community Facilities Agreement (JCFA) with Transbay Joint Powers Authority 82.6% were allocated to fund the Transit Center and the downtown rail extension and 17.4% were allocated for other capital improvements in the area



# Transbay CFD Map





# Confirming Annexation of 75 Howard Street

- Prior Action (approved by the Board on September 23, 2014)
  - Resolution of Formation (No. 350-14)
    - Established the CFD and a Future Annexation Area ("FAA") for the CFD
    - Provided for parcels in the FAA to be annexed into the CFD after executed unanimous approval from the parcel owner is delivered to the Office of Public Finance, after which the Clerk of the Board shall execute and the office of the Assessor-Recorder shall record a notice of special tax lien for the annexing property
- Current Consideration
  - Resolution Determining Annexation of Property to City and County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center) and Determining and Confirming Annexation Process
    - Provides for the annexation of 75 Howard Street into the CFD and confirms process for future annexations into the CFD



# Anticipated Financing Timeline

## MILESTONES

## DATES\*

- Introduction to the Board of Supervisors December 14, 2021
- Government Audit and Oversight Committee February 17, 2022
- Board of Supervisors Considers Approval March 1, 2022

\*Please note that dates are estimated unless otherwise noted.





**OFFICE OF THE CONTROLLER**  
**CITY AND COUNTY OF SAN FRANCISCO**

Ben Rosenfield  
Controller  
Todd Rydstrom  
Deputy Controller  
Anna Van Degna  
Director of Public Finance

## MEMORANDUM

**TO:** Honorable Members, Board of Supervisors

**FROM:** Anna Van Degna, Director of the Controller's Office of Public Finance  
Bridget Katz, Controller's Office of Public Finance

**DATE:** December 10, 2021

**SUBJECT:** **Resolution Determining Annexation of Property to City and County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center) and Determining and Confirming Annexation Process**

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### Recommended Action

We respectfully request that the Board of Supervisors ("Board") consider for review and approval the resolution (the "Resolution") determining the annexation of the property located at 75 Howard Street to the Community Facilities District No. 2014-1 (Transbay Transit Center) (the "District") and confirming the annexation process for the District.

### Background

Pursuant to Resolution No. 350-14 (the "Resolution of Formation") and the Mello-Roos Community Facilities Act of 1982, as amended (Government Code Section 53311 et seq.) (the "Act"), the City and County of San Francisco (the "City") established the District and a future annexation area for the District ("Future Annexation Area").

Under the Act, upon a determination by the Board of Supervisors that a property in the Future Annexation Area is added to the District, the Clerk of the Board of Supervisors is required to record notice of the annexation. In the Resolution of Formation for the District, the Board of Supervisors resolved that parcels within the Future Annexation Area will be annexed to the District only with the unanimous approval (each, a "Unanimous Approval") of the owner of the annexing parcel, without any requirement for further public hearings or additional proceedings. The property owner of 75 Howard Street, which is located in the Future Annexation Area, executed and submitted a Unanimous Approval to the Office of Public Finance ("OPF") for the purpose of annexing into the District. The Unanimous Approval is attached for the file.

## 2 | Resolution Determining Annexation of Property to the Transbay CFD No. 2014-1 and Determining and Confirming Annexation Process

On June 29, 2020 the Clerk of the Board of Supervisors executed the *Amendment to Notice of Special Tax Lien – City & County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center)* (the “Notice”), and the Assessor-Recorder officially recorded the annexation of 75 Howard Street into the District on June 30, 2020. The Recorded Notice is attached for the file.

Recordation of the Notice gives notice to all persons that a lien to secure payment of special taxes has been imposed. The special taxes will be used to pay debt service on Special Tax Bonds issued by the City for the Transbay Transit Center CFD.

### Request to Confirm Annexation

In order to establish a clear legislative record of annexations prior to issuing bonds, OPF requests the Board’s consideration of the Resolution confirming the annexation of 75 Howard Street into the District. Current and future Transbay Transit Center CFD Special Tax Bonds are secured by the pledge of special tax revenues received by the City from taxable properties located in the District, which will include special taxes from the proposed annexed property located at 75 Howard Street. The special taxes will be levied for 30-years, which is anticipated to begin in Fiscal Year 2022-23.

Under the proposed resolution, the Board of Supervisors would confirm the ongoing process for annexing properties into the District:

- (a) the Office of Public Finance shall work with the City’s bond counsel and its special tax consultant to prepare the Unanimous Approval to be executed by property owners wishing to annex into the District;
- (b) upon delivery of the executed Unanimous Approval to the Office of Public Finance, the annexing property shall be added to and part of the District with full legal effect;
- (c) upon receipt of an executed Unanimous Approval, the Office of Public Finance shall work with the City’s bond counsel and its special tax consultant to prepare, and the Clerk of the Board of Supervisors shall execute and record in the office of the Assessor-Recorder for the City and County of San Francisco, a notice of special tax lien for the annexing property; and
- (d) no further public hearings or additional proceedings shall be required.

### Anticipated Legislative Timeline

The Resolution is expected to be introduced at the Board of Supervisors meeting on Tuesday, December 14, 2021.

#### Milestones

#### Dates\*

- |  |                   |
|--|-------------------|
| • Introduction of Resolution to the Board of Supervisors | December 14, 2021 |
| • Budget & Finance Committee Hearing                     | January 12, 2022  |
| • Board Considers Approval of Resolution                 | January 25, 2022  |

\*Please note that dates are estimated unless otherwise noted.

Your consideration of this matter is greatly appreciated. Please contact Anna Van Degna ([anna.vandegna@sfgov.org](mailto:anna.vandegna@sfgov.org)) at 415-554-5956 or Bridget Katz ([bridget.katz@sfgov.org](mailto:bridget.katz@sfgov.org)) at 415-554-6240 if you have any questions.

### 3 | Resolution Determining Annexation of Property to the Transbay CFD No. 2014-1 and Determining and Confirming Annexation Process

cc: Angela Calvillo, Clerk of the Board of Supervisors  
Andres Powers, Mayor's Office  
Ashley Groffenberger, Mayor's Budget Director  
Ben Rosenfield, Controller  
Carmen Chu, City Administrator  
Harvey Rose, Budget Analyst  
Severin Campbell, Budget Analyst  
Mark Blake, Deputy City Attorney  
Kenneth Roux, Deputy City Attorney

Attachments:

- Copy of Recorded *Amendment to Notice of Special Tax Lien – City & County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center)*
- Copy of 75 Howard Owner LP Unanimous Approval (executed)
- Copy of Resolution No. 350-14 Authorizing the Formation of the City & County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center)

CONFIRMED COPY of document recorded  
06/30/2020, 2020K946978

WHEN RECORDED MAIL TO:  
Clerk of the Board of Supervisors  
City and County of San Francisco  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102

with document no. \_\_\_\_\_  
This document has not been compared with the original  
SAN FRANCISCO ASSESSOR-RECORDER

Affected Assessor Parcel No(s): 3741/045

Affected Address: 75 Howard Street, San Francisco, CA

## AMENDMENT TO NOTICE OF SPECIAL TAX LIEN

### CITY AND COUNTY OF SAN FRANCISCO Community Facilities District No. 2014-1 (Transbay Transit Center)

Pursuant to the requirements of Section 3117.5 of the Streets and Highways Code of California and the Mello-Roos Community Facilities Act of 1982, as amended (Chapter 2.5 of Part of Division 2 of Title 5, commencing with Section 53311, of the California Government Code) (the "Act"), the undersigned Clerk of the Board of Supervisors of the City and County of San Francisco, State of California, hereby gives notice that a lien to secure payment of a special tax is hereby imposed by the Board of Supervisors of the City and County of San Francisco on the property described on Exhibit B hereto and incorporated herein (the "Property").

The special tax secured by this lien is authorized to be levied in the "City and County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center)" (the "CFD"). The CFD was formed for the purpose of paying principal and interest on bonds and other debt, the proceeds of which are being used to finance the acquisition and construction of all or a portion of the public facilities described in Exhibit A attached hereto and hereby made a part hereof, to pay the cost of the public facilities, and to pay the cost of administering the CFD (defined below).

The territory originally included in the CFD is set forth in the boundary map of the CFD recorded on July 29, 2014 at 2:38 p.m. as Document No. 2014-J915559-00 in Book 001 Pages 75 and 76 of the Book of Maps of Assessment and Community Facilities Districts in the office of the Assessor-Recorder for the City and County of San Francisco, State of California. A Notice of Special Tax Lien was recorded for the territory originally included in the CFD on January 22, 2015, as Document No. 2015K010238 in the office of the Assessor-Recorder for the City and County of San Francisco, State of California (the "Original Notice of Special Tax Lien").

The Property is included in the territory that is identified as "Future Annexation Area" on the boundary map of the CFD described in the preceding paragraph, and this Amendment to Notice of Special Tax Lien amends the Original Notice of Special Tax Lien to give notice that a

lien to secure payment of a special tax is hereby imposed by the Board of Supervisors of the City and County of San Francisco on the Property.

The lien of the special tax is a continuing lien that shall secure each annual levy of the special tax and that shall continue in force and effect until the special tax obligation is prepaid, permanently satisfied, and canceled in accordance with law or until the special tax ceases to be levied and a notice of cessation of special tax is recorded in accordance with Section 53330.5 of the Government Code


The rate, method of apportionment, and manner of collection of the authorized special tax is as set forth in Exhibit B attached hereto and hereby made a part hereof. Conditions under which the obligation to pay the special tax may be prepaid and permanently satisfied and the lien of the special tax canceled are as set forth in said Exhibit B and hereby incorporated herein by this reference.

Notice is further given that upon the recording of this notice in the office of the County Recorder the obligation to pay the special tax levy shall become a lien upon the Property in accordance with Section 3115.5 of the Streets and Highways Code of California.

The name(s) of the owner(s) and the assessor's tax parcel number (s) of the Property are as set forth in Exhibit C attached hereto and hereby made a part hereof.

For further information concerning the current and estimated future tax liability of owners or purchasers of real property subject to this special tax lien, interested persons should contact the Director of the Office of Public Finance, City and County of San Francisco, 1 Dr. Carlton B. Goodlett Place, San Francisco, California 94102; Telephone: (415) 554-5956.

Dated: As of June 29, 2020

By:   
\_\_\_\_\_  
Angela Calvillo  
Clerk of the Board of Supervisors,  
City and County of San Francisco

## EXHIBIT A

### CITY AND COUNTY OF SAN FRANCISCO Community Facilities District No. 2014-1 (Transbay Transit Center)

#### DESCRIPTION OF FACILITIES TO BE FINANCED BY THE CFD

City and County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center) (the "CFD") will pay or finance all or a portion of the costs of the following facilities (the "Facilities"). The Facilities will be constructed, whether or not acquired in their completed states, pursuant to the plans and specifications approved by the City and County of San Francisco (the "City") or other applicable public agencies.

#### FACILITIES

##### **I. Streetscape and Pedestrian Improvements**

**Primary Streets (Mission, Howard, Folsom, Fremont, 1<sup>st</sup>, 2<sup>nd</sup>, New Montgomery):** Improve existing primary streets in the Transit Center District, including Mission, Howard, Folsom, Fremont, 1<sup>st</sup>, 2<sup>nd</sup>, and New Montgomery Streets. Improvements would include sidewalk widening to accommodate additional pedestrian traffic from new development and the Transbay Transit Center, pedestrian and streetscape amenities, bicycle facilities, transit upgrades such as dedicated transit lanes, boarding islands, enhanced shelters and curb extensions to serve transit stops, and roadway circulation, parking, and loading changes. Recommended changes to Primary Streets would be informed by traffic studies to be funded by the CFD.

**Living Streets (Beale, Main, and Spear Streets North of Folsom to Market Street):** Improve Beale, Main, and Spear Streets from Folsom Street to Market Street by significantly expanding the sidewalk on one side of each street to approximately 30 feet and reducing the number of traffic lanes to one lane in either direction. Beale and Main Streets would feature a bike lane in the direction of traffic. Within the widened sidewalks, the Living Streets would include linear park space along the length of each block and provide additional open space and pedestrian amenities. The enhancements would include pedestrian amenities, street trees and landscaping, pedestrian lighting, street furniture, pocket parks, active uses, and curb extensions.

**Alleys (Stevenson, Jessie, Minna, Natoma, Tehama, Clementina Street):** Improve Stevenson, Jessie, Minna, Natoma, Tehama, Clementina Streets and other alleys within the project area. Alley improvements would include a variety of pedestrian improvements, including sidewalk widening, landscaping, pedestrian lighting, and street furniture, and potential redesign as single-surface shared pedestrian/vehicle ways.

**Fremont/Folsom Freeway Off-Ramp Realignment:** Realign the Fremont/Folsom Bay Bridge off-ramp so that it creates a "T" intersection with Fremont Street. This would enhance the safety of pedestrians crossing the off-ramp by standardizing the alignment of the off-ramp and improve the conditions along Folsom Street, planned as a major pedestrian boulevard.



**Mid-block Crossings:** Analyze and build new crosswalks at various mid-block locations in the Project Area. Mid-block crosswalks would include crosswalk striping at a minimum. They may also include new traffic signals, curb extensions, and other pedestrian safety features as appropriate.

**Signalization:** Upgrade or install traffic signals at approximately 25 intersections in the Project Area. Traffic signal upgrades would be done in conjunction with overall circulation and street improvements in the Project Area.

**Natoma Street:** Create a pedestrian plaza and link to the Transit Center between 1<sup>st</sup> and 2<sup>nd</sup> Streets. The western two-thirds of Natoma Street between First and Second Streets would be closed to vehicles. Service vehicles and deliveries may be able to access this portion of Natoma Street during night and early morning hours before peak transit and retail times. The eastern one-third of Natoma Street (nearest to First Street) would remain open to vehicles to maintain access to parking and loading for existing buildings on the north side of Howard Street. The pedestrian space would include a new curbside single-surface space including decorative paving, pedestrian lighting, landscaping, and street furniture.

**Casual Carpool waiting area improvements:** Improve drop-off and pick-up zones at casual carpool locations in the Project Area, including sufficient sidewalk waiting and passenger loading/unloading space and amenities, including shelters, seating, informational signage and other supportive services.

## **II. Transit and Other Transportation**

**Transit Delay Mitigation:** Pay for the purchase of new transit vehicles to mitigate transportation impacts attributable to increased Project Area congestion.

**BART Station Capacity:** Enhance capacity constraints at Embarcadero and Montgomery Stations regarding crowding on platforms, vertical circulation, and the "dwell time" required for trains to load and unload passengers, which would be exacerbated by the additional transit riders brought on by new development and the Transbay Transit Center. Potential capacity enhancement measures could include additional vertical circulation (e.g. stairwells, escalators, and elevators), additional fare gates, improvements to the train control system to allow for more frequent service, platform edge doors, and better real-time public information displays on train arrivals at concourse and street levels.

**Congestion Charging Pilot:** Study, design and construct capital improvements relating to a congestion charging pilot program, potentially including fare booths, signals, electronic monitoring equipment, and the like. Conduct necessary analyses to inform the appropriate triggers, mechanisms, and capital improvements required for a congestion pricing pilot program to manage traffic volumes entering and exiting the CFD.

**Underground Pedestrian Connector:** Create an underground pedestrian tunnel connecting the Transbay Transit Center with the Embarcadero BART/Muni Metro Station, increasing circulation space available for pedestrians and creating a seamless link between the two transit stations.

**Downtown Rail Extension (DTX):** Extend the Caltrain rail tracks to the new Transbay Transit Center to accommodate Caltrain and California High Speed Rail, and construct the train

components of the Transit Center building including associated systems. The funding would pay for the planning, engineering, right-of-way acquisition, and construction of the DTX.

### **III. Public Open space**

**City Park:** Plan, design and construct public open space on the roof of the Transbay Transit Center.

**City Park Connections:** Provide connections to the Transbay Transit Center's City Park from adjacent private buildings or from public streets and plazas. Connections could include sky bridges, or connections from ground level to park level, such as elevators, escalators, funiculars, gondolas or similar means of conveying people to City Park. Connections would be required to be publicly accessible during standard hours so that members of the public could easily access City Park.

**2nd and Howard Public Plaza:** Create an approximately 0.5-acre open space at the corner of 2<sup>nd</sup> and Howard Streets, on a grouping of parcels located on top of the future train tunnel. The open space would serve as a major access point to the adjacent Transbay Transit Center, including featuring a possible connection to the elevated City Park on the roof of the Transit Center. The open space design would be determined through a public design process.

**Transbay Park:** Transbay Park would be a new approximately 1.1-acre park, located between Main, Beale, Tehama, and Clementina Streets. The Park would provide a mix of active and passive recreation spaces.

**Chinatown Open Space Improvements:** Improvements to multiple public open spaces in Chinatown whose use would be increased by new development in the Project Area. The open space improvements may include enhancements to Portsmouth Square, a new open space at the *Chinatown Central Subway Station*, and improvements to other Chinatown parks. Specific open space improvements would be determined through a public design process.

**Other Downtown Open Space Improvements:** Improvements to multiple public open spaces in Downtown, whose use would be increased by new development in the Project Area. Specific locations for open space improvements have not been identified yet.

**Mission Square:** Public plaza at the entrance to the new Transbay Transit Center at the corner of Fremont and Mission Streets. The plaza would create passive open space and circulation space for people entering and exiting the Transit Center and the adjacent Transit Tower development.

**Under-Ramp Park:** Under-Ramp Park would be a new system of open spaces, built adjacent to and under the Bay Bridge off-ramps and bus ramps to the Transbay Transit Center, between Harrison, Howard, First, and Second Streets. The Park would provide a mix of active and passive recreation spaces.

### **IV. Other Transit Center District Public Improvements**

The Facilities include the other public improvements not listed above but described in the Transit Center District Plan Program Implementation Document, dated May 16, 2012, as such Document may be amended from time to time.

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The costs to be financed include the costs of the acquisition of right-of-way (including right-of-way that is intended to be dedicated by the recording of a final map), the costs of design, engineering and planning, the costs of any environmental or traffic studies, surveys or other reports, costs related to landscaping and irrigation, soils testing, permits, plan check and inspection fees, insurance, legal and related overhead costs, coordination and supervision and any other costs or appurtenances related to any of the foregoing.

#### **OTHER**

The CFD may also finance any of the following:

1. Bond or other debt-related expenses, including underwriters discount, reserve fund, capitalized interest, letter of credit fees and expenses, bond and disclosure counsel fees and expenses, bond remarketing costs, and all other incidental expenses.
2. Administrative fees of the City and the bond trustee or fiscal agent related to the CFD and the bonds or other debt.
3. Reimbursement of costs related to the formation of the CFD advanced by the City, the landowner(s) in the CFD, or any party related to any of the foregoing, as well as reimbursement of any costs advanced by the City, the landowner(s) in the CFD or any party related to any of the foregoing, for facilities, fees or other purposes or costs of the CFD.
4. The CFD may also pay in full all amounts necessary to eliminate any fixed special assessment liens or to pay, repay, or defease any obligation to pay or any indebtedness secured by any tax, fee, charge, or assessment levied within the area of the CFD or may pay debt service on that indebtedness. In addition, tax revenues of the CFD may be used to make lease or debt service payments on any lease, lease-purchase contract, or certificate of participation used to finance facilities authorized to be financed by the CFD.

## EXHIBIT B

### CITY AND COUNTY OF SAN FRANCISCO COMMUNITY FACILITIES DISTRICT NO. 2014-1 (TRANSBAY TRANSIT CENTER)

#### AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

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A Special Tax applicable to each Taxable Parcel in the City and County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center) shall be levied and collected according to the tax liability determined by the Administrator through the application of the appropriate amount or rate for Square Footage within Taxable Buildings, as described below. All Taxable Parcels in the CFD shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to the CFD unless a separate Rate and Method of Apportionment of Special Tax is adopted for the annexation area.

#### A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

**“Act”** means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, (commencing with Section 53311), Division 2 of Title 5 of the California Government Code.

**“Administrative Expenses”** means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of the City and TJPA carrying out duties with respect to CFD No. 2014-1 and the Bonds, including, but not limited to, levying and collecting the Special Tax, the fees and expenses of legal counsel, charges levied by the City Controller’s Office and/or the City Treasurer and Tax Collector’s Office, costs related to property owner inquiries regarding the Special Tax, costs associated with appeals or requests for interpretation associated with the Special Tax and this RMA, amounts needed to pay rebate to the federal government with respect to the Bonds, costs associated with complying with any continuing disclosure requirements for the Bonds and the Special Tax, costs associated with foreclosure and collection of delinquent Special Taxes, and all other costs and expenses of the City and TJPA in any way related to the establishment or administration of the CFD.

**“Administrator”** means the Director of the Office of Public Finance who shall be responsible for administering the Special Tax according to this RMA.

**“Affordable Housing Project”** means a residential or primarily residential project, as determined by the Zoning Authority, within which all Residential Units are Below Market Rate Units. All Land Uses within an Affordable Housing Project are exempt from the Special Tax, as provided in Section G and are subject to the limitations set forth in Section D.4 below.

**“Airspace Parcel”** means a parcel with an assigned Assessor’s Parcel number that constitutes vertical space of an underlying land parcel.

**“Apartment Building”** means a residential or mixed-use Building within which none of the Residential Units have been sold to individual homebuyers.

**“Assessor’s Parcel”** or **“Parcel”** means a lot or parcel, including an Airspace Parcel, shown on an Assessor’s Parcel Map with an assigned Assessor’s Parcel number.

**“Assessor’s Parcel Map”** means an official map of the County Assessor designating Parcels by Assessor’s Parcel number.

**“Authorized Facilities”** means those public facilities authorized to be funded by the CFD as set forth in the CFD formation proceedings.

**“Base Special Tax”** means the Special Tax per square foot that is used to calculate the Maximum Special Tax that applies to a Taxable Parcel pursuant to Sections C.1 and C.2 of this RMA. The Base Special Tax shall also be used to determine the Maximum Special Tax for any Net New Square Footage added to a Taxable Building in the CFD in future Fiscal Years.

**“Below Market Rate Units”** or **“BMR Units”** means all Residential Units within the CFD that have a deed restriction recorded on title of the property that (i) limits the rental price or sales price of the Residential Unit, (ii) limits the appreciation that can be realized by the owner of such unit, or (iii) in any other way restricts the current or future value of the unit.

**“Board”** means the Board of Supervisors of the City, acting as the legislative body of CFD No. 2014-1.

**“Bonds”** means bonds or other debt (as defined in the Act), whether in one or more series, issued, incurred, or assumed by the CFD related to the Authorized Facilities.

**“Building”** means a permanent enclosed structure that is, or is part of, a Conditioned Project.

**“Building Height”** means the number of Stories in a Taxable Building, which shall be determined based on the highest Story that is occupied by a Land Use. If only a portion of a Building is a Conditioned Project, the Building Height shall be determined based on the highest Story that is occupied by a Land Use regardless of where in the Building the Taxable Parcels are located. If there is any question as to the Building Height of any Taxable Building in the CFD, the Administrator shall coordinate with the Zoning Authority to make the determination.

**“Certificate of Exemption”** means a certificate issued to the then-current record owner of a Parcel that indicates that some or all of the Square Footage on the Parcel has prepaid the Special Tax obligation or has paid the Special Tax for thirty Fiscal Years and, therefore, such Square Footage shall, in all future Fiscal Years, be exempt from the levy of Special Taxes in the CFD. The Certificate of Exemption shall identify (i) the Assessor’s Parcel number(s) for the Parcel(s)

on which the Square Footage is located, (ii) the amount of Square Footage for which the exemption is being granted, (iii) the first and last Fiscal Year in which the Special Tax had been levied on the Square Footage, and (iv) the date of receipt of a prepayment of the Special Tax obligation, if applicable.

**“Certificate of Occupancy”** or **“COO”** means the first certificate, including any temporary certificate of occupancy, issued by the City to confirm that a Building or a portion of a Building has met all of the building codes and can be occupied for residential and/or non-residential use. For purposes of this RMA, “Certificate of Occupancy” shall not include any certificate of occupancy that was issued prior to January 1, 2013 for a Building within the CFD; however, any subsequent certificates of occupancy that are issued for new construction or expansion of the Building shall be deemed a Certificate of Occupancy and the associated Parcel(s) shall be categorized as Taxable Parcels if the Building is, or is part of, a Conditioned Project and a Tax Commencement Letter has been provided to the Administrator for the Building.

**“CFD”** or **“CFD No. 2014-1”** means the City and County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center).

**“Child Care Square Footage”** means, collectively, the Exempt Child Care Square Footage and Taxable Child Care Square Footage within a Taxable Building in the CFD.

**“City”** means the City and County of San Francisco.

**“Conditioned Project”** means a Development Project that is required to participate in funding Authorized Facilities through the CFD.

**“Converted Apartment Building”** means a Taxable Building that had been designated as an Apartment Building within which one or more Residential Units are subsequently sold to a buyer that is not a Landlord.

**“Converted For-Sale Unit”** means, in any Fiscal Year, an individual Market Rate Unit within a Converted Apartment Building for which an escrow has closed, on or prior to June 30 of the preceding Fiscal Year, in a sale to a buyer that is not a Landlord.

**“County”** means the City and County of San Francisco.

**“CPC”** means the Capital Planning Committee of the City and County of San Francisco, or if the Capital Planning Committee no longer exists, “CPC” shall mean the designated staff member(s) within the City and/or TJPA that will recommend issuance of Tax Commencement Authorizations for Conditioned Projects within the CFD.

**“Development Project”** means a residential, non-residential, or mixed-use development that includes one or more Buildings, or portions thereof, that are planned and entitled in a single application to the City.

**“Exempt Child Care Square Footage”** means Square Footage within a Taxable Building that, at the time of issuance of a COO, is determined by the Zoning Authority to be reserved for one or more licensed child care facilities. If a prepayment is made in association with any Taxable Child Care Square Footage, such Square Footage shall also be deemed Exempt Child Care Square Footage beginning in the Fiscal Year following receipt of the prepayment.

**“Exempt Parking Square Footage”** means the Square Footage of parking within a Taxable Building that, pursuant to Sections 151.1 and 204.5 of the Planning Code, is estimated to be needed to serve Land Uses within a building in the CFD, as determined by the Zoning Authority. If a prepayment is made in association with any Taxable Parking Square Footage, such Square Footage shall also be deemed Exempt Parking Square Footage beginning in the Fiscal Year following receipt of the prepayment.

**“Fiscal Year”** means the period starting July 1 and ending on the following June 30.

**“For-Sale Residential Square Footage”** or **“For-Sale Residential Square Foot”** means Square Footage that is or is expected to be part of a For-Sale Unit. The Zoning Authority shall make the determination as to the For-Sale Residential Square Footage within a Taxable Building in the CFD. For-Sale Residential Square Foot means a single square-foot unit of For-Sale Residential Square Footage.

**“For-Sale Unit”** means (i) in a Taxable Building that is not a Converted Apartment Building: a Market Rate Unit that has been, or is available or expected to be, sold, and (ii) in a Converted Apartment Building, a Converted For-Sale Unit. The Administrator shall make the final determination as to whether a Market Rate Unit is a For-Sale Unit or a Rental Unit.

**“Indenture”** means the indenture, fiscal agent agreement, resolution, or other instrument pursuant to which CFD No. 2014-1 Bonds are issued, as modified, amended, and/or supplemented from time to time, and any instrument replacing or supplementing the same.

**“Initial Annual Adjustment Factor”** means, as of July 1 of any Fiscal Year, the Annual Infrastructure Construction Cost Inflation Estimate published by the Office of the City Administrator’s Capital Planning Group and used to calculate the annual adjustment to the City’s development impact fees that took effect as of January 1 of the prior Fiscal Year pursuant to Section 409(b) of the Planning Code, as may be amended from time to time. If changes are made to the office responsible for calculating the annual adjustment, the name of the inflation index, or the date on which the development fee adjustment takes effect, the Administrator shall continue to rely on whatever annual adjustment factor is applied to the City’s development impact fees in order to calculate adjustments to the Base Special Taxes pursuant to Section D.1 below. Notwithstanding the foregoing, the Base Special Taxes shall, in no Fiscal Year, be increased or decreased by more than four percent (4%) of the amount in effect in the prior Fiscal Year.

**“Initial Square Footage”** means, for any Taxable Building in the CFD, the aggregate Square Footage of all Land Uses within the Building, as determined by the Zoning Authority upon issuance of the COO.

**“IPIC”** means the Interagency Plan Implementation Committee, or if the Interagency Plan Implementation Committee no longer exists, “IPIC” shall mean the designated staff member(s) within the City and/or TJPA that will recommend issuance of Tax Commencement Authorizations for Conditioned Projects within the CFD.

**“Land Use”** means residential, office, retail, hotel, parking, or child care use. For purposes of this RMA, the City shall have the final determination of the actual Land Use(s) on any Parcel within the CFD.

**“Landlord”** means an entity that owns at least twenty percent (20%) of the Rental Units within an Apartment Building or Converted Apartment Building.

**“Market Rate Unit”** means a Residential Unit that is not a Below Market Rate Unit.

**“Maximum Special Tax”** means the greatest amount of Special Tax that can be levied on a Taxable Parcel in the CFD in any Fiscal Year, as determined in accordance with Section C below.

**“Net New Square Footage”** means any Square Footage added to a Taxable Building after the *Initial Square Footage in the Building has paid Special Taxes in one or more Fiscal Years.*

**“Office/Hotel Square Footage”** or **“Office/Hotel Square Foot”** means Square Footage that is or is expected to be: (i) Square Footage of office space in which professional, banking, insurance, real estate, administrative, or in-office medical or dental activities are conducted, (ii) Square Footage that will be used by any organization, business, or institution for a Land Use that does not meet the definition of For-Sale Residential Square Footage Rental Residential Square Footage, or Retail Square Footage, including space used for cultural, educational, recreational, religious, or social service facilities, (iii) Taxable Child Care Square Footage, (iv) Square Footage in a residential care facility that is staffed by licensed medical professionals, and (v) any other Square Footage within a Taxable Building that does not fall within the definition provided for other Land Uses in this RMA. Notwithstanding the foregoing, street-level retail bank branches, real estate brokerage offices, and other such ground-level uses that are open to the public shall be categorized as Retail Square Footage pursuant to the Planning Code. Office/Hotel Square Foot means a single square-foot unit of Office/Hotel Square Footage.

For purposes of this RMA, “Office/Hotel Square Footage” shall also include Square Footage that is or is expected to be part of a non-residential structure that constitutes a place of lodging, providing temporary sleeping accommodations and related facilities. All Square Footage that shares an Assessor’s Parcel number within such a non-residential structure, including Square Footage of restaurants, meeting and convention facilities, gift shops, spas, offices, and other related uses shall be categorized as Office/Hotel Square Footage. If there are separate Assessor’s Parcel numbers for these other uses, the Administrator shall apply the Base Special Tax for Retail Square Footage to determine the Maximum Special Tax for Parcels on which a restaurant, gift shop, spa, or other retail use is located or anticipated, and the Base Special Tax for Office/Hotel Square Footage shall be used to determine the Maximum Special Tax for Parcels on



which other uses in the building are located. The Zoning Authority shall make the final determination as to the amount of Office/Hotel Square Footage within a building in the CFD.

**“Planning Code”** means the Planning Code of the City and County of San Francisco, as may be amended from time to time.

**“Proportionately”** means that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Taxable Parcels.

**“Rental Residential Square Footage”** or **“Rental Residential Square Foot”** means Square Footage that is or is expected to be used for one or more of the following uses: (i) Rental Units, (ii) any type of group or student housing which provides lodging for a week or more and may or may not have individual cooking facilities, including but not limited to boarding houses, dormitories, housing operated by medical institutions, and single room occupancy units, or (iii) a residential care facility that is not staffed by licensed medical professionals. The Zoning Authority shall make the determination as to the amount of Rental Residential Square Footage within a Taxable Building in the CFD. Rental Residential Square Foot means a single square-foot unit of Rental Residential Square Footage.

**“Rental Unit”** means (i) all Market Rate Units within an Apartment Building, and (ii) all Market Rate Units within a Converted Apartment Building that have yet to be sold to an individual homeowner or investor. “Rental Unit” shall not include any Residential Unit which has been purchased by a homeowner or investor and subsequently offered for rent to the general public. The Administrator shall make the final determination as to whether a Market Rate Unit is a For-Sale Unit or a Rental Unit.

**“Retail Square Footage”** or **“Retail Square Foot”** means Square Footage that is or, based on the Certificate of Occupancy, will be Square Footage of a commercial establishment that sells general merchandise, hard goods, food and beverage, personal services, and other items directly to consumers, including but not limited to restaurants, bars, entertainment venues, health clubs, laundromats, dry cleaners, repair shops, storage facilities, and parcel delivery shops. In addition, all Taxable Parking Square Footage in a Building, and all street-level retail bank branches, real estate brokerages, and other such ground-level uses that are open to the public, shall be categorized as Retail Square Footage for purposes of calculating the Maximum Special Tax pursuant to Section C below. The Zoning Authority shall make the final determination as to the amount of Retail Square Footage within a Taxable Building in the CFD. Retail Square Foot means a single square-foot unit of Retail Square Footage.

**“Residential Unit”** means an individual townhome, condominium, live/work unit, or apartment within a Building in the CFD.

**“Residential Use”** means (i) any and all Residential Units within a Taxable Building in the CFD, (ii) any type of group or student housing which provides lodging for a week or more and may or may not have individual cooking facilities, including but not limited to boarding houses,

dormitories, housing operated by medical institutions, and single room occupancy units, and (iii) a residential care facility that is not staffed by licensed medical professionals.

“**RMA**” means this Rate and Method of Apportionment of Special Tax.

“**Special Tax**” means a special tax levied in any Fiscal Year to pay the Special Tax Requirement.

“**Special Tax Requirement**” means the amount necessary in any Fiscal Year to: (i) pay principal and interest on Bonds that are due in the calendar year that begins in such Fiscal Year; (ii) pay periodic costs on the Bonds, including but not limited to, credit enhancement, liquidity support and rebate payments on the Bonds, (iii) create and/or replenish reserve funds for the Bonds to the extent such replenishment has not been included in the computation of the Special Tax Requirement in a previous Fiscal Year; (iv) cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year; (v) pay Administrative Expenses; and (vi) pay directly for Authorized Facilities. The amounts referred to in clauses (i) and (ii) of the preceding sentence may be reduced in any Fiscal Year by: (i) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are available to apply against such costs pursuant to the Indenture; (ii) in the sole and absolute discretion of the City, proceeds received by the CFD from the collection of penalties associated with delinquent Special Taxes; and (iii) any other revenues available to pay such costs as determined by the Administrator.

“**Square Footage**” means, for any Taxable Building in the CFD, the net saleable or leasable square footage of each Land Use on each Taxable Parcel within the Building, as determined by the Zoning Authority. If a building permit is issued to increase the Square Footage on any Taxable Parcel, the Administrator shall, in the first Fiscal Year after the final building permit inspection has been conducted in association with such expansion, work with the Zoning Authority to recalculate (i) the Square Footage of each Land Use on each Taxable Parcel, and (ii) the Maximum Special Tax for each Taxable Parcel based on the increased Square Footage. The final determination of Square Footage for each Land Use on each Taxable Parcel shall be made by the Zoning Authority.

“**Story**” or “**Stories**” means a portion or portions of a Building, except a mezzanine as defined in the City Building Code, included between the surface of any floor and the surface of the next floor above it, or if there is no floor above it, then the space between the surface of the floor and the ceiling next above it.

“**Taxable Building**” means, in any Fiscal Year, any Building within the CFD that is, or is part of, a Conditioned Project, and for which a Certificate of Occupancy was issued and a Tax Commencement Authorization was received by the Administrator on or prior to June 30 of the preceding Fiscal Year. If only a portion of the Building is a Conditioned Project, as determined by the Zoning Authority, that portion of the Building shall be treated as a Taxable Building for purposes of this RMA.

**“Tax Commencement Authorization”** means a written authorization issued by the Administrator upon the recommendations of the IPIC and CPC in order to initiate the levy of the Special Tax on a Conditioned Project that has been issued a COO.

**“Taxable Child Care Square Footage”** means the amount of Square Footage determined by subtracting the Exempt Child Care Square Footage within a Taxable Building from the total net leasable square footage within a Building that is used for licensed child care facilities, as determined by the Zoning Authority.

**“Taxable Parcel”** means, within a Taxable Building, any Parcel that is not exempt from the Special Tax pursuant to law or Section G below. If, in any Fiscal Year, a Special Tax is levied on only Net New Square Footage in a Taxable Building, only the Parcel(s) on which the Net New Square Footage is located shall be Taxable Parcel(s) for purposes of calculating and levying the Special Tax pursuant to this RMA.

**“Taxable Parking Square Footage”** means Square Footage of parking in a Taxable Building that is determined by the Zoning Authority not to be Exempt Parking Square Footage.

**“TJPA”** means the Transbay Joint Powers Authority.

**“Zoning Authority”** means either the City Zoning Administrator, the Executive Director of the San Francisco Office of Community Investment and Infrastructure, or an alternate designee from the agency or department responsible for the approvals and entitlements of a project in the CFD. If there is any doubt as to the responsible party, the Administrator shall coordinate with the City Zoning Administrator to determine the appropriate party to serve as the Zoning Authority for purposes of this RMA.

## **B. DATA FOR CFD ADMINISTRATION**

On or after July 1 of each Fiscal Year, the Administrator shall identify the current Assessor’s Parcel numbers for all Taxable Parcels in the CFD. In order to identify Taxable Parcels, the Administrator shall confirm which Buildings in the CFD have been issued both a Tax Commencement Authorization and a COO.

The Administrator shall also work with the Zoning Authority to confirm: (i) the Building Height for each Taxable Building, (ii) the For-Sale Residential Square Footage, Rental Residential Square Footage, Office/Hotel Square Footage, and Retail Square Footage on each Taxable Parcel, (iii) if applicable, the number of BMR Units and aggregate Square Footage of BMR Units within the Building, (iv) whether any of the Square Footage on a Parcel is subject to a Certificate of Exemption, and (v) the Special Tax Requirement for the Fiscal Year. In each Fiscal Year, the Administrator shall also keep track of how many Fiscal Years the Special Tax has been levied on each Parcel within the CFD. If there is Initial Square Footage and Net New Square Footage on a Parcel, the Administrator shall separately track the duration of the Special Tax levy in order to ensure compliance with Section F below.

In any Fiscal Year, if it is determined by the Administrator that (i) a parcel map or condominium plan for a portion of property in the CFD was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created parcels into the then current tax roll), and (ii) the Assessor does not yet recognize the newly-created parcels, the Administrator shall calculate the Special Tax that applies separately to each newly-created parcel, then applying the sum of the individual Special Taxes to the Assessor's Parcel that was subdivided by recordation of the parcel map or condominium plan.

**C. DETERMINATION OF THE MAXIMUM SPECIAL TAX**

**1. *Base Special Tax***

Once the Building Height of, and Land Use(s) within, a Taxable Building have been identified, the Base Special Tax to be used for calculation of the Maximum Special Tax for each Taxable Parcel within the Building shall be determined based on reference to the applicable table(s) below:

**FOR-SALE RESIDENTIAL SQUARE FOOTAGE**

| <i>Building Height</i> | <i>Base Special Tax<br/>Fiscal Year 2013-14*</i> |
|------------------------|--|
| 1 – 5 Stories          | \$4.71 per For-Sale Residential Square Foot      |
| 6 – 10 Stories         | \$5.02 per For-Sale Residential Square Foot      |
| 11 – 15 Stories        | \$6.13 per For-Sale Residential Square Foot      |
| 16 – 20 Stories        | \$6.40 per For-Sale Residential Square Foot      |
| 21 – 25 Stories        | \$6.61 per For-Sale Residential Square Foot      |
| 26 – 30 Stories        | \$6.76 per For-Sale Residential Square Foot      |
| 31 – 35 Stories        | \$6.88 per For-Sale Residential Square Foot      |
| 36 – 40 Stories        | \$7.00 per For-Sale Residential Square Foot      |
| 41 – 45 Stories        | \$7.11 per For Sale Residential Square Foot      |
| 46 – 50 Stories        | \$7.25 per For-Sale Residential Square Foot      |
| More than 50 Stories   | \$7.36 per For-Sale Residential Square Foot      |

**RENTAL RESIDENTIAL SQUARE FOOTAGE**

| <i>Building Height</i> | <i>Base Special Tax<br/>Fiscal Year 2013-14*</i> |
|------------------------|--|
| 1 – 5 Stories          | \$4.43 per Rental Residential Square Foot        |
| 6 – 10 Stories         | \$4.60 per Rental Residential Square Foot        |
| 11 – 15 Stories        | \$4.65 per Rental Residential Square Foot        |
| 16 – 20 Stories        | \$4.68 per Rental Residential Square Foot        |
| 21 – 25 Stories        | \$4.73 per Rental Residential Square Foot        |
| 26 – 30 Stories        | \$4.78 per Rental Residential Square Foot        |
| 31 – 35 Stories        | \$4.83 per Rental Residential Square Foot        |
| 36 – 40 Stories        | \$4.87 per Rental Residential Square Foot        |
| 41 – 45 Stories        | \$4.92 per Rental Residential Square Foot        |
| 46 – 50 Stories        | \$4.98 per Rental Residential Square Foot        |
| More than 50 Stories   | \$5.03 per Rental Residential Square Foot        |

**OFFICE/HOTEL SQUARE FOOTAGE**

| <i>Building Height</i> | <i>Base Special Tax<br/>Fiscal Year 2013-14*</i> |
|------------------------|--|
| 1 – 5 Stories          | \$3.45 per Office/Hotel Square Foot              |
| 6 – 10 Stories         | \$3.56 per Office/Hotel Square Foot              |
| 11 – 15 Stories        | \$4.03 per Office/Hotel Square Foot              |
| 16 – 20 Stories        | \$4.14 per Office/Hotel Square Foot              |
| 21 – 25 Stories        | \$4.25 per Office/Hotel Square Foot              |
| 26 – 30 Stories        | \$4.36 per Office/Hotel Square Foot              |
| 31 – 35 Stories        | \$4.47 per Office/Hotel Square Foot              |
| 36 – 40 Stories        | \$4.58 per Office/Hotel Square Foot              |
| 41 – 45 Stories        | \$4.69 per Office/Hotel Square Foot              |
| 46 – 50 Stories        | \$4.80 per Office/Hotel Square Foot              |
| More than 50 Stories   | \$4.91 per Office/Hotel Square Foot              |

**RETAIL SQUARE FOOTAGE**

| <i>Building Height</i> | <i>Base Special Tax<br/>Fiscal Year 2013-14*</i> |
|------------------------|--|
| N/A                    | \$3.18 per Retail Square Foot                    |

\* The Base Special Tax rates shown above for each Land Use shall escalate as set forth in Section D.1 below.

**2. Determining the Maximum Special Tax for Taxable Parcels**

Upon issuance of a Tax Commencement Authorization and the first Certificate of Occupancy for a Taxable Building within a Conditioned Project that is not an Affordable Housing Project, the

Administrator shall coordinate with the Zoning Authority to determine the Square Footage of each Land Use on each Taxable Parcel. The Administrator shall then apply the following steps to determine the Maximum Special Tax for the next succeeding Fiscal Year for each Taxable Parcel in the Taxable Building:

- Step 1.* Determine the Building Height for the Taxable Building for which a Certificate of Occupancy was issued.
- Step 2.* Determine the For-Sale Residential Square Footage and/or Rental Residential Square Footage for all Residential Units on each Taxable Parcel, as well as the Office/Hotel Square Footage and Retail Square Footage on each Taxable Parcel.
- Step 3.* ***For each Taxable Parcel that includes only For-Sale Units***, multiply the For-Sale Residential Square Footage by the applicable Base Special Tax from Section C.1 to determine the Maximum Special Tax for the Taxable Parcel.
- Step 4.* ***For each Taxable Parcel that includes only Rental Units***, multiply the Rental Residential Square Footage by the applicable Base Special Tax from Section C.1 to determine the Maximum Special Tax for the Taxable Parcel.
- Step 5.* ***For each Taxable Parcel that includes only Residential Uses other than Market Rate Units***, net out the Square Footage associated with any BMR Units and multiply the remaining Rental Residential Square Footage (if any) by the applicable Base Special Tax from Section C.1 to determine the Maximum Special Tax for the Taxable Parcel.
- Step 6.* ***For each Taxable Parcel that includes only Office/Hotel Square Footage***, multiply the Office/Hotel Square Footage on the Parcel by the applicable Base Special Tax from Section C.1 to determine the Maximum Special Tax for the Taxable Parcel.
- Step 7.* ***For each Taxable Parcel that includes only Retail Square Footage***, multiply the Retail Square Footage on the Parcel by the applicable Base Special Tax from Section C.1 to determine the Maximum Special Tax for the Taxable Parcel.
- Step 8.* ***For Taxable Parcels that include multiple Land Uses***, separately determine the For-Sale Residential Square Footage, Rental Residential Square Footage, Office/Hotel Square Footage, and/or Retail Square Footage. Multiply the Square Footage of each Land Use by the applicable Base Special Tax from Section C.1, and sum the individual amounts to determine the aggregate Maximum Special Tax for the Taxable Parcel for the first succeeding Fiscal Year.

## **D. CHANGES TO THE MAXIMUM SPECIAL TAX**

### **1. *Annual Escalation of Base Special Tax***

The Base Special Tax rates identified in Section C.1 are applicable for fiscal year 2013-14. Beginning July 1, 2014 and each July 1 thereafter, the Base Special Taxes shall be adjusted by the Initial Annual Adjustment Factor. The Base Special Tax rates shall be used to calculate the Maximum Special Tax for each Taxable Parcel in a Taxable Building for the first Fiscal Year in which the Building is a Taxable Building, as set forth in Section C.2 and subject to the limitations set forth in Section D.3.

### **2. *Adjustment of the Maximum Special Tax***

After a Maximum Special Tax has been assigned to a Parcel for its first Fiscal Year as a Taxable Parcel pursuant to Section C.2 and Section D.1, the Maximum Special Tax shall escalate for subsequent Fiscal Years beginning July 1 of the Fiscal Year after the first Fiscal Year in which the Parcel was a Taxable Parcel, and each July 1 thereafter, by two percent (2%) of the amount in effect in the prior Fiscal Year. In addition to the foregoing, the Maximum Special Tax assigned to a Taxable Parcel shall be increased in any Fiscal Year in which the Administrator determines that Net New Square Footage was added to the Parcel in the prior Fiscal Year.

### **3. *Converted Apartment Buildings***

If an Apartment Building in the CFD becomes a Converted Apartment Building, the Administrator shall rely on information from the County Assessor, site visits to the sales office, data provided by the entity that is selling Residential Units within the Building, and any other available source of information to track sales of Residential Units. In the first Fiscal Year in which there is a Converted For-Sale Unit within the Building, the Administrator shall determine the applicable Base Maximum Special Tax for For-Sale Residential Units for that Fiscal Year. Such Base Maximum Special Tax shall be used to calculate the Maximum Special Tax for all Converted For-Sale Units in the Building in that Fiscal Year. In addition, this Base Maximum Special Tax, escalated each Fiscal Year by two percent (2%) of the amount in effect in the prior Fiscal Year, shall be used to calculate the Maximum Special Tax for all future Converted For-Sale Units within the Building. Solely for purposes of calculating Maximum Special Taxes for Converted For-Sale Units within the Converted Apartment Building, the adjustment of Base Maximum Special Taxes set forth in Section D.1 shall not apply. All Rental Residential Square Footage within the Converted Apartment Building shall continue to be subject to the Maximum Special Tax for Rental Residential Square Footage until such time as the units become Converted For-Sale Units. The Maximum Special Tax for all Taxable Parcels within the Building shall escalate each Fiscal Year by two percent (2%) of the amount in effect in the prior Fiscal Year.

### **4. *BMR Unit/Market Rate Unit Transfers***

If, in any Fiscal Year, the Administrator determines that a Residential Unit that had previously been designated as a BMR Unit no longer qualifies as such, the Maximum Special Tax on the

new Market Rate Unit shall be established pursuant to Section C.2 and adjusted, as applicable, by Sections D.1 and D.2. If a Market Rate Unit becomes a BMR Unit after it has been taxed in prior Fiscal Years as a Market Rate Unit, the Maximum Special Tax on such Residential Unit shall not be decreased unless: (i) a BMR Unit is simultaneously redesignated as a Market Rate Unit, and (ii) such redesignation results in a Maximum Special Tax on the new Market Rate Unit that is greater than or equal to the Maximum Special Tax that was levied on the Market Rate Unit prior to the swap of units. If, based on the Building Height or Square Footage, there would be a reduction in the Maximum Special Tax due to the swap, the Maximum Special Tax that applied to the former Market Rate Unit will be transferred to the new Market Rate Unit regardless of the Building Height and Square Footage associated with the new Market Rate Unit.

#### **5. *Changes in Land Use on a Taxable Parcel***

If any Square Footage that had been taxed as For-Sale Residential Square Footage, Rental Residential Square Footage, Office/Hotel Square Footage, or Retail Square Footage in a prior Fiscal Year is rezoned or otherwise changes Land Use, the Administrator shall apply the applicable subsection in Section C.2 to calculate what the Maximum Special Tax would be for the Parcel based on the new Land Use(s). If the amount determined is greater than the Maximum Special Tax that applied to the Parcel prior to the Land Use change, the Administrator shall increase the Maximum Special Tax to the amount calculated for the new Land Uses. If the amount determined is less than the Maximum Special Tax that applied prior to the Land Use change, there will be no change to the Maximum Special Tax for the Parcel. Under no circumstances shall the Maximum Special Tax on any Taxable Parcel be reduced, regardless of changes in Land Use or Square Footage on the Parcel, including reductions in Square Footage that may occur due to demolition, fire, water damage, or acts of God. In addition, if a Taxable Building within the CFD that had been subject to the levy of Special Taxes in any prior Fiscal Year becomes all or part of an Affordable Housing Project, the Parcel(s) shall continue to be subject to the Maximum Special Tax that had applied to the Parcel(s) before they became part of the Affordable Housing Project. All Maximum Special Taxes determined pursuant to Section C.2 shall be adjusted, as applicable, by Sections D.1 and D.2.

#### **6. *Prepayments***

If a Parcel makes a prepayment pursuant to Section H below, the Administrator shall issue the owner of the Parcel a Certificate of Exemption for the Square Footage that was used to determine the prepayment amount, and no Special Tax shall be levied on the Parcel in future Fiscal Years unless there is Net New Square Footage added to a Building on the Parcel. Thereafter, a Special Tax calculated based solely on the Net New Square Footage on the Parcel shall be levied for up to thirty Fiscal Years, subject to the limitations set forth in Section F below. Notwithstanding the foregoing, any Special Tax that had been levied against, but not yet collected from, the Parcel is still due and payable, and no Certificate of Exemption shall be issued until such amounts are fully paid. If a prepayment is made in order to exempt Taxable Child Care Square Footage on a Parcel on which there are multiple Land Uses, the Maximum Special Tax for the Parcel shall be recalculated based on the exemption of this Child Care Square Footage which shall, after such prepayment, be designated as Exempt Child Care Square Footage and remain exempt in all Fiscal Years after the prepayment has been received.



**E. METHOD OF LEVY OF THE SPECIAL TAX**

Each Fiscal Year, the Special Tax shall be levied Proportionately on each Taxable Parcel up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year until the amount levied on Taxable Parcels is equal to the Special Tax Requirement.

**F. COLLECTION OF SPECIAL TAX**

The Special Taxes for CFD No. 2014-1 shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that prepayments are permitted as set forth in Section H below and provided further that the City may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner, and may collect delinquent Special Taxes through foreclosure or other available methods.

The Special Tax shall be levied and collected from the first Fiscal Year in which a Parcel is designated as a Taxable Parcel until the principal and interest on all Bonds have been paid, the City's costs of constructing or acquiring Authorized Facilities from Special Tax proceeds have been paid, and all Administrative Expenses have been paid or reimbursed. Notwithstanding the foregoing, the Special Tax shall not be levied on any Square Footage in the CFD for more than thirty Fiscal Years, except that a Special Tax that was lawfully levied in or before the final Fiscal Year and that remains delinquent may be collected in subsequent Fiscal Years. After a Building or a particular block of Square Footage within a Building (i.e., Initial Square Footage vs. Net New Square Footage) has paid the Special Tax for thirty Fiscal Years, the then-current record owner of the Parcel(s) on which that Square Footage is located shall be issued a Certificate of Exemption for such Square Footage. Notwithstanding the foregoing, the Special Tax shall cease to be levied, and a Release of Special Tax Lien shall be recorded against all Parcels in the CFD that are still subject to the Special Tax, after the Special Tax has been levied in the CFD for seventy-five Fiscal Years.

Pursuant to Section 53321 (d) of the Act, the Special Tax levied against Residential Uses shall under no circumstances increase more than ten percent (10%) as a consequence of delinquency or default by the owner of any other Parcel or Parcels and shall, in no event, exceed the Maximum Special Tax in effect for the Fiscal Year in which the Special Tax is being levied.

**G. EXEMPTIONS**

Notwithstanding any other provision of this RMA, no Special Tax shall be levied on: (i) Square Footage for which a prepayment has been received and a Certificate of Exemption issued, (ii) Below Market Rate Units except as otherwise provided in Sections D.3 and D.4, (iii) Affordable Housing Projects, including all Residential Units, Retail Square Footage, and Office Square Footage within buildings that are part of an Affordable Housing Project, except as otherwise provided in Section D.4, and (iv) Exempt Child Care Square Footage.

## **H. PREPAYMENT OF SPECIAL TAX**

The Special Tax obligation applicable to Square Footage in a building may be fully prepaid as described herein, provided that a prepayment may be made only if (i) the Parcel is a Taxable Parcel, and (ii) there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. Any prepayment made by a Parcel owner must satisfy the Special Tax obligation associated with all Square Footage on the Parcel that is subject to the Special Tax at the time the prepayment is calculated. An owner of an Assessor's Parcel intending to prepay the Special Tax obligation shall provide the City with written notice of intent to prepay. Within 30 days of receipt of such written notice, the City or its designee shall notify such owner of the prepayment amount for the Square Footage on such Assessor's Parcel. Prepayment must be made not less than 75 days prior to any redemption date for Bonds to be redeemed with the proceeds of such prepaid Special Taxes. The Prepayment Amount for a Taxable Parcel shall be calculated as follows:

- Step 1:* Determine the Square Footage of each Land Use on the Parcel.
- Step 2:* Determine how many Fiscal Years the Square Footage on the Parcel has paid the Special Tax, which may be a separate total for Initial Square Footage and Net New Square Footage on the Parcel. If a Special Tax has been levied, but not yet paid, in the Fiscal Year in which the prepayment is being calculated, such Fiscal Year will be counted as a year in which the Special Tax was paid, but a Certificate of Exemption shall not be issued until such Special Taxes are received by the City's Office of the Treasurer and Tax Collector.
- Step 3:* Subtract the number of Fiscal Years for which the Special Tax has been paid (as determined in Step 2) from 30 to determine the remaining number of Fiscal Years for which Special Taxes are due from the Square Footage for which the prepayment is being made. This calculation would result in a different remainder for Initial Square Footage and Net New Square Footage within a building.
- Step 4:* Separately for Initial Square Footage and Net New Square Footage, and separately for each Land Use on the Parcel, multiply the amount of Square Footage by the applicable Maximum Special Tax that would apply to such Square Footage in each of the remaining Fiscal Years, taking into account the 2% escalator set forth in Section D.2, to determine the annual stream of Maximum Special Taxes that could be collected in future Fiscal Years.
- Step 5:* For each Parcel for which a prepayment is being made, sum the annual amounts calculated for each Land Use in Step 4 to determine the annual Maximum Special Tax that could have been levied on the Parcel in each of the remaining Fiscal Years.

*Step 6.* Calculate the net present value of the future annual Maximum Special Taxes that were determined in Step 5 using, as the discount rate for the net present value calculation, the true interest cost (TIC) on the Bonds as identified by the Office of Public Finance. If there is more than one series of Bonds outstanding at the time of the prepayment calculation, the Administrator shall determine the weighted average TIC based on the Bonds from each series that remain outstanding. The amount determined pursuant to this Step 6 is the required prepayment for each Parcel. Notwithstanding the foregoing, if at any point in time the Administrator determines that the Maximum Special Tax revenue that could be collected from Square Footage that remains subject to the Special Tax after the proposed prepayment is less than 110% of debt service on Bonds that will remain outstanding after defeasance or redemption of Bonds from proceeds of the estimated prepayment, the amount of the prepayment shall be increased until the amount of Bonds defeased or redeemed is sufficient to reduce remaining annual debt service to a point at which 110% debt service coverage is realized.

Once a prepayment has been received by the City, a Certificate of Exemption shall be issued to the owner of the Parcel indicating that all Square Footage that was the subject of such prepayment shall be exempt from Special Taxes.

#### **I. INTERPRETATION OF SPECIAL TAX FORMULA**

The City may interpret, clarify, and revise this RMA to correct any inconsistency, vagueness, or ambiguity, by resolution and/or ordinance, as long as such interpretation, clarification, or revision does not materially affect the levy and collection of the Special Taxes and any security for any Bonds.

#### **J. SPECIAL TAX APPEALS**

Any taxpayer who wishes to challenge the accuracy of computation of the Special Tax in any Fiscal Year may file an application with the Administrator. The Administrator, in consultation with the City Attorney, shall promptly review the taxpayer's application. If the Administrator concludes that the computation of the Special Tax was not correct, the Administrator shall correct the Special Tax levy and, if applicable in any case, a refund shall be granted. If the Administrator concludes that the computation of the Special Tax was correct, then such determination shall be final and conclusive, and the taxpayer shall have no appeal to the Board from the decision of the Administrator.

The filing of an application or an appeal shall not relieve the taxpayer of the obligation to pay the Special Tax when due.

Nothing in this Section J shall be interpreted to allow a taxpayer to bring a claim that would otherwise be barred by applicable statutes of limitation set forth in the Act or elsewhere in applicable law.

**EXHIBIT C**

**CITY AND COUNTY OF SAN FRANCISCO  
Community Facilities District No. 2014-1  
(Transbay Transit Center)**

**ASSESSOR'S PARCEL NUMBERS AND OWNERS OF LAND**

Assessor's  
Parcel No(s).  
3741/045

Name(s) of Property Owners  
75 Howard Owner LP, a Delaware limited partnership

**UNANIMOUS APPROVAL  
of Annexation to a Community Facilities District  
and Related Matters**

**CITY AND COUNTY OF SAN FRANCISCO  
Community Facilities District No. 2014-1  
(Transbay Transit Center)**

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**Annexation No. 4**

*April 29*, 2020

Board of Supervisors of the  
City and County of San Francisco  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102

Members of the Board of Supervisors:

The undersigned hereby states and certifies, under penalty of perjury, as follows:

**1. Property Owner.** The undersigned is the owner (the "Property Owner") of fee simple title to the real property identified by the assessor's parcel number(s) listed below (the "Property"), and possesses all legal authority necessary to execute this Unanimous Approval. If requested by the City and County of San Francisco (the "City"), the Property Owner has supplied to the City current evidence of its ownership of the Property.

The Property Owner hereby represents and warrants that there are no persons resident on the Property that are registered to vote.

**2. Acknowledgement of CFD.** The Property Owner acknowledges and understands the following:

(a) The Board of Supervisors of the City has formed the City and County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center) (the "CFD") and a future annexation area for the CFD (the "Future Annexation Area"), pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the "Act") for the purpose of financing certain public facilities (the "Facilities") described on Exhibit A hereto and made a part hereof.

(b) The proceedings for the formation of the CFD authorized the Board of Supervisors to levy an annual special tax (the "Special Tax") on property in the CFD as specified in the Amended and Restated Rate and Method of Apportionment of Special Tax (the "Rate and Method") for the CFD, a copy of which is attached hereto as Exhibit B. The Property Owner acknowledges that the City will create a special account into which the Special Taxes will be deposited, when collected, and that the City will prepare the annual report required by Government Code Section 50075.3.

(c) The proceedings for the formation of the CFD authorized the Board of Supervisors to annex property in the Future Annexation Area to the CFD, without additional public hearings, upon approval of the owner of the property to be annexed as permitted by Section 53339.7(a) of the Act.

(d) The Property is in the Future Annexation Area for the CFD.

**3. Unanimous Approval and Vote.** This Unanimous Approval constitutes the unanimous approval and vote of the Property Owner in favor of the following matters for the purposes of Section 53339.7 et seq. of the Act and Article XIII A of the California Constitution:

a. Annexation: The annexation of the Property to the CFD for the purpose of financing the Facilities.

b. Special Tax: The levy of the Special Tax on the Property to finance the Facilities, according to the Rate and Method.

c. Bonds and other Debt: The issuance of bonded indebtedness and other debt (as defined in the Act) for the CFD in an aggregate principal amount not to exceed \$1,400,000,000. The Property Owner acknowledges that (i) the specific purpose of the bonds and other debt is to finance the acquisition and construction of the Facilities and pay related costs; (b) any proceeds received from the sale of any bonds and other debt will be applied only for such purpose; (c) the proceeds of any bonds and other debt will be deposited into special accounts to be created therefor as part of the issuance of the bonds and other debt; and (d) the City will cause a report to be prepared annually under Section 53411 of the Government Code.

d. Appropriations Limit: An initial appropriations limit for the CFD of \$300,000,000.

**4. Waivers.** The Property Owner hereby irrevocably waives (i) any right the Property Owner may otherwise have to protest or challenge the validity of the proceedings to form the CFD and to authorize the annexation of any property (including the Property) to the CFD, and (ii) any necessity, requirement or right for further public hearings or any election pertaining to the annexation of the Property to the CFD or the levy of the Special Tax on the Property.

**5. Recordation of Amendment to Notice of Special Tax Lien.** The Property Owner acknowledges and understands that a Notice of Special Tax Lien for the CFD (the "Notice of Special Tax Lien") was recorded in the Office of the Recorder of the City and County of San Francisco on January 22, 2015, as Document No. 2015K010238. The Property Owner hereby authorizes and directs the Clerk of the Board of Supervisors to execute and cause to be recorded in the office of the County Recorder of the City and County of San Francisco an amendment to the Notice of Special Tax Lien for the CFD as required by Section 3117.5 of the California Streets and Highways Code, which will impose a continuing lien on the Property to secure each levy of the Special Tax. The amendment to the Notice of Special Tax Lien shall include the Rate and Method as an exhibit thereto. The Property Owner acknowledges and understands that the lien of the Special Tax on the Property is coequal with the lien for ad valorem real property taxes levied by the County on the Property.

**6. Disclosures.** The Property Owner hereby agrees to provide to any subsequent purchaser of the Property written notice of the annexation of the Property to the CFD, and of the

authority of the Board of Supervisors to levy the Special Tax on the Property pursuant to the Rate and Method, to the extent required by applicable law.

**7. Agreements.** The Property Owner further agrees to execute such additional or supplemental agreements and to take such additional actions as may be required by the City to provide for any of the actions and conditions described in this Unanimous Approval, including any cash deposit required to pay for the City's costs in annexing the Property to the CFD.

The Property subject to this Unanimous Approval and to be annexed to the CFD, consists of the following Assessor's Parcel:


3741/045

The full legal name of the Property Owner is: 75 Howard Owner LP, a Delaware limited partnership

The foregoing Unanimous Approval is hereby executed this 29<sup>th</sup> day of April, 2020, in Harrison, ~~California~~, New York

75 Howard Owner LP, a Delaware limited partnership

By: 75 Howard Owner GP LLC, a Delaware limited liability company  
Its: General Partner

By:   
Name: Chris Brandt  
Title: Vice President

## EXHIBIT A

### **CITY AND COUNTY OF SAN FRANCISCO Community Facilities District No. 2014-1 (Transbay Transit Center)**

#### DESCRIPTION OF FACILITIES TO BE FINANCED BY THE CFD

City and County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center) (the "CFD") will pay or finance all or a portion of the costs of the following facilities (the "Facilities"). The Facilities will be constructed, whether or not acquired in their completed states, pursuant to the plans and specifications approved by the City and County of San Francisco (the "City") or other applicable public agencies.

#### **FACILITIES**

##### **I. Streetscape and Pedestrian Improvements**

**Primary Streets (Mission, Howard, Folsom, Fremont, 1<sup>st</sup>, 2<sup>nd</sup>, New Montgomery):** Improve existing primary streets in the Transit Center District, including Mission, Howard, Folsom, Fremont, 1<sup>st</sup>, 2<sup>nd</sup>, and New Montgomery Streets. Improvements would include sidewalk widening to accommodate additional pedestrian traffic from new development and the Transbay Transit Center, pedestrian and streetscape amenities, bicycle facilities, transit upgrades such as dedicated transit lanes, boarding islands, enhanced shelters and curb extensions to serve transit stops, and roadway circulation, parking, and loading changes. Recommended changes to Primary Streets would be informed by traffic studies to be funded by the CFD.

**Living Streets (Beale, Main, and Spear Streets North of Folsom to Market Street):** Improve Beale, Main, and Spear Streets from Folsom Street to Market Street by significantly expanding the sidewalk on one side of each street to approximately 30 feet and reducing the number of traffic lanes to one lane in either direction. Beale and Main Streets would feature a bike lane in the direction of traffic. Within the widened sidewalks, the Living Streets would include linear park space along the length of each block and provide additional open space and pedestrian amenities. The enhancements would include pedestrian amenities, street trees and landscaping, pedestrian lighting, street furniture, pocket parks, active uses, and curb extensions.

**Alleys (Stevenson, Jessie, Minna, Natoma, Tehama, Clementina Street):** Improve Stevenson, Jessie, Minna, Natoma, Tehama, Clementina Streets and other alleys within the project area. Alley improvements would include a variety of pedestrian improvements, including sidewalk widening, landscaping, pedestrian lighting, and street furniture, and potential redesign as single-surface shared pedestrian/vehicle ways.

**Fremont/Folsom Freeway Off-Ramp Realignment:** Realign the Fremont/Folsom Bay Bridge off-ramp so that it creates a "T" intersection with Fremont Street. This would enhance the safety of pedestrians crossing the off-ramp by standardizing the alignment of the off-ramp and improve the conditions along Folsom Street, planned as a major pedestrian boulevard.

**Mid-block Crossings:** Analyze and build new crosswalks at various mid-block locations in the Project Area. Mid-block crosswalks would include crosswalk striping at a



minimum. They may also include new traffic signals, curb extensions, and other pedestrian safety features as appropriate.

**Signalization:** Upgrade or install traffic signals at approximately 25 intersections in the Project Area. Traffic signal upgrades would be done in conjunction with overall circulation and street improvements in the Project Area.

**Natoma Street:** Create a pedestrian plaza and link to the Transit Center between 1<sup>st</sup> and 2<sup>nd</sup> Streets. The western two-thirds of Natoma Street between First and Second Streets would be closed to vehicles. Service vehicles and deliveries may be able to access this portion of Natoma Street during night and early morning hours before peak transit and retail times. The eastern one-third of Natoma Street (nearest to First Street) would remain open to vehicles to maintain access to parking and loading for existing buildings on the north side of Howard Street. The pedestrian space would include a new curbless single-surface space including decorative paving, pedestrian lighting, landscaping, and street furniture.

**Casual Carpool waiting area improvements:** Improve drop-off and pick-up zones at casual carpool locations in the Project Area, including sufficient sidewalk waiting and passenger loading/unloading space and amenities, including shelters, seating, informational signage and other supportive services.

## **II. Transit and Other Transportation**

**Transit Delay Mitigation:** Pay for the purchase of new transit vehicles to mitigate transportation impacts attributable to increased Project Area congestion.

**BART Station Capacity:** Enhance capacity constraints at Embarcadero and Montgomery Stations regarding crowding on platforms, vertical circulation, and the “dwell time” required for trains to load and unload passengers, which would be exacerbated by the additional transit riders brought on by new development and the Transbay Transit Center. Potential capacity enhancement measures could include additional vertical circulation (e.g. stairwells, escalators, and elevators), additional fare gates, improvements to the train control system to allow for more frequent service, platform edge doors, and better real-time public information displays on train arrivals at concourse and street levels.

**Congestion Charging Pilot:** Study, design and construct capital improvements relating to a congestion charging pilot program, potentially including fare booths, signals, electronic monitoring equipment, and the like. Conduct necessary analyses to inform the appropriate triggers, mechanisms, and capital improvements required for a congestion pricing pilot program to manage traffic volumes entering and exiting the CFD.

**Underground Pedestrian Connector:** Create an underground pedestrian tunnel connecting the Transbay Transit Center with the Embarcadero BART/Muni Metro Station, increasing circulation space available for pedestrians and creating a seamless link between the two transit stations.

**Downtown Rail Extension (DTX):** Extend the Caltrain rail tracks to the new Transbay Transit Center to accommodate Caltrain and California High Speed Rail, and construct the train components of the Transit Center building including associated systems. The funding would pay for the planning, engineering, right-of-way acquisition, and construction of the DTX.

## **III. Public Open space**

**City Park:** Plan, design and construct public open space on the roof of the Transbay Transit Center.

**City Park Connections:** Provide connections to the Transbay Transit Center's City Park from adjacent private buildings or from public streets and plazas. Connections could include sky bridges, or connections from ground level to park level, such as elevators, escalators, funiculars, gondolas or similar means of conveying people to City Park. Connections would be required to be publicly accessible during standard hours so that members of the public could easily access City Park.

**2nd and Howard Public Plaza:** Create an approximately 0.5-acre open space at the corner of 2<sup>nd</sup> and Howard Streets, on a grouping of parcels located on top of the future train tunnel. The open space would serve as a major access point to the adjacent Transbay Transit Center, including featuring a possible connection to the elevated City Park on the roof of the Transit Center. The open space design would be determined through a public design process.

**Transbay Park:** Transbay Park would be a new approximately 1.1-acre park, located between Main, Beale, Tehama, and Clementina Streets. The Park would provide a mix of active and passive recreation spaces.

**Chinatown Open Space Improvements:** Improvements to multiple public open spaces in Chinatown whose use would be increased by new development in the Project Area. The open space improvements may include enhancements to Portsmouth Square, a new open space at the Chinatown Central Subway Station, and improvements to other Chinatown parks. Specific open space improvements would be determined through a public design process.

**Other Downtown Open Space Improvements:** Improvements to multiple public open spaces in Downtown, whose use would be increased by new development in the Project Area. Specific locations for open space improvements have not been identified yet.

**Mission Square:** Public plaza at the entrance to the new Transbay Transit Center at the corner of Fremont and Mission Streets. The plaza would create passive open space and circulation space for people entering and exiting the Transit Center and the adjacent Transit Tower development.

**Under-Ramp Park:** Under-Ramp Park would be a new system of open spaces, built adjacent to and under the Bay Bridge off-ramps and bus ramps to the Transbay Transit Center, between Harrison, Howard, First, and Second Streets. The Park would provide a mix of active and passive recreation spaces.

#### **IV. Other Transit Center District Public Improvements**

The Facilities include the other public improvements not listed above but described in the Transit Center District Plan Program Implementation Document, dated May 16, 2012, as such Document may be amended from time to time.

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The costs to be financed include the costs of the acquisition of right-of-way (including right-of-way that is intended to be dedicated by the recording of a final map), the costs of design, engineering and planning, the costs of any environmental or traffic studies, surveys or other reports, costs related to landscaping and irrigation, soils testing, permits, plan check and

inspection fees, insurance, legal and related overhead costs, coordination and supervision and any other costs or appurtenances related to any of the foregoing.

#### **OTHER**

The CFD may also finance any of the following:

1. Bond or other debt-related expenses, including underwriters discount, reserve fund, capitalized interest, letter of credit fees and expenses, bond and disclosure counsel fees and expenses, bond remarketing costs, and all other incidental expenses.

2. Administrative fees of the City and the bond trustee or fiscal agent related to the CFD and the bonds or other debt.

3. Reimbursement of costs related to the formation of the CFD advanced by the City, the landowner(s) in the CFD, or any party related to any of the foregoing, as well as reimbursement of any costs advanced by the City, the landowner(s) in the CFD or any party related to any of the foregoing, for facilities, fees or other purposes or costs of the CFD.

4. The CFD may also pay in full all amounts necessary to eliminate any fixed special assessment liens or to pay, repay, or defease any obligation to pay or any indebtedness secured by any tax, fee, charge, or assessment levied within the area of the CFD or may pay debt service on that indebtedness. In addition, tax revenues of the CFD may be used to make lease or debt service payments on any lease, lease-purchase contract, or certificate of participation used to finance facilities authorized to be financed by the CFD.

## EXHIBIT B

### CITY AND COUNTY OF SAN FRANCISCO COMMUNITY FACILITIES DISTRICT NO. 2014-1 (TRANSBAY TRANSIT CENTER)

#### AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

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A Special Tax applicable to each Taxable Parcel in the City and County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center) shall be levied and collected according to the tax liability determined by the Administrator through the application of the appropriate amount or rate for Square Footage within Taxable Buildings, as described below. All Taxable Parcels in the CFD shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to the CFD unless a separate Rate and Method of Apportionment of Special Tax is adopted for the annexation area.

#### A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

**“Act”** means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, (commencing with Section 53311), Division 2 of Title 5 of the California Government Code.

**“Administrative Expenses”** means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of the City and TJPA carrying out duties with respect to CFD No. 2014-1 and the Bonds, including, but not limited to, levying and collecting the Special Tax, the fees and expenses of legal counsel, charges levied by the City Controller’s Office and/or the City Treasurer and Tax Collector’s Office, costs related to property owner inquiries regarding the Special Tax, costs associated with appeals or requests for interpretation associated with the Special Tax and this RMA, amounts needed to pay rebate to the federal government with respect to the Bonds, costs associated with complying with any continuing disclosure requirements for the Bonds and the Special Tax, costs associated with foreclosure and collection of delinquent Special Taxes, and all other costs and expenses of the City and TJPA in any way related to the establishment or administration of the CFD.

**“Administrator”** means the Director of the Office of Public Finance who shall be responsible for administering the Special Tax according to this RMA.

**“Affordable Housing Project”** means a residential or primarily residential project, as determined by the Zoning Authority, within which all Residential Units are Below Market Rate Units. All Land Uses within an Affordable Housing Project are exempt from the Special Tax, as provided in Section G and are subject to the limitations set forth in Section D.4 below.

**“Airspace Parcel”** means a parcel with an assigned Assessor’s Parcel number that constitutes vertical space of an underlying land parcel.

**“Apartment Building”** means a residential or mixed-use Building within which none of the Residential Units have been sold to individual homebuyers.

**“Assessor’s Parcel”** or **“Parcel”** means a lot or parcel, including an Airspace Parcel, shown on an Assessor’s Parcel Map with an assigned Assessor’s Parcel number.

**“Assessor’s Parcel Map”** means an official map of the County Assessor designating Parcels by Assessor’s Parcel number.

**“Authorized Facilities”** means those public facilities authorized to be funded by the CFD as set forth in the CFD formation proceedings.

**“Base Special Tax”** means the Special Tax per square foot that is used to calculate the Maximum Special Tax that applies to a Taxable Parcel pursuant to Sections C.1 and C.2 of this RMA. The Base Special Tax shall also be used to determine the Maximum Special Tax for any Net New Square Footage added to a Taxable Building in the CFD in future Fiscal Years.

**“Below Market Rate Units”** or **“BMR Units”** means all Residential Units within the CFD that have a deed restriction recorded on title of the property that (i) limits the rental price or sales price of the Residential Unit, (ii) limits the appreciation that can be realized by the owner of such unit, or (iii) in any other way restricts the current or future value of the unit.

**“Board”** means the Board of Supervisors of the City, acting as the legislative body of CFD No. 2014-1.

**“Bonds”** means bonds or other debt (as defined in the Act), whether in one or more series, issued, incurred, or assumed by the CFD related to the Authorized Facilities.

**“Building”** means a permanent enclosed structure that is, or is part of, a Conditioned Project.

**“Building Height”** means the number of Stories in a Taxable Building, which shall be determined based on the highest Story that is occupied by a Land Use. If only a portion of a Building is a Conditioned Project, the Building Height shall be determined based on the highest Story that is occupied by a Land Use regardless of where in the Building the Taxable Parcels are located. If there is any question as to the Building Height of any Taxable Building in the CFD, the Administrator shall coordinate with the Zoning Authority to make the determination.

**“Certificate of Exemption”** means a certificate issued to the then-current record owner of a Parcel that indicates that some or all of the Square Footage on the Parcel has prepaid the Special Tax obligation or has paid the Special Tax for thirty Fiscal Years and, therefore, such Square Footage shall, in all future Fiscal Years, be exempt from the levy of Special Taxes in the CFD. The Certificate of Exemption shall identify (i) the Assessor’s Parcel number(s) for the Parcel(s)

on which the Square Footage is located, (ii) the amount of Square Footage for which the exemption is being granted, (iii) the first and last Fiscal Year in which the Special Tax had been levied on the Square Footage, and (iv) the date of receipt of a prepayment of the Special Tax obligation, if applicable.

**“Certificate of Occupancy”** or **“COO”** means the first certificate, including any temporary certificate of occupancy, issued by the City to confirm that a Building or a portion of a Building has met all of the building codes and can be occupied for residential and/or non-residential use. For purposes of this RMA, “Certificate of Occupancy” shall not include any certificate of occupancy that was issued prior to January 1, 2013 for a Building within the CFD; however, any subsequent certificates of occupancy that are issued for new construction or expansion of the Building shall be deemed a Certificate of Occupancy and the associated Parcel(s) shall be categorized as Taxable Parcels if the Building is, or is part of, a Conditioned Project and a Tax Commencement Letter has been provided to the Administrator for the Building.

**“CFD”** or **“CFD No. 2014-1”** means the City and County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center).

**“Child Care Square Footage”** means, collectively, the Exempt Child Care Square Footage and Taxable Child Care Square Footage within a Taxable Building in the CFD.

**“City”** means the City and County of San Francisco.

**“Conditioned Project”** means a Development Project that is required to participate in funding Authorized Facilities through the CFD.

**“Converted Apartment Building”** means a Taxable Building that had been designated as an Apartment Building within which one or more Residential Units are subsequently sold to a buyer that is not a Landlord.

**“Converted For-Sale Unit”** means, in any Fiscal Year, an individual Market Rate Unit within a Converted Apartment Building for which an escrow has closed, on or prior to June 30 of the preceding Fiscal Year, in a sale to a buyer that is not a Landlord.

**“County”** means the City and County of San Francisco.

**“CPC”** means the Capital Planning Committee of the City and County of San Francisco, or if the Capital Planning Committee no longer exists, “CPC” shall mean the designated staff member(s) within the City and/or TJPA that will recommend issuance of Tax Commencement Authorizations for Conditioned Projects within the CFD.

**“Development Project”** means a residential, non-residential, or mixed-use development that includes one or more Buildings, or portions thereof, that are planned and entitled in a single application to the City.

**“Exempt Child Care Square Footage”** means Square Footage within a Taxable Building that, at the time of issuance of a COO, is determined by the Zoning Authority to be reserved for one or more licensed child care facilities. If a prepayment is made in association with any Taxable Child Care Square Footage, such Square Footage shall also be deemed Exempt Child Care Square Footage beginning in the Fiscal Year following receipt of the prepayment.

**“Exempt Parking Square Footage”** means the Square Footage of parking within a Taxable Building that, pursuant to Sections 151.1 and 204.5 of the Planning Code, is estimated to be needed to serve Land Uses within a building in the CFD, as determined by the Zoning Authority. If a prepayment is made in association with any Taxable Parking Square Footage, such Square Footage shall also be deemed Exempt Parking Square Footage beginning in the Fiscal Year following receipt of the prepayment.

**“Fiscal Year”** means the period starting July 1 and ending on the following June 30.

**“For-Sale Residential Square Footage”** or **“For-Sale Residential Square Foot”** means Square Footage that is or is expected to be part of a For-Sale Unit. The Zoning Authority shall make the determination as to the For-Sale Residential Square Footage within a Taxable Building in the CFD. For-Sale Residential Square Foot means a single square-foot unit of For-Sale Residential Square Footage.

**“For-Sale Unit”** means (i) in a Taxable Building that is not a Converted Apartment Building: a Market Rate Unit that has been, or is available or expected to be, sold, and (ii) in a Converted Apartment Building, a Converted For-Sale Unit. The Administrator shall make the final determination as to whether a Market Rate Unit is a For-Sale Unit or a Rental Unit.

**“Indenture”** means the indenture, fiscal agent agreement, resolution, or other instrument pursuant to which CFD No. 2014-1 Bonds are issued, as modified, amended, and/or supplemented from time to time, and any instrument replacing or supplementing the same.

**“Initial Annual Adjustment Factor”** means, as of July 1 of any Fiscal Year, the Annual Infrastructure Construction Cost Inflation Estimate published by the Office of the City Administrator’s Capital Planning Group and used to calculate the annual adjustment to the City’s development impact fees that took effect as of January 1 of the prior Fiscal Year pursuant to Section 409(b) of the Planning Code, as may be amended from time to time. If changes are made to the office responsible for calculating the annual adjustment, the name of the inflation index, or the date on which the development fee adjustment takes effect, the Administrator shall continue to rely on whatever annual adjustment factor is applied to the City’s development impact fees in order to calculate adjustments to the Base Special Taxes pursuant to Section D.1 below. Notwithstanding the foregoing, the Base Special Taxes shall, in no Fiscal Year, be increased or decreased by more than four percent (4%) of the amount in effect in the prior Fiscal Year.

**“Initial Square Footage”** means, for any Taxable Building in the CFD, the aggregate Square Footage of all Land Uses within the Building, as determined by the Zoning Authority upon issuance of the COO.

**“IPIC”** means the Interagency Plan Implementation Committee, or if the Interagency Plan Implementation Committee no longer exists, “IPIC” shall mean the designated staff member(s) within the City and/or TJPA that will recommend issuance of Tax Commencement Authorizations for Conditioned Projects within the CFD.

**“Land Use”** means residential, office, retail, hotel, parking, or child care use. For purposes of this RMA, the City shall have the final determination of the actual Land Use(s) on any Parcel within the CFD.

**“Landlord”** means an entity that owns at least twenty percent (20%) of the Rental Units within an Apartment Building or Converted Apartment Building.

**“Market Rate Unit”** means a Residential Unit that is not a Below Market Rate Unit.

**“Maximum Special Tax”** means the greatest amount of Special Tax that can be levied on a Taxable Parcel in the CFD in any Fiscal Year, as determined in accordance with Section C below.

**“Net New Square Footage”** means any Square Footage added to a Taxable Building after the Initial Square Footage in the Building has paid Special Taxes in one or more Fiscal Years.

**“Office/Hotel Square Footage”** or **“Office/Hotel Square Foot”** means Square Footage that is or is expected to be: (i) Square Footage of office space in which professional, banking, insurance, real estate, administrative, or in-office medical or dental activities are conducted, (ii) Square Footage that will be used by any organization, business, or institution for a Land Use that does not meet the definition of For-Sale Residential Square Footage Rental Residential Square Footage, or Retail Square Footage, including space used for cultural, educational, recreational, religious, or social service facilities, (iii) Taxable Child Care Square Footage, (iv) Square Footage in a residential care facility that is staffed by licensed medical professionals, and (v) any other Square Footage within a Taxable Building that does not fall within the definition provided for other Land Uses in this RMA. Notwithstanding the foregoing, street-level retail bank branches, real estate brokerage offices, and other such ground-level uses that are open to the public shall be categorized as Retail Square Footage pursuant to the Planning Code. Office/Hotel Square Foot means a single square-foot unit of Office/Hotel Square Footage.

For purposes of this RMA, “Office/Hotel Square Footage” shall also include Square Footage that is or is expected to be part of a non-residential structure that constitutes a place of lodging, providing temporary sleeping accommodations and related facilities. All Square Footage that shares an Assessor’s Parcel number within such a non-residential structure, including Square Footage of restaurants, meeting and convention facilities, gift shops, spas, offices, and other related uses shall be categorized as Office/Hotel Square Footage. If there are separate Assessor’s Parcel numbers for these other uses, the Administrator shall apply the Base Special Tax for Retail Square Footage to determine the Maximum Special Tax for Parcels on which a restaurant, gift shop, spa, or other retail use is located or anticipated, and the Base Special Tax for Office/Hotel Square Footage shall be used to determine the Maximum Special Tax for Parcels on



which other uses in the building are located. The Zoning Authority shall make the final determination as to the amount of Office/Hotel Square Footage within a building in the CFD.

**“Planning Code”** means the Planning Code of the City and County of San Francisco, as may be amended from time to time.

**“Proportionately”** means that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Taxable Parcels.

**“Rental Residential Square Footage”** or **“Rental Residential Square Foot”** means Square Footage that is or is expected to be used for one or more of the following uses: (i) Rental Units, (ii) any type of group or student housing which provides lodging for a week or more and may or may not have individual cooking facilities, including but not limited to boarding houses, dormitories, housing operated by medical institutions, and single room occupancy units, or (iii) a residential care facility that is not staffed by licensed medical professionals. The Zoning Authority shall make the determination as to the amount of Rental Residential Square Footage within a Taxable Building in the CFD. Rental Residential Square Foot means a single square-foot unit of Rental Residential Square Footage.

**“Rental Unit”** means (i) all Market Rate Units within an Apartment Building, and (ii) all Market Rate Units within a Converted Apartment Building that have yet to be sold to an individual homeowner or investor. “Rental Unit” shall not include any Residential Unit which has been purchased by a homeowner or investor and subsequently offered for rent to the general public. The Administrator shall make the final determination as to whether a Market Rate Unit is a For-Sale Unit or a Rental Unit.

**“Retail Square Footage”** or **“Retail Square Foot”** means Square Footage that is or, based on the Certificate of Occupancy, will be Square Footage of a commercial establishment that sells general merchandise, hard goods, food and beverage, personal services, and other items directly to consumers, including but not limited to restaurants, bars, entertainment venues, health clubs, laundromats, dry cleaners, repair shops, storage facilities, and parcel delivery shops. In addition, all Taxable Parking Square Footage in a Building, and all street-level retail bank branches, real estate brokerages, and other such ground-level uses that are open to the public, shall be categorized as Retail Square Footage for purposes of calculating the Maximum Special Tax pursuant to Section C below. The Zoning Authority shall make the final determination as to the amount of Retail Square Footage within a Taxable Building in the CFD. Retail Square Foot means a single square-foot unit of Retail Square Footage.

**“Residential Unit”** means an individual townhome, condominium, live/work unit, or apartment within a Building in the CFD.

**“Residential Use”** means (i) any and all Residential Units within a Taxable Building in the CFD, (ii) any type of group or student housing which provides lodging for a week or more and may or may not have individual cooking facilities, including but not limited to boarding houses,

dormitories, housing operated by medical institutions, and single room occupancy units, and (iii) a residential care facility that is not staffed by licensed medical professionals.

**“RMA”** means this Rate and Method of Apportionment of Special Tax.

**“Special Tax”** means a special tax levied in any Fiscal Year to pay the Special Tax Requirement.

**“Special Tax Requirement”** means the amount necessary in any Fiscal Year to: (i) pay principal and interest on Bonds that are due in the calendar year that begins in such Fiscal Year; (ii) pay periodic costs on the Bonds, including but not limited to, credit enhancement, liquidity support and rebate payments on the Bonds, (iii) create and/or replenish reserve funds for the Bonds to the extent such replenishment has not been included in the computation of the Special Tax Requirement in a previous Fiscal Year; (iv) cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year; (v) pay Administrative Expenses; and (vi) pay directly for Authorized Facilities. The amounts referred to in clauses (i) and (ii) of the preceding sentence may be reduced in any Fiscal Year by: (i) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are available to apply against such costs pursuant to the Indenture; (ii) in the sole and absolute discretion of the City, proceeds received by the CFD from the collection of penalties associated with delinquent Special Taxes; and (iii) any other revenues available to pay such costs as determined by the Administrator.

**“Square Footage”** means, for any Taxable Building in the CFD, the net saleable or leasable square footage of each Land Use on each Taxable Parcel within the Building, as determined by the Zoning Authority. If a building permit is issued to increase the Square Footage on any Taxable Parcel, the Administrator shall, in the first Fiscal Year after the final building permit inspection has been conducted in association with such expansion, work with the Zoning Authority to recalculate (i) the Square Footage of each Land Use on each Taxable Parcel, and (ii) the Maximum Special Tax for each Taxable Parcel based on the increased Square Footage. The final determination of Square Footage for each Land Use on each Taxable Parcel shall be made by the Zoning Authority.

**“Story”** or **“Stories”** means a portion or portions of a Building, except a mezzanine as defined in the City Building Code, included between the surface of any floor and the surface of the next floor above it, or if there is no floor above it, then the space between the surface of the floor and the ceiling next above it.

**“Taxable Building”** means, in any Fiscal Year, any Building within the CFD that is, or is part of, a Conditioned Project, and for which a Certificate of Occupancy was issued and a Tax Commencement Authorization was received by the Administrator on or prior to June 30 of the preceding Fiscal Year. If only a portion of the Building is a Conditioned Project, as determined by the Zoning Authority, that portion of the Building shall be treated as a Taxable Building for purposes of this RMA.

**“Tax Commencement Authorization”** means a written authorization issued by the Administrator upon the recommendations of the IPIC and CPC in order to initiate the levy of the Special Tax on a Conditioned Project that has been issued a COO.

**“Taxable Child Care Square Footage”** means the amount of Square Footage determined by subtracting the Exempt Child Care Square Footage within a Taxable Building from the total net leasable square footage within a Building that is used for licensed child care facilities, as determined by the Zoning Authority.

**“Taxable Parcel”** means, within a Taxable Building, any Parcel that is not exempt from the Special Tax pursuant to law or Section G below. If, in any Fiscal Year, a Special Tax is levied on only Net New Square Footage in a Taxable Building, only the Parcel(s) on which the Net New Square Footage is located shall be Taxable Parcel(s) for purposes of calculating and levying the Special Tax pursuant to this RMA.

**“Taxable Parking Square Footage”** means Square Footage of parking in a Taxable Building that is determined by the Zoning Authority not to be Exempt Parking Square Footage.

**“TJPA”** means the Transbay Joint Powers Authority.

**“Zoning Authority”** means either the City Zoning Administrator, the Executive Director of the San Francisco Office of Community Investment and Infrastructure, or an alternate designee from the agency or department responsible for the approvals and entitlements of a project in the CFD. If there is any doubt as to the responsible party, the Administrator shall coordinate with the City Zoning Administrator to determine the appropriate party to serve as the Zoning Authority for purposes of this RMA.

## **B. DATA FOR CFD ADMINISTRATION**

On or after July 1 of each Fiscal Year, the Administrator shall identify the current Assessor’s Parcel numbers for all Taxable Parcels in the CFD. In order to identify Taxable Parcels, the Administrator shall confirm which Buildings in the CFD have been issued both a Tax Commencement Authorization and a COO.

The Administrator shall also work with the Zoning Authority to confirm: (i) the Building Height for each Taxable Building, (ii) the For-Sale Residential Square Footage, Rental Residential Square Footage, Office/Hotel Square Footage, and Retail Square Footage on each Taxable Parcel, (iii) if applicable, the number of BMR Units and aggregate Square Footage of BMR Units within the Building, (iv) whether any of the Square Footage on a Parcel is subject to a Certificate of Exemption, and (v) the Special Tax Requirement for the Fiscal Year. In each Fiscal Year, the Administrator shall also keep track of how many Fiscal Years the Special Tax has been levied on each Parcel within the CFD. If there is Initial Square Footage and Net New Square Footage on a Parcel, the Administrator shall separately track the duration of the Special Tax levy in order to ensure compliance with Section F below.

In any Fiscal Year, if it is determined by the Administrator that (i) a parcel map or condominium plan for a portion of property in the CFD was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created parcels into the then current tax roll), and (ii) the Assessor does not yet recognize the newly-created parcels, the Administrator shall calculate the Special Tax that applies separately to each newly-created parcel, then applying the sum of the individual Special Taxes to the Assessor's Parcel that was subdivided by recordation of the parcel map or condominium plan.

**C. DETERMINATION OF THE MAXIMUM SPECIAL TAX**

**1. *Base Special Tax***

Once the Building Height of, and Land Use(s) within, a Taxable Building have been identified, the Base Special Tax to be used for calculation of the Maximum Special Tax for each Taxable Parcel within the Building shall be determined based on reference to the applicable table(s) below:

**FOR-SALE RESIDENTIAL SQUARE FOOTAGE**

| <i>Building Height</i> | <i>Base Special Tax<br/>Fiscal Year 2013-14*</i> |
|------------------------|--|
| 1 – 5 Stories          | \$4.71 per For-Sale Residential Square Foot      |
| 6 – 10 Stories         | \$5.02 per For-Sale Residential Square Foot      |
| 11 – 15 Stories        | \$6.13 per For-Sale Residential Square Foot      |
| 16 – 20 Stories        | \$6.40 per For-Sale Residential Square Foot      |
| 21 – 25 Stories        | \$6.61 per For-Sale Residential Square Foot      |
| 26 – 30 Stories        | \$6.76 per For-Sale Residential Square Foot      |
| 31 – 35 Stories        | \$6.88 per For-Sale Residential Square Foot      |
| 36 – 40 Stories        | \$7.00 per For-Sale Residential Square Foot      |
| 41 – 45 Stories        | \$7.11 per For Sale Residential Square Foot      |
| 46 – 50 Stories        | \$7.25 per For-Sale Residential Square Foot      |
| More than 50 Stories   | \$7.36 per For-Sale Residential Square Foot      |

**RENTAL RESIDENTIAL SQUARE FOOTAGE**

| <i>Building Height</i> | <i>Base Special Tax<br/>Fiscal Year 2013-14*</i> |
|------------------------|--|
| 1 – 5 Stories          | \$4.43 per Rental Residential Square Foot        |
| 6 – 10 Stories         | \$4.60 per Rental Residential Square Foot        |
| 11 – 15 Stories        | \$4.65 per Rental Residential Square Foot        |
| 16 – 20 Stories        | \$4.68 per Rental Residential Square Foot        |
| 21 – 25 Stories        | \$4.73 per Rental Residential Square Foot        |
| 26 – 30 Stories        | \$4.78 per Rental Residential Square Foot        |
| 31 – 35 Stories        | \$4.83 per Rental Residential Square Foot        |
| 36 – 40 Stories        | \$4.87 per Rental Residential Square Foot        |
| 41 – 45 Stories        | \$4.92 per Rental Residential Square Foot        |
| 46 – 50 Stories        | \$4.98 per Rental Residential Square Foot        |
| More than 50 Stories   | \$5.03 per Rental Residential Square Foot        |

**OFFICE/HOTEL SQUARE FOOTAGE**

| <i>Building Height</i> | <i>Base Special Tax<br/>Fiscal Year 2013-14*</i> |
|------------------------|--|
| 1 – 5 Stories          | \$3.45 per Office/Hotel Square Foot              |
| 6 – 10 Stories         | \$3.56 per Office/Hotel Square Foot              |
| 11 – 15 Stories        | \$4.03 per Office/Hotel Square Foot              |
| 16 – 20 Stories        | \$4.14 per Office/Hotel Square Foot              |
| 21 – 25 Stories        | \$4.25 per Office/Hotel Square Foot              |
| 26 – 30 Stories        | \$4.36 per Office/Hotel Square Foot              |
| 31 – 35 Stories        | \$4.47 per Office/Hotel Square Foot              |
| 36 – 40 Stories        | \$4.58 per Office/Hotel Square Foot              |
| 41 – 45 Stories        | \$4.69 per Office/Hotel Square Foot              |
| 46 – 50 Stories        | \$4.80 per Office/Hotel Square Foot              |
| More than 50 Stories   | \$4.91 per Office/Hotel Square Foot              |

**RETAIL SQUARE FOOTAGE**

| <i>Building Height</i> | <i>Base Special Tax<br/>Fiscal Year 2013-14*</i> |
|------------------------|--|
| N/A                    | \$3.18 per Retail Square Foot                    |

\* The Base Special Tax rates shown above for each Land Use shall escalate as set forth in Section D.1 below.

**2. Determining the Maximum Special Tax for Taxable Parcels**

Upon issuance of a Tax Commencement Authorization and the first Certificate of Occupancy for a Taxable Building within a Conditioned Project that is not an Affordable Housing Project, the

Administrator shall coordinate with the Zoning Authority to determine the Square Footage of each Land Use on each Taxable Parcel. The Administrator shall then apply the following steps to determine the Maximum Special Tax for the next succeeding Fiscal Year for each Taxable Parcel in the Taxable Building:

- Step 1.* Determine the Building Height for the Taxable Building for which a Certificate of Occupancy was issued.
- Step 2.* Determine the For-Sale Residential Square Footage and/or Rental Residential Square Footage for all Residential Units on each Taxable Parcel, as well as the Office/Hotel Square Footage and Retail Square Footage on each Taxable Parcel.
- Step 3.* ***For each Taxable Parcel that includes only For-Sale Units***, multiply the For-Sale Residential Square Footage by the applicable Base Special Tax from Section C.1 to determine the Maximum Special Tax for the Taxable Parcel.
- Step 4.* ***For each Taxable Parcel that includes only Rental Units***, multiply the Rental Residential Square Footage by the applicable Base Special Tax from Section C.1 to determine the Maximum Special Tax for the Taxable Parcel.
- Step 5.* ***For each Taxable Parcel that includes only Residential Uses other than Market Rate Units***, net out the Square Footage associated with any BMR Units and multiply the remaining Rental Residential Square Footage (if any) by the applicable Base Special Tax from Section C.1 to determine the Maximum Special Tax for the Taxable Parcel.
- Step 6.* ***For each Taxable Parcel that includes only Office/Hotel Square Footage***, multiply the Office/Hotel Square Footage on the Parcel by the applicable Base Special Tax from Section C.1 to determine the Maximum Special Tax for the Taxable Parcel.
- Step 7.* ***For each Taxable Parcel that includes only Retail Square Footage***, multiply the Retail Square Footage on the Parcel by the applicable Base Special Tax from Section C.1 to determine the Maximum Special Tax for the Taxable Parcel.
- Step 8.* ***For Taxable Parcels that include multiple Land Uses***, separately determine the For-Sale Residential Square Footage, Rental Residential Square Footage, Office/Hotel Square Footage, and/or Retail Square Footage. Multiply the Square Footage of each Land Use by the applicable Base Special Tax from Section C.1, and sum the individual amounts to determine the aggregate Maximum Special Tax for the Taxable Parcel for the first succeeding Fiscal Year.

## **D. CHANGES TO THE MAXIMUM SPECIAL TAX**

### **1. *Annual Escalation of Base Special Tax***

The Base Special Tax rates identified in Section C.1 are applicable for fiscal year 2013-14. Beginning July 1, 2014 and each July 1 thereafter, the Base Special Taxes shall be adjusted by the Initial Annual Adjustment Factor. The Base Special Tax rates shall be used to calculate the Maximum Special Tax for each Taxable Parcel in a Taxable Building for the first Fiscal Year in which the Building is a Taxable Building, as set forth in Section C.2 and subject to the limitations set forth in Section D.3.

### **2. *Adjustment of the Maximum Special Tax***

After a Maximum Special Tax has been assigned to a Parcel for its first Fiscal Year as a Taxable Parcel pursuant to Section C.2 and Section D.1, the Maximum Special Tax shall escalate for subsequent Fiscal Years beginning July 1 of the Fiscal Year after the first Fiscal Year in which the Parcel was a Taxable Parcel, and each July 1 thereafter, by two percent (2%) of the amount in effect in the prior Fiscal Year. In addition to the foregoing, the Maximum Special Tax assigned to a Taxable Parcel shall be increased in any Fiscal Year in which the Administrator determines that Net New Square Footage was added to the Parcel in the prior Fiscal Year.

### **3. *Converted Apartment Buildings***

If an Apartment Building in the CFD becomes a Converted Apartment Building, the Administrator shall rely on information from the County Assessor, site visits to the sales office, data provided by the entity that is selling Residential Units within the Building, and any other available source of information to track sales of Residential Units. In the first Fiscal Year in which there is a Converted For-Sale Unit within the Building, the Administrator shall determine the applicable Base Maximum Special Tax for For-Sale Residential Units for that Fiscal Year. Such Base Maximum Special Tax shall be used to calculate the Maximum Special Tax for all Converted For-Sale Units in the Building in that Fiscal Year. In addition, this Base Maximum Special Tax, escalated each Fiscal Year by two percent (2%) of the amount in effect in the prior Fiscal Year, shall be used to calculate the Maximum Special Tax for all future Converted For-Sale Units within the Building. Solely for purposes of calculating Maximum Special Taxes for Converted For-Sale Units within the Converted Apartment Building, the adjustment of Base Maximum Special Taxes set forth in Section D.1 shall not apply. All Rental Residential Square Footage within the Converted Apartment Building shall continue to be subject to the Maximum Special Tax for Rental Residential Square Footage until such time as the units become Converted For-Sale Units. The Maximum Special Tax for all Taxable Parcels within the Building shall escalate each Fiscal Year by two percent (2%) of the amount in effect in the prior Fiscal Year.

### **4. *BMR Unit/Market Rate Unit Transfers***

If, in any Fiscal Year, the Administrator determines that a Residential Unit that had previously been designated as a BMR Unit no longer qualifies as such, the Maximum Special Tax on the

new Market Rate Unit shall be established pursuant to Section C.2 and adjusted, as applicable, by Sections D.1 and D.2. If a Market Rate Unit becomes a BMR Unit after it has been taxed in prior Fiscal Years as a Market Rate Unit, the Maximum Special Tax on such Residential Unit shall not be decreased unless: (i) a BMR Unit is simultaneously redesignated as a Market Rate Unit, and (ii) such redesignation results in a Maximum Special Tax on the new Market Rate Unit that is greater than or equal to the Maximum Special Tax that was levied on the Market Rate Unit prior to the swap of units. If, based on the Building Height or Square Footage, there would be a reduction in the Maximum Special Tax due to the swap, the Maximum Special Tax that applied to the former Market Rate Unit will be transferred to the new Market Rate Unit regardless of the Building Height and Square Footage associated with the new Market Rate Unit.

#### **5. *Changes in Land Use on a Taxable Parcel***

If any Square Footage that had been taxed as For-Sale Residential Square Footage, Rental Residential Square Footage, Office/Hotel Square Footage, or Retail Square Footage in a prior Fiscal Year is rezoned or otherwise changes Land Use, the Administrator shall apply the applicable subsection in Section C.2 to calculate what the Maximum Special Tax would be for the Parcel based on the new Land Use(s). If the amount determined is greater than the Maximum Special Tax that applied to the Parcel prior to the Land Use change, the Administrator shall increase the Maximum Special Tax to the amount calculated for the new Land Uses. If the amount determined is less than the Maximum Special Tax that applied prior to the Land Use change, there will be no change to the Maximum Special Tax for the Parcel. Under no circumstances shall the Maximum Special Tax on any Taxable Parcel be reduced, regardless of changes in Land Use or Square Footage on the Parcel, including reductions in Square Footage that may occur due to demolition, fire, water damage, or acts of God. In addition, if a Taxable Building within the CFD that had been subject to the levy of Special Taxes in any prior Fiscal Year becomes all or part of an Affordable Housing Project, the Parcel(s) shall continue to be subject to the Maximum Special Tax that had applied to the Parcel(s) before they became part of the Affordable Housing Project. All Maximum Special Taxes determined pursuant to Section C.2 shall be adjusted, as applicable, by Sections D.1 and D.2.

#### **6. *Prepayments***

If a Parcel makes a prepayment pursuant to Section H below, the Administrator shall issue the owner of the Parcel a Certificate of Exemption for the Square Footage that was used to determine the prepayment amount, and no Special Tax shall be levied on the Parcel in future Fiscal Years unless there is Net New Square Footage added to a Building on the Parcel. Thereafter, a Special Tax calculated based solely on the Net New Square Footage on the Parcel shall be levied for up to thirty Fiscal Years, subject to the limitations set forth in Section F below. Notwithstanding the foregoing, any Special Tax that had been levied against, but not yet collected from, the Parcel is still due and payable, and no Certificate of Exemption shall be issued until such amounts are fully paid. If a prepayment is made in order to exempt Taxable Child Care Square Footage on a Parcel on which there are multiple Land Uses, the Maximum Special Tax for the Parcel shall be recalculated based on the exemption of this Child Care Square Footage which shall, after such prepayment, be designated as Exempt Child Care Square Footage and remain exempt in all Fiscal Years after the prepayment has been received.



**E. METHOD OF LEVY OF THE SPECIAL TAX**

Each Fiscal Year, the Special Tax shall be levied Proportionately on each Taxable Parcel up to 100% of the Maximum Special Tax for each Parcel for such Fiscal Year until the amount levied on Taxable Parcels is equal to the Special Tax Requirement.

**F. COLLECTION OF SPECIAL TAX**

The Special Taxes for CFD No. 2014-1 shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that prepayments are permitted as set forth in Section H below and provided further that the City may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner, and may collect delinquent Special Taxes through foreclosure or other available methods.

The Special Tax shall be levied and collected from the first Fiscal Year in which a Parcel is designated as a Taxable Parcel until the principal and interest on all Bonds have been paid, the City's costs of constructing or acquiring Authorized Facilities from Special Tax proceeds have been paid, and all Administrative Expenses have been paid or reimbursed. Notwithstanding the foregoing, the Special Tax shall not be levied on any Square Footage in the CFD for more than thirty Fiscal Years, except that a Special Tax that was lawfully levied in or before the final Fiscal Year and that remains delinquent may be collected in subsequent Fiscal Years. After a Building or a particular block of Square Footage within a Building (i.e., Initial Square Footage vs. Net New Square Footage) has paid the Special Tax for thirty Fiscal Years, the then-current record owner of the Parcel(s) on which that Square Footage is located shall be issued a Certificate of Exemption for such Square Footage. Notwithstanding the foregoing, the Special Tax shall cease to be levied, and a Release of Special Tax Lien shall be recorded against all Parcels in the CFD that are still subject to the Special Tax, after the Special Tax has been levied in the CFD for seventy-five Fiscal Years.

Pursuant to Section 53321 (d) of the Act, the Special Tax levied against Residential Uses shall under no circumstances increase more than ten percent (10%) as a consequence of delinquency or default by the owner of any other Parcel or Parcels and shall, in no event, exceed the Maximum Special Tax in effect for the Fiscal Year in which the Special Tax is being levied.

**G. EXEMPTIONS**

Notwithstanding any other provision of this RMA, no Special Tax shall be levied on: (i) Square Footage for which a prepayment has been received and a Certificate of Exemption issued, (ii) Below Market Rate Units except as otherwise provided in Sections D.3 and D.4, (iii) Affordable Housing Projects, including all Residential Units, Retail Square Footage, and Office Square Footage within buildings that are part of an Affordable Housing Project, except as otherwise provided in Section D.4, and (iv) Exempt Child Care Square Footage.

## **H. PREPAYMENT OF SPECIAL TAX**

The Special Tax obligation applicable to Square Footage in a building may be fully prepaid as described herein, provided that a prepayment may be made only if (i) the Parcel is a Taxable Parcel, and (ii) there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. Any prepayment made by a Parcel owner must satisfy the Special Tax obligation associated with all Square Footage on the Parcel that is subject to the Special Tax at the time the prepayment is calculated. An owner of an Assessor's Parcel intending to prepay the Special Tax obligation shall provide the City with written notice of intent to prepay. Within 30 days of receipt of such written notice, the City or its designee shall notify such owner of the prepayment amount for the Square Footage on such Assessor's Parcel. Prepayment must be made not less than 75 days prior to any redemption date for Bonds to be redeemed with the proceeds of such prepaid Special Taxes. The Prepayment Amount for a Taxable Parcel shall be calculated as follows:

- Step 1:* Determine the Square Footage of each Land Use on the Parcel.
- Step 2:* Determine how many Fiscal Years the Square Footage on the Parcel has paid the Special Tax, which may be a separate total for Initial Square Footage and Net New Square Footage on the Parcel. If a Special Tax has been levied, but not yet paid, in the Fiscal Year in which the prepayment is being calculated, such Fiscal Year will be counted as a year in which the Special Tax was paid, but a Certificate of Exemption shall not be issued until such Special Taxes are received by the City's Office of the Treasurer and Tax Collector.
- Step 3:* Subtract the number of Fiscal Years for which the Special Tax has been paid (as determined in Step 2) from 30 to determine the remaining number of Fiscal Years for which Special Taxes are due from the Square Footage for which the prepayment is being made. This calculation would result in a different remainder for Initial Square Footage and Net New Square Footage within a building.
- Step 4:* Separately for Initial Square Footage and Net New Square Footage, and separately for each Land Use on the Parcel, multiply the amount of Square Footage by the applicable Maximum Special Tax that would apply to such Square Footage in each of the remaining Fiscal Years, taking into account the 2% escalator set forth in Section D.2, to determine the annual stream of Maximum Special Taxes that could be collected in future Fiscal Years.
- Step 5:* For each Parcel for which a prepayment is being made, sum the annual amounts calculated for each Land Use in Step 4 to determine the annual Maximum Special Tax that could have been levied on the Parcel in each of the remaining Fiscal Years.

*Step 6.* Calculate the net present value of the future annual Maximum Special Taxes that were determined in Step 5 using, as the discount rate for the net present value calculation, the true interest cost (TIC) on the Bonds as identified by the Office of Public Finance. If there is more than one series of Bonds outstanding at the time of the prepayment calculation, the Administrator shall determine the weighted average TIC based on the Bonds from each series that remain outstanding. The amount determined pursuant to this Step 6 is the required prepayment for each Parcel. Notwithstanding the foregoing, if at any point in time the Administrator determines that the Maximum Special Tax revenue that could be collected from Square Footage that remains subject to the Special Tax after the proposed prepayment is less than 110% of debt service on Bonds that will remain outstanding after defeasance or redemption of Bonds from proceeds of the estimated prepayment, the amount of the prepayment shall be increased until the amount of Bonds defeased or redeemed is sufficient to reduce remaining annual debt service to a point at which 110% debt service coverage is realized.

Once a prepayment has been received by the City, a Certificate of Exemption shall be issued to the owner of the Parcel indicating that all Square Footage that was the subject of such prepayment shall be exempt from Special Taxes.

#### **I. INTERPRETATION OF SPECIAL TAX FORMULA**

The City may interpret, clarify, and revise this RMA to correct any inconsistency, vagueness, or ambiguity, by resolution and/or ordinance, as long as such interpretation, clarification, or revision does not materially affect the levy and collection of the Special Taxes and any security for any Bonds.

#### **J. SPECIAL TAX APPEALS**

Any taxpayer who wishes to challenge the accuracy of computation of the Special Tax in any Fiscal Year may file an application with the Administrator. The Administrator, in consultation with the City Attorney, shall promptly review the taxpayer's application. If the Administrator concludes that the computation of the Special Tax was not correct, the Administrator shall correct the Special Tax levy and, if applicable in any case, a refund shall be granted. If the Administrator concludes that the computation of the Special Tax was correct, then such determination shall be final and conclusive, and the taxpayer shall have no appeal to the Board from the decision of the Administrator.

The filing of an application or an appeal shall not relieve the taxpayer of the obligation to pay the Special Tax when due.

Nothing in this Section J shall be interpreted to allow a taxpayer to bring a claim that would otherwise be barred by applicable statutes of limitation set forth in the Act or elsewhere in applicable law.

1 [Resolution of Formation - City and County of San Francisco Community Facilities District No.  
2 2014-1 (Transbay Transit Center)]

3 **Resolution of formation of City and County of San Francisco Community Facilities**  
4 **District No. 2014-1 (Transbay Transit Center) and determining other matters in**  
5 **connection therewith.**

6  
7 WHEREAS, On July 15, 2014, this Board of Supervisors adopted a resolution entitled  
8 "Resolution of Intention to establish City and County of San Francisco Community Facilities  
9 District No. 2014-1 (Transbay Transit Center) and determining other matters in connection  
10 therewith" (the "Resolution of Intention"), which Resolution of Intention was signed by the  
11 Mayor on July 22, 2014, stating its intention to form (i) "City and County of San Francisco  
12 Community Facilities District No. 2014-1 (Transbay Transit Center)" (the "CFD") and (ii) a  
13 "City and County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit  
14 Center) (Future Annexation Area)" (the "Future Annexation Area"), pursuant to the Mello-Roos  
15 Community Facilities Act of 1982, as amended, constituting Chapter 2.5 of Part 1 of Division 2  
16 of Title 5, commencing with Section 53311, of the California Government Code (the "Mello-  
17 Roos Act"); and

18 WHEREAS, The Resolution of Intention, incorporating a map of the proposed  
19 boundaries of the CFD and the Future Annexation Area and stating the facilities to be  
20 provided (as set forth in the list attached hereto as Exhibit A) and the rate and method of  
21 apportionment of the special tax to be levied within the CFD (the "Original Rate and Method")  
22 to pay for the costs of the authorized facilities, including the principal and interest on bonds  
23 and other debt (as defined in the Mello-Roos Act) proposed to be issued with respect to the  
24  
25

1 CFD, is on file with the Clerk of the Board of Supervisors and the provisions thereof are  
2 incorporated herein by this reference as if fully set forth herein; and

3 WHEREAS, The properties in the CFD include (i) those properties owned by private  
4 parties that have development entitlements from the City to construct improvements that  
5 trigger an obligation to participate in the CFD pursuant to Section 424.8 of the Planning Code  
6 or a disposition and development agreement with the Office of Community Investment and  
7 Infrastructure and (ii) those properties owned by a public agency where the public agency has  
8 stated in the course of the proceedings in a letter to the Board of Supervisors that all or a  
9 portion of its land is intended to be transferred to private ownership, that its land will be  
10 subject to the special tax on the same basis as private property within the CFD and that it  
11 affirmatively waives any defense based on the fact of public ownership, to any action to  
12 foreclose on the property in the event of nonpayment of the special tax; and

13 WHEREAS, Since the date of the Resolution of Intention, certain changes have been  
14 proposed to the Original RMA that, among other things, provide that properties owned by  
15 public agencies in the CFD will be subject to the special tax on the same basis as private  
16 property and clarify that the obligation to participate in the CFD arises under Section 424.8 of  
17 the Planning Code and by agreement between property owners and one or more public  
18 agencies, and a copy of such amended rate and method of apportionment of special tax (the  
19 "Amended and Restated Rate and Method") is on file with the Clerk of the Board of  
20 Supervisors and the provisions thereof are incorporated herein by this reference as if fully set  
21 forth herein; and

22 WHEREAS, The Clerk of the Board (i) published notice of a public hearing relative to  
23 the proposed formation of the CFD and the Future Annexation Area pursuant to Section  
24 53322 of the Mello-Roos Act and Section 53339.4 of the Mello-Roos Act, respectively and (ii)  
25 mailed notice of such public hearing to the owners of the property in the CFD and to the

1 owners of the property in the Future Annexation Area that have notified the City of their intent  
2 to construct improvements that will trigger an obligation to participate in the CFD pursuant to  
3 Section 424.8 of the Planning Code or a disposition and development agreement with the  
4 Office of Community Investment and Infrastructure; and

5 WHEREAS, This Board of Supervisors opened the public hearing on September 2,  
6 2014 and continued the public hearing to September 9, 2014; and

7 WHEREAS, The Board of Supervisors continued the public hearing on September 9,  
8 2014 and further continued the public hearing to September 23, 2014; and

9 WHEREAS, This Board of Supervisors has held a noticed public hearing as required by  
10 the Mello-Roos Act and the Resolution of Intention relative to the proposed formation of the  
11 CFD and the Future Annexation Area; and

12 WHEREAS, At the hearing all interested persons desiring to be heard on all matters  
13 pertaining to the formation of the CFD and the Future Annexation Area, the facilities to be  
14 provided therein and the levy of said special tax were heard and a full and fair hearing was  
15 held; and

16 WHEREAS, At the hearing evidence was presented to this Board of Supervisors on  
17 said matters before it, including a report caused to be prepared by the Director of the Office of  
18 Public Finance (the "Report") as to the facilities to be provided through the CFD and the costs  
19 thereof, a copy of which is on file with the Clerk of the Board of Supervisors, and this Board of  
20 Supervisors at the conclusion of said hearing is fully advised in the matters related to the  
21 CFD. The Report also constitutes the "CFD formation study" contemplated by the Transit  
22 Center District Plan Program Implementation Document dated May 16, 2012; and

23 WHEREAS, Written protests with respect to the formation of the CFD, the furnishing of  
24 specified types of facilities or the rate and method of apportionment of the special taxes have  
25 not been filed with the Clerk of the Board of Supervisors by fifty percent (50%) or more of the

1 registered voters residing within the territory of the CFD or six registered voters, whichever is  
2 more, or property owners of one-half (1/2) or more of the area of land within the CFD and not  
3 exempt from the proposed special tax; and

4 WHEREAS, Written protests have not been filed with the Clerk of the Board of  
5 Supervisors against the proposed annexation of the Future Annexation Area to the CFD by (i)  
6 50% of more of the registered voters, or six registered voters, whichever is more, residing in  
7 the proposed boundaries of the CFD, or (ii) 50% or more of the registered voters, or six  
8 registered voters, whichever is more, residing in the Future Annexation Area, (iii) owners of  
9 one-half or more of the area of land in the proposed CFD and not exempt from the proposed  
10 special tax or (iv) owners of one-half or more of the area of land in the Future Annexation  
11 Area and not exempt from the proposed special tax; and

12 WHEREAS, On June 15, 2004, this Board approved Motion No. M04-67 affirming the  
13 Planning Commission's certification of the final environmental impact report for the Transbay  
14 Terminal/Caltrain Downtown Extension/Redevelopment Project in compliance with the  
15 California Environmental Quality Act (California Public Resources Code sections 21000 et  
16 seq.) (the "Transbay Terminal FEIR") A copy of said Motion is on file with the Clerk of the  
17 Board of Supervisors in File No. 040629.

18 WHEREAS, The Board of Supervisors in Resolution No. 612-04, adopted  
19 environmental findings in relation to the Transbay Terminal, Caltrain Downtown Extension,  
20 and Transbay Redevelopment Plan. Copies of said Resolution and supporting materials are  
21 in the Clerk of the Board of Supervisors File No. 41079. The Board of Supervisors in  
22 Ordinance No. 124-05, as part of its adoption of the Transbay Redevelopment Plan, adopted  
23 additional environmental findings. Copies of said Ordinance and supporting materials are in  
24 the Clerk of the Board of Supervisors File No. 50184. The environmental findings associated  
25 with Resolution No. 612-04 and Ordinance No. 124-05 are incorporated herein by reference.

1           WHEREAS, On May 24, 2012, the San Francisco Planning Commission adopted  
2 Motion No. 18628 certifying a Final Environmental Impact Report for the Transit Center  
3 District Plan ("TCDP") and the construction of the Transbay Tower ("Tower") (State  
4 Clearinghouse No. 2008072073) (the "TCDP FEIR"). Also on May 24, 2012, the Planning  
5 Commission adopted Motion No. 18629 relating to the adoption of environmental findings, a  
6 statement of overriding considerations, rejection of alternatives, and adoption of feasible  
7 mitigation measures, as required under the CEQA and CEQA Guidelines, in connection with  
8 the adoption of the TCDP and related actions needed to implement the TCDP. The San  
9 Francisco Board of Supervisors affirmed the Planning Commission's certification of the TCDP  
10 FEIR on July 10, 2012 in Motion No. M12-078 and subsequently adopted the TCDP  
11 implementing ordinances in Ordinance Nos. 182-12, 183-12, 194-12, and 185-12. Copies of  
12 said Motion and Ordinances are on file with the Clerk of the Board in File Numbers 120697,  
13 120665, 120666, 120667, and 120685 respectively. In Ordinance No. 185-12 the Board of  
14 Supervisors adopted environmental findings in relation to the TCDP implementing ordinances.  
15 Said findings are incorporated herein by reference.

16           WHEREAS, Subsequent to certification of the Transbay Terminal FEIR, the Transbay  
17 Joint Powers Authority (TJPA) prepared Addenda 1-6 to this FEIR pursuant to the California  
18 Environmental Quality Act (CEQA) and the CEQA Guidelines (Title 14, California Code of  
19 Regulations, Sections 15000 et seq.). These Addenda and the record related to them have  
20 been made available to this Board and the public at 201 Mission Street, Suite 2100, San  
21 Francisco, 94105 and are incorporated herein by reference.

22           WHEREAS, The Board of Supervisors relies on the environmental findings identified  
23 above associated with the Transbay Terminal FEIR and the TCDP FEIR, including the  
24 environmental impacts and mitigation measures that were previously analyzed, studied, and  
25 evaluated in the FEIRs in relation to the projects associated with the Mello-Roos District



1 funding, rejection of alternatives, a statement of overriding considerations and the  
2 administrative records associated with the FEIRs. Since certification and Board of  
3 Supervisors affirmation of the FEIRs and the TJPA's adoption of the identified Addenda,  
4 there have been no changes in relation to the projects contemplated for funding through the  
5 Mello-Roos District, no changes in circumstances, and no new information regarding a new  
6 significant impact or a substantial increase in the severity of a significant impact requiring  
7 major revisions in the FEIRs. Therefore, there are no circumstances that might require a  
8 subsequent or supplemental EIR for projects associated with Mello-Roos District funding,  
9 now, therefore, be it

10           RESOLVED, That the foregoing recitals are true and correct; and, be it

11           FURTHER RESOLVED, This Board of Supervisors hereby acknowledges receipt and  
12 accepts the terms of a statement from each of the three public agencies in accordance with  
13 Government Code 53111 in which each states that all or a portion of its land is intended to be  
14 transferred to private ownership, that its land will be subject to the special tax on the same  
15 basis as private property within the CFD and that it affirmatively waives any defense based on  
16 the fact of public ownership, to any action to foreclose on the property in the event of  
17 nonpayment of the special tax; and, be it

18           FURTHER RESOLVED, That the proposed special tax to be levied within the CFD has  
19 not been precluded by majority protest pursuant to Mello-Roos Act Section 53324; and, be it

20           FURTHER RESOLVED, That the Board of Supervisors hereby finds that the Amended  
21 and Restated RMA does not increase the maximum special tax that can levied in the CFD;  
22 and, be it

23           FURTHER RESOLVED, That this Board of Supervisors hereby directs the Director of  
24 the Office of Public Finance to prepare a report that includes a brief analysis of the impact of  
25

1 the proposed modifications set forth in the Amended and Restated RMA on the probable  
2 special tax to be paid by owners of the lots or parcels in the proposed CFD; and, be it

3 FURTHER RESOLVED, That this Board of Supervisors has received and considered  
4 the report prepared by the Director of the Office of Public Finance and the Board of  
5 Supervisors hereby finds that the amendments to the Original RMA do not increase the  
6 probable special tax to be paid by the owner of any lot or parcel; and, be it

7 FURTHER RESOLVED, That all prior proceedings taken by this Board of Supervisors  
8 in connection with the establishment of the CFD and the Future Annexation Area and the levy  
9 of the special tax have been duly considered and are hereby found and determined to be valid  
10 and in conformity with the Mello-Roos Act; and, be it

11 FURTHER RESOLVED, That the community facilities district designated "City and  
12 County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center)"  
13 and the future annexation area designated "City and County of San Francisco Community  
14 Facilities District No. 2014-1 (Transbay Transit Center) (Future Annexation Area)" are hereby  
15 established pursuant to the Mello-Roos Act; and, be it

16 FURTHER RESOLVED, That the boundaries of the CFD and the Future Annexation  
17 Area as set forth in the map heretofore recorded in the Assessor-Recorder's Office on July 29,  
18 2014 at 2:38 p.m. as Document No. 2014-J915559-00 in Book 001 Pages 75 and 76 of the  
19 Book of Maps of Assessment and Community Facilities Districts are hereby approved, are  
20 incorporated herein by reference and shall be the boundaries of the CFD and the Future  
21 Annexation Area; and, be it

22 FURTHER RESOLVED, That parcels within the Future Annexation Area shall be  
23 annexed to the CFD only with the unanimous approval (each, a "Unanimous Approval") of the  
24 owner or owners of each parcel or parcels at the time that parcel or those parcels are  
25

1 annexed, without any requirement for further public hearings or additional proceedings; and,  
2 be it

3 FURTHER RESOLVED, That the type of public facilities proposed to be financed by  
4 the CFD and pursuant to the Mello-Roos Act shall consist of those items listed as facilities in  
5 Exhibit A hereto and by this reference incorporated herein (the "Facilities"); and, be it

6 FURTHER RESOLVED, That:

7 a. Except to the extent that funds are otherwise available to the CFD to pay for the  
8 Facilities and/or the principal and interest as it becomes due on bonds of the CFD issued to  
9 finance the Facilities, a special tax (the "Special Tax") sufficient to pay the costs thereof,  
10 secured by the recordation of a continuing lien against all non-exempt real property in the  
11 CFD, is intended to be levied annually within the CFD, and collected in the same manner as  
12 ordinary *ad valorem* property taxes or in such other manner as may be prescribed by this  
13 Board of Supervisors.

14 b. The proposed rate and method of apportionment of the Special Tax among the  
15 parcels of real property within the CFD, in sufficient detail to allow each landowner within the  
16 proposed CFD to estimate the maximum amount such owner will have to pay, are set forth in  
17 the Amended and Restated Rate and Method, which is included in Exhibit B attached hereto  
18 and hereby incorporated herein.

19 c. The Amended and Restated Rate and Method is consistent with the Transit  
20 Center District Plan Program Implementation Document dated May 16, 2012, which provides  
21 that (i) to obtain approval to build a new project denser than a floor area ratio of 9:1, newly  
22 developed properties in the Transit Center District Plan area must opt into a community  
23 facilities district and pay a special tax to be used to fund public infrastructure, facilities and  
24 services and (ii) the final special tax levied on each property in the community facilities district  
25 would be calculated to be equivalent to 0.55 percent of property value, although the special

1 tax structure would likely not be directly related to property value and would likely be a per-  
2 square foot assessment based on a variety of factors, as determined through a detailed CFD  
3 formation study, such as the amount of development on the property and other factors.

4 d. Territory in the Future Annexation Area will be annexed into the CFD and a  
5 special tax will be levied on such territory only with the Unanimous Approval of the owner or  
6 owners of each parcel or parcels at the time that parcel or those parcels are annexed into the  
7 CFD. Except to the extent that funds are otherwise available to the CFD to pay for the  
8 Facilities and/or the principal and interest as it becomes due on bonds of the CFD issued to  
9 finance the Facilities, a special tax sufficient to pay the costs thereof, secured by the  
10 recordation of a continuing lien against all non-exempt real property in the Future Annexation  
11 Area, is intended to be levied annually within the Future Annexation Area, and collected in the  
12 same manner as ordinary *ad valorem* property taxes or in such other manner as may be  
13 prescribed by this Board of Supervisors. As required by Mello-Roos Act Section 53339.3(d),  
14 the Board of Supervisors hereby determines that the special tax proposed to pay for one or  
15 more Facilities to be supplied within the Future Annexation Area will be equal to the special  
16 taxes levied to pay for the same Facilities in the original area of the CFD; and, be it

17 FURTHER RESOLVED, That it is hereby found and determined that the Facilities are  
18 necessary to meet increased demands placed upon local agencies as the result of  
19 development occurring in the CFD; and, be it

20 FURTHER RESOLVED, That the Director of the Office of Public Finance, 1 Dr. Carlton  
21 B. Goodlett Place, San Francisco, CA 94102, 415-554-5956, is the officer of the City who will  
22 be responsible for preparing annually a current roll of special tax levy obligations by  
23 assessor's parcel number and who will be responsible for estimating future special tax levies  
24 pursuant to the Mello-Roos Act; and, be it

1 FURTHER RESOLVED, That upon recordation of a notice of special tax lien pursuant  
2 to Section 3114.5 of the Streets and Highways Code of California, a continuing lien to secure  
3 each levy of the special tax shall attach to all nonexempt real property in the CFD and this lien  
4 shall continue in force and effect until the special tax obligation is prepaid and permanently  
5 satisfied and the lien canceled in accordance with law or until collection of the tax by the City  
6 ceases; and, be it

7 FURTHER RESOLVED, That in accordance with the Mello-Roos Act, the annual  
8 appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California  
9 Constitution, of the CFD is hereby preliminarily established at \$300,000,000, and said  
10 appropriations limit shall be submitted to the voters of the CFD as hereafter provided. The  
11 proposition establishing said annual appropriations limit shall become effective if approved by  
12 the qualified electors voting thereon and shall be adjusted in accordance with the applicable  
13 provisions of the Mello-Roos Act; and, be it

14 FURTHER RESOLVED, That pursuant to the provisions of the Mello-Roos Act, the  
15 proposition of the levy of the special tax and the proposition of the establishment of the  
16 appropriations limit specified above shall be submitted to the qualified electors of the CFD at  
17 an election. The time, place and conditions of the election shall be as specified by a separate  
18 resolution of this Board of Supervisors; and, be it

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

20  
21 APPROVED AS TO FORM:  
22 DENNIS J. HERRERA, City Attorney

23 By:   
24 Mark D. Blake  
25 Deputy City Attorney

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**City and County of San Francisco**

**Tails**

**Resolution**

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

**File Number:** 140814

**Date Passed:** September 23, 2014

Resolution of formation of the City and County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center) and determining other matters in connection therewith.

September 02, 2014 Board of Supervisors - CONTINUED

Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

September 09, 2014 Board of Supervisors - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

September 09, 2014 Board of Supervisors - CONTINUED AS AMENDED

Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

September 23, 2014 Board of Supervisors - AMENDED

Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

September 23, 2014 Board of Supervisors - ADOPTED AS AMENDED

Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

File No. 140814

I hereby certify that the foregoing  
Resolution was ADOPTED AS AMENDED  
on 9/23/2014 by the Board of Supervisors  
of the City and County of San Francisco.



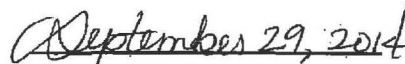
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Angela Calvillo  
Clerk of the Board



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Mayor



Date Approved

EXHIBIT A

CITY AND COUNTY OF SAN FRANCISCO  
Community Facilities District No. 2014-1  
(Transbay Transit Center)

DESCRIPTION OF FACILITIES TO BE FINANCED BY THE CFD

City and County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center) (the "CFD") will pay or finance all or a portion of the costs of the following facilities (the "Facilities"). The Facilities will be constructed, whether or not acquired in their completed states, pursuant to the plans and specifications approved by the City and County of San Francisco (the "City") or other applicable public agencies.

**FACILITIES**

**I. Streetscape and Pedestrian Improvements**

**Primary Streets (Mission, Howard, Folsom, Fremont, 1<sup>st</sup>, 2<sup>nd</sup>, New Montgomery):**

Improve existing primary streets in the Transit Center District, including Mission, Howard, Folsom, Fremont, 1<sup>st</sup>, 2<sup>nd</sup>, and New Montgomery Streets. Improvements would include sidewalk widening to accommodate additional pedestrian traffic from new development and the Transbay Transit Center, pedestrian and streetscape amenities, bicycle facilities, transit upgrades such as dedicated transit lanes, boarding islands, enhanced shelters and curb extensions to serve transit stops, and roadway circulation, parking, and loading changes. Recommended changes to Primary Streets would be informed by traffic studies to be funded by the CFD.



1 **Living Streets (Beale, Main, and Spear Streets North of Folsom to Market Street):**

2 Improve Beale, Main, and Spear Streets from Folsom Street to Market Street by  
3 significantly expanding the sidewalk on one side of each street to approximately 30 feet  
4 and reducing the number of traffic lanes to one lane in either direction. Beale and Main  
5 Streets would feature a bike lane in the direction of traffic. Within the widened  
6 sidewalks, the Living Streets would include linear park space along the length of each  
7 block and provide additional open space and pedestrian amenities. The enhancements  
8 would include pedestrian amenities, street trees and landscaping, pedestrian lighting,  
9 street furniture, pocket parks, active uses, and curb extensions.

10  
11 **Alleys (Stevenson, Jessie, Minna, Natoma, Tehama, Clementina Street):** Improve  
12 Stevenson, Jessie, Minna, Natoma, Tehama, Clementina Streets and other alleys within  
13 the project area. Alley improvements would include a variety of pedestrian  
14 improvements, including sidewalk widening, landscaping, pedestrian lighting, and street  
15 furniture, and potential redesign as single-surface shared pedestrian/vehicle ways.

16  
17 **Fremont/Folsom Freeway Off-Ramp Realignment:** Realign the Fremont/Folsom Bay  
18 Bridge off-ramp so that it creates a "T" intersection with Fremont Street. This would  
19 enhance the safety of pedestrians crossing the off-ramp by standardizing the alignment  
20 of the off-ramp and improve the conditions along Folsom Street, planned as a major  
21 pedestrian boulevard.

22 **Mid-block Crossings:** Analyze and build new crosswalks at various mid-block  
23 locations in the Project Area. Mid-block crosswalks would include crosswalk striping at a  
24 minimum. They may also include new traffic signals, curb extensions, and other  
25 pedestrian safety features as appropriate.

1 **Signalization:** Upgrade or install traffic signals at approximately 25 intersections in the  
2 Project Area. Traffic signal upgrades would be done in conjunction with overall  
3 circulation and street improvements in the Project Area.

4 **Natoma Street:** Create a pedestrian plaza and link to the Transit Center between 1<sup>st</sup>  
5 and 2<sup>nd</sup> Streets. The western two-thirds of Natoma Street between First and Second  
6 Streets would be closed to vehicles. Service vehicles and deliveries may be able to  
7 access this portion of Natoma Street during night and early morning hours before peak  
8 transit and retail times. The eastern one-third of Natoma Street (nearest to First Street)  
9 would remain open to vehicles to maintain access to parking and loading for existing  
10 buildings on the north side of Howard Street. The pedestrian space would include a new  
11 curbless single-surface space including decorative paving, pedestrian lighting,  
12 landscaping, and street furniture.

13  
14 **Casual Carpool waiting area improvements:** Improve drop-off and pick-up zones at  
15 casual carpool locations in the Project Area, including sufficient sidewalk waiting and  
16 passenger loading/unloading space and amenities, including shelters, seating,  
17 informational signage and other supportive services.

18  
19 **II. Transit and Other Transportation**

20 **Transit Delay Mitigation:** Pay for the purchase of new transit vehicles to mitigate  
21 transportation impacts attributable to increased Project Area congestion.

22  
23 **BART Station Capacity:** Enhance capacity constraints at Embarcadero and  
24 Montgomery Stations regarding crowding on platforms, vertical circulation, and the  
25 "dwell time" required for trains to load and unload passengers, which would be  
exacerbated by the additional transit riders brought on by new development and the

1 Transbay Transit Center. Potential capacity enhancement measures could include  
2 additional vertical circulation (e.g. stairwells, escalators, and elevators), additional fare  
3 gates, improvements to the train control system to allow for more frequent service,  
4 platform edge doors, and better real-time public information displays on train arrivals at  
5 concourse and street levels.

6 **Congestion Charging Pilot:** Study, design and construct capital improvements relating  
7 to a congestion charging pilot program, potentially including fare booths, signals,  
8 electronic monitoring equipment, and the like. Conduct necessary analyses to inform  
9 the appropriate triggers, mechanisms, and capital improvements required for a  
10 congestion pricing pilot program to manage traffic volumes entering and exiting the  
11 CFD.

12 **Underground Pedestrian Connector:** Create an underground pedestrian tunnel  
13 connecting the Transbay Transit Center with the Embarcadero BART/Muni Metro  
14 Station, increasing circulation space available for pedestrians and creating a seamless  
15 link between the two transit stations.  
16

17 **Downtown Rail Extension (DTX):** Extend the Caltrain rail tracks to the new Transbay  
18 Transit Center to accommodate Caltrain and California High Speed Rail, and construct  
19 the train components of the Transit Center building including associated systems. The  
20 funding would pay for the planning, engineering, right-of-way acquisition, and  
21 construction of the DTX.  
22

23 **III. Public Open space**

24 **City Park:** Plan, design and construct public open space on the roof of the Transbay  
25 Transit Center.

1 **City Park Connections:** Provide connections to the Transbay Transit Center's City  
2 Park from adjacent private buildings or from public streets and plazas. Connections  
3 could include sky bridges, or connections from ground level to park level, such as  
4 elevators, escalators, funiculars, gondolas or similar means of conveying people to City  
5 Park. Connections would be required to be publicly accessible during standard hours so  
6 that members of the public could easily access City Park.

7  
8 **2nd and Howard Public Plaza:** Create an approximately 0.5-acre open space at the  
9 corner of 2<sup>nd</sup> and Howard Streets, on a grouping of parcels located on top of the future  
10 train tunnel. The open space would serve as a major access point to the adjacent  
11 Transbay Transit Center, including featuring a possible connection to the elevated City  
12 Park on the roof of the Transit Center. The open space design would be determined  
13 through a public design process.

14  
15 **Transbay Park:** Transbay Park would be a new approximately 1.1-acre park, located  
16 between Main, Beale, Tehama, and Clementina Streets. The Park would provide a mix  
17 of active and passive recreation spaces.

18  
19 **Chinatown Open Space Improvements:** Improvements to multiple public open spaces  
20 in Chinatown whose use would be increased by new development in the Project Area.  
21 The open space improvements may include enhancements to Portsmouth Square, a  
22 new open space at the Chinatown Central Subway Station, and improvements to other  
23 Chinatown parks. Specific open space improvements would be determined through a  
24 public design process.  
25

1 **Other Downtown Open Space Improvements:** Improvements to multiple public open  
2 spaces in Downtown, whose use would be increased by new development in the Project  
3 Area. Specific locations for open space improvements have not been identified yet.

4 **Mission Square:** Public plaza at the entrance to the new Transbay Transit Center at  
5 the corner of Fremont and Mission Streets. The plaza would create passive open space  
6 and circulation space for people entering and exiting the Transit Center and the  
7 adjacent Transit Tower development.

8  
9 **Under-Ramp Park:** Under-Ramp Park would be a new system of open spaces, built  
10 adjacent to and under the Bay Bridge off-ramps and bus ramps to the Transbay Transit  
11 Center, between Harrison, Howard, First, and Second Streets. The Park would provide  
12 a mix of active and passive recreation spaces.

13  
14 **IV. Other Transit Center District Public Improvements**

15 The Facilities include the other public improvements not listed above but  
16 described in the Transit Center District Plan Program Implementation Document, dated  
17 May 16, 2012, as such Document may be amended from time to time.

18  
19  
20 The costs to be financed include the costs of the acquisition of right-of-way  
21 (including right-of-way that is intended to be dedicated by the recording of a final map),  
22  
23 the costs of design, engineering and planning, the costs of any environmental or traffic  
24 studies, surveys or other reports, costs related to landscaping and irrigation, soils  
25 testing, permits, plan check and inspection fees, insurance, legal and related overhead

costs, coordination and supervision and any other costs or appurtenances related to any of the foregoing.

**OTHER**

The CFD may also finance any of the following:

1. Bond or other debt-related expenses, including underwriters discount, reserve fund, capitalized interest, letter of credit fees and expenses, bond and disclosure counsel fees and expenses, bond remarketing costs, and all other incidental expenses.
2. Administrative fees of the City and the bond trustee or fiscal agent related to the CFD and the bonds or other debt.
3. Reimbursement of costs related to the formation of the CFD advanced by the City, the landowner(s) in the CFD, or any party related to any of the foregoing, as well as reimbursement of any costs advanced by the City, the landowner(s) in the CFD or any party related to any of the foregoing, for facilities, fees or other purposes or costs of the CFD.
4. The CFD may also pay in full all amounts necessary to eliminate any fixed special assessment liens or to pay, repay, or defease any obligation to pay or any indebtedness secured by any tax, fee, charge, or assessment levied within the area of the CFD or may pay debt service on that indebtedness. In addition, tax revenues of the CFD may be used to make lease or debt service payments on any lease, lease-purchase contract, or certificate of participation used to finance facilities authorized to be financed by the CFD.

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EXHIBIT B

CITY AND COUNTY OF SAN FRANCISCO  
Community Facilities District No. 2014-1  
(Transbay Transit Center)

AMENDED AND RESTATED  
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX



**City and County of San Francisco**  
**Certified Copy**  
**Resolution**

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

140814 **[ Resolution of Formation - City and County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center) ]**

**Sponsor: Mayor**

Resolution of formation of the City and County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center) and determining other matters in connection therewith.

9/2/2014 Board of Supervisors - CONTINUED

Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

9/9/2014 Board of Supervisors - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

9/9/2014 Board of Supervisors - CONTINUED AS AMENDED

Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

9/23/2014 Board of Supervisors - AMENDED

Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

9/23/2014 Board of Supervisors - ADOPTED AS AMENDED

Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

9/29/2014 Mayor - APPROVED



STATE OF CALIFORNIA  
CITY AND COUNTY OF SAN FRANCISCO

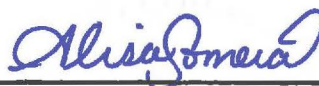
CLERK'S CERTIFICATE

I do hereby certify that the foregoing Resolution is a full, true, and correct copy of the original thereof on file in this office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City and County of San Francisco.

November 01, 2017

Date



fr Angela Calvillo

Clerk of the Board