

File No. 161126

Committee Item No. _____

Board Item No. 51.

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: _____

Date: _____

Board of Supervisors Meeting

Date: January 24, 2017

Cmte Board

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OTHER

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| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Controller letter - November 14, 2016</u> |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Notice Special Tax Lien</u> |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>CFD Report</u> |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>CFD Map</u> |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Hearing notice - printed December 25, 2016</u> |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |

Prepared by: John Carroll

Date: January 19, 2017

Prepared by: _____

Date: _____

1 [Levying Special Taxes - Community Facilities District No. 2016-1 (Treasure Island)]

2
3 **Ordinance levying special taxes within the City and County of San Francisco**
4 **Community Facilities District No. 2016-1 (Treasure Island).**

5
6 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
7 **Additions to Codes** are in *single-underline italics Times New Roman font*.
8 **Deletions to Codes** are in ~~*italics Times New Roman font*~~.
9 **Board amendment additions** are in double-underlined Arial font.
10 **Board amendment deletions** are in ~~Arial font~~.
11 **Asterisks (* * * *)** indicate the omission of unchanged Code
12 subsections or parts of tables.

13 Be it ordained by the People of the City and County of San Francisco:

14 Section 1. The Board of Supervisors of the City and County of San Francisco hereby
15 finds, determines and declares based on the record before it that:

16 A. Pursuant to the Mello-Roos Community Facilities Act of 1982, 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"), on December 6, 2016, this Board of Supervisors ("Board
19 of Supervisors") of the City and County of San Francisco ("City"), State of California, adopted
20 its Resolution No. 506-16 entitled "Resolution of intention to establish City and County of San
21 Francisco Community Facilities District No. 2016-1 (Treasure Island), Improvement Area No. 1
22 and a Future Annexation Area, and determining other matters in connection therewith"
23 ("Resolution of Intention to Establish"), on file with the Clerk of the Board of Supervisors in File
24 No. 161038, stating its intention to establish (i) "City and County of San Francisco Community
25 Facilities District No. 2016-1 (Treasure Island)" ("CFD"), (ii) "Improvement Area No. 1 of the City
and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)"

1 (“Improvement Area No. 1”), and (iii) “City and County of San Francisco Community Facilities
2 District No. 2016-1 (Treasure Island) (Future Annexation Area)” (“Future Annexation Area”), to
3 finance the acquisition and construction of certain public facilities and public services.

4 B. In the Resolution of Intention to Establish, this Board of Supervisors determined
5 that it may be necessary to designate additional improvement areas when territory in the Future
6 Annexation Area annexes into the CFD (each, a “Future Improvement Area”).

7 C. Notice was published as required by the Mello-Roos Act relative to the intention
8 of this Board of Supervisors to form the CFD, Improvement Area No. 1 and the Future
9 Annexation Area, to provide for certain public facilities and public services and to incur bonded
10 indebtedness for Improvement Area No. 1 and the Future Improvement Areas.

11 D. This Board of Supervisors has held noticed public hearings as required by the
12 Mello-Roos Act relative to (i) the determination to proceed with the formation of the CFD,
13 Improvement Area No. 1 and Future Annexation Area, and the rate and method of
14 apportionment of the special tax to be levied within Improvement Area No. 1 to finance a portion
15 of the costs of the public facilities and public services and (ii) the issuance of bonded
16 indebtedness and other debt for Improvement Area No. 1 and the Future Improvement Areas.

17 E. At said public hearings all persons desiring to be heard on all matters pertaining
18 to the formation of the CFD, Improvement Area No. 1 and the Future Annexation Area, and the
19 levy of said special taxes were heard, substantial evidence was presented and considered by
20 this Board of Supervisors and a full and fair hearing was held.

21 F. Subsequent to the public hearings, this Board of Supervisors adopted its entitled
22 “Resolution of formation of City and County of San Francisco Community Facilities District No. 2016-1
23 (Treasure Island), Improvement Area No. 1 and a Future Annexation Area, and determining other
24 matters in connection therewith” (“Resolution of Formation”) on file with the Clerk of the Board of
25 Supervisors in File No. 161122, a Resolution entitled “Resolution determining necessity to incur bonded

1 indebtedness and other debt in an amount not to exceed \$5.0 billion for the City and County of San
2 Francisco Community Facilities District No. 2016-1 (Treasure Island) and determining other matters in
3 connection therewith" ("Resolution of Necessity") on file with the Clerk of the Board of Supervisors in
4 File No. 161123, and a Resolution entitled "Resolution calling special election in City and County of San
5 Francisco Community Facilities District No. 2016-1 (Treasure Island)" on file with the Clerk of the Board
6 of Supervisors in File No. 161124, which resolutions defined the public facilities to be financed by the
7 CFD ("Facilities") and the public services to be financed by the CFD ("Services"), established the CFD,
8 Improvement Area No. 1 and Future Annexation Area, authorized the levy of a special tax within
9 Improvement Area No. 1, determined the necessity to (i) incur bonded indebtedness and other debt (as
10 defined in the Mello-Roos Act) for Improvement Area No. 1 in the maximum aggregate principal amount
11 of \$250 million ("Improvement Area No. 1 Indebtedness Limit") upon the security of the special tax to be
12 levied in Improvement Area No.1 and (ii) incur bonded indebtedness and other debt (as defined in the
13 Mello-Roos Act) for the territory in the CFD that is not in Improvement Area No. 1 in the maximum
14 aggregate principal amount of \$4.75 billion ("Non-Improvement Area No. 1 Indebtedness Limit") upon
15 the security of the special tax to be levied in such territory pursuant to the Mello-Roos Act, and called
16 an election within Improvement Area No. 1 on the propositions of incurring indebtedness, levying a
17 special tax, and establishing an appropriations limit within Improvement Area No. 1, respectively.

18 G. On January 24, 2017 a special election was held within Improvement Area No. 1
19 at which the eligible landowner-electors approved such propositions by the two-thirds vote
20 required by the Mello-Roos Act.

21 Section 2. By the passage of this Ordinance this Board of Supervisors hereby authorizes
22 and levies special taxes within Improvement Area No. 1, at the rate and in accordance with the
23 formula ("Rate and Method") set forth in the Resolution of Formation, which Resolution of
24 Formation is by this reference incorporated herein. The special taxes are hereby levied
25 commencing in fiscal year 2017-18 and in each fiscal year thereafter for the period provided in

1 the Rate and Method, as contemplated by the Resolution of Formation and the Resolution of
2 Necessity, and all costs of administering the CFD.

3 The designation as an improvement area of any territory annexing to the CFD, the
4 maximum amount of bonded indebtedness and other debt for such improvement area, the rate
5 and method of apportionment of special tax for such improvement area and the appropriations
6 limit for such improvement area shall be identified and approved in the unanimous approval
7 executed by property owners in connection with their annexation to the CFD (each, a
8 "Unanimous Approval") and in accordance with the Annexation Approval Procedures described
9 in the Resolution of Formation, and the amount of the maximum indebtedness for such
10 improvement area shall be subtracted from the Non-Improvement Area No. 1 Indebtedness
11 Limit as set forth in a resolution of this Board of Supervisors, which shall result in a reduction in
12 the Non-Improvement Area No. 1 Indebtedness Limit.

13 This Board of Supervisors hereby authorizes (i) the levy of special taxes on parcels in
14 the Future Annexation Area that are annexed into the CFD (whether as part of a then-existing
15 improvement area or as a newly-designated improvement area) at the rate or rates approved
16 in the applicable Unanimous Approval and in accordance with the Annexation Approval
17 Procedures described in the Resolution of Formation, and (ii) the apportionment and collection
18 of the special taxes approved pursuant to the applicable Unanimous Approval and the
19 Annexation Approval Procedures in the manner specified in the Resolution of Formation.

20 The Director of the Office of Public Finance of the City is hereby authorized and directed
21 each fiscal year to determine the specific special tax rate and amount to be levied for the next
22 ensuing fiscal year for each parcel of real property within Improvement Area No. 1 and each
23 Future Improvement Area, in the manner and as provided in the Resolution of Formation or the
24 applicable Unanimous Approval.

1 Except as provided in the Rate and Method or the rate and method of apportionment of
2 special tax for a Future Improvement Area, properties or entities of the State, federal or local
3 governments shall be exempt from any levy of the special taxes. In no event shall the special
4 taxes be levied on any parcel within Improvement Area No. 1 or a Future Improvement Area
5 (including any parcels in the Future Annexation Area that are annexed into the CFD) in excess
6 of the maximum tax specified in the Resolution of Formation or the applicable Unanimous
7 Approval for a Future Improvement Area.

8 All of the collections of the special tax shall be used as provided for in the Mello-Roos
9 Act, in the Resolution of Formation, or in the applicable Unanimous Approval, including, but
10 not limited to, the payment of principal and interest on bonds and other debt (as defined in the
11 Mello-Roos Act) issued by the City for Improvement Area No. 1 or a Future Improvement Area
12 (“Bonds”), the replenishment of the reserve fund for the Bonds, the payment of the costs of the
13 Facilities and the Services, the payment of the costs of the City in administering the CFD, and
14 the costs of collecting and administering the special tax.

15 The special taxes shall be collected in the same manner as ordinary *ad valorem* taxes
16 are collected and shall have the same lien priority, and be subject to the same penalties and
17 the same procedure and sale in cases of delinquency as provided for ad valorem taxes;
18 provided, however, that this Board of Supervisors may provide for other appropriate methods
19 of collection by resolutions of this Board of Supervisors. In addition, the provisions of Mello-
20 Roos Act Section 53356.1 shall apply to delinquent special tax payments. The Director of the
21 Office of Public Finance of the City is hereby authorized and directed to provide all necessary
22 information to the auditor/tax collector of the City and County of San Francisco in order to effect
23 proper billing and collection of the special tax, so that the special tax shall be included on the
24 secured property tax roll of the City and County of San Francisco for fiscal year 2017-18 and
25 for each fiscal year thereafter until the Bonds are paid in full or such longer period of time

1 provided in the Rate and Method with respect to Improvement Area No. 1, or the rate and
2 method of apportionment of special tax for the applicable Future Improvement Area.

3 Section 3. If for any the special tax is found inapplicable to any particular parcel within
4 Improvement Area No. 1 or a Future Improvement Area, by a court of competent jurisdiction,
5 the application of the special tax to the remaining parcels within Improvement Area No. 1 or
6 Future Improvement Area (including any parcels in the Future Annexation Area that are
7 annexed into the CFD) shall not be affected. Furthermore, if any section, subsection, sentence,
8 clause, phrase, or word of this ordinance, or any application thereof to any person or
9 circumstance, is held to be invalid or unconstitutional by a decision of a court of competent
10 jurisdiction, such decision shall not affect the validity of the remaining portions or applications
11 of this ordinance, this Board of Supervisors hereby declaring that it would have passed this
12 ordinance and each and every section, subsection, sentence, clause, phrase, and word not
13 declared invalid or unconstitutional without regard to whether any other portion of this ordinance
14 or application thereof would be subsequently declared invalid or unconstitutional.

15 Section 4. This ordinance shall become effective 30 days after enactment. Enactment
16 occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or
17 does not sign the ordinance within 10 days of receiving it, or the Board of Supervisors
18 overrides the Mayor's veto of the ordinance.

19
20 APPROVED AS TO FORM:

21 DENNIS J. HERRERA
City Attorney

22
23
24 By: _____

25 Mark D. Blake
Deputy City Attorney

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LEGISLATIVE DIGEST

[Levying Special Taxes - Community Facilities District No. 2016-1 (Treasure Island)]

**Ordinance levying special taxes within the City and County of San Francisco
Community Facilities District No. 2016-1 (Treasure Island).**

Existing Law

This is new legislation.

Background Information

The proposed Ordinance authorizes the levy of special taxes within City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island) to finance the cost of certain public capital improvements and services within the Treasure Island Development, as described below.

The Naval Station Treasure Island (“NSTI”) is a former United States Navy base located in the City and County of San Francisco (“City”) that consists of two islands connected by a causeway: (1) Treasure Island, and (2) an approximately 90-acre portion of Yerba Buena Island.

The Department of the Navy (“Navy”), and the Treasure Island Development Authority (“TIDA”) entered into an Economic Conveyance Memorandum of Agreement (the “Conveyance Agreement”) that provides the terms and conditions under which the Navy will transfer the NSTI to TIDA. Ultimately the NSTI will be redeveloped (as further described below, the “Treasure Island Development”) by the Treasure Island Community Development, LLC (“TICD”) on the basis of numerous agreements including but not limited to a Disposition and Development Agreement (Treasure Island/Yerba Buena Island), dated June 28, 2011 (“DDA”), including a Financing Plan (Treasure Island/Yerba Buena Island) (“Financing Plan”).

The Treasure Island Development includes the development of 8,000 new homes (including 2,173 affordable units), 300 acres of parks and open space, roughly 550,000 square feet of commercial and retail space, and up to 500 hotel rooms. To facilitate the development, TICD is required to deliver a wide range of public improvements, including geotechnically stabilizing the Treasure Island Development site; constructing new roadways, utilities, and other public infrastructure to support the Treasure Island Development; and constructing new ferry facilities, a new police/fire public safety building, and other community facilities.

The City anticipates that future improvements will also be necessary to ensure that the shoreline, public facilities, and public access improvements will be protected if sea level rises at the perimeter of the Treasure Island Development site, and the Board of Supervisors desires to provide a financing mechanism to pay for such improvements.

Under the Mello-Roos Community Facilities Act of 1982, constituting Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (“Mello-Roos Act”), the Board of Supervisors is authorized to establish community facilities districts (“CFDs”) and to act as the legislative body for such an CFD.

In accordance with the Mello-Roos Act, the City has taken legislative action and conducted public hearings, and considered evidence presented and determined to form City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island) (“CFD”), (ii) Improvement Area No. 1 of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)” (“Improvement Area No. 1”), and (iii) City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island) (“Future Annexation Area”). The City has also authorized the issuance of special tax bonds (in the amount not to exceed \$5 billion) for such purposes.

By passage of this Ordinance, the City will authorize the levy of special taxes within Improvement Area No. 1, at the rate and in accordance with the rate and method formula set forth in the Resolution of Formation (as defined in the Ordinance). The special taxes will be used to repay any bonded indebtedness and other costs of the CFD, Improvement Area No. 1 and Future Annexation Area. The special taxes will be levied starting in fiscal year 2017-18 and in each fiscal year thereafter for the period provided in the rate and method formula to pay for the costs of public improvements, services, including all costs of administering the CFD.

Passage of the Ordinance would also provide for the (i) levy of special taxes on parcels in the Future Annexation Area that are annexed into the CFD (whether as part of a then-existing improvement area or as a newly-designated improvement area) at the rate or rates approved in the applicable Unanimous Approval and in accordance with the Annexation Approval Procedures described in the Resolution of Formation, and (ii) apportionment and collection of the special taxes approved pursuant to the applicable Unanimous Approval and the Annexation Approval Procedures in the manner specified in the Resolution of Formation.

Under the Ordinance, the Board of Supervisors delegates to the Controller’s Director of Public Finance to determine the specific special tax rate and amount to be levied for the next ensuing fiscal year for each parcel of real property within Improvement Area No. 1 and each Future Improvement Area, in the manner and as provided in the Resolution of Formation or the applicable Unanimous Approval.

The special tax authorized under the Ordinance would be collected in the same manner as *ad valorem* property taxes and have the same lien priority. State, federal or local government properties are exempt the special tax levy, except as provided in the rate and method formula.



CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER



Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

Nadia Sesay
Director
Office of Public Finance

MEMORANDUM

TO: Honorable Mayor Edwin M. Lee
Honorable Members, Board of Supervisors

FROM: Nadia Sesay, Public Finance Director 
Robert Beck, Treasure Island Director 

SUBJECT: Treasure Island/Yerba Buena Island: Affordable Housing Funding Plan

DATE: Monday, November 14, 2016

This memorandum identifies strategies to address the affordable housing funding gap in the Treasure Island Program as they relate to legislative actions pending at the Board of Supervisors.

Executive Summary

- In 2011, the Board of Supervisors adopted a series of resolutions to approve numerous entitlement and transaction documents relating to Treasure Island/Yerba Buena Island Development Project.
- The Project includes the development of 8,000 new homes (including 2,173 or 27.2% affordable units), 300 acres of parks and open space, roughly 550,000 square feet of commercial and retail space, and up to 500 hotel rooms.
- Treasure Island Community Development ("TICD") is required to deliver a wide range of public improvements, including geotechnically stabilizing the project site; constructing new roadways, utilities, and other public infrastructure to support the Project; and constructing new ferry facilities, a new police/fire public safety building, and other community facilities.
- The City, in partnership with Treasure Island Homeless Development Initiative ("TIHDI"), is required to develop the affordable housing units.
- The City is obligated under the Disposition and Development Agreement dated June 7, 2011 ("DDA") to establish the required public financing mechanisms as development commences.
- The first five of seventeen resolutions and ordinance required to form the Infrastructure Financing and Revitalization District ("IRFD") and Community Facilities District ("CFD") are pending at the Board of Supervisors. If adopted the resolutions are adopted, the formation of the districts would be considered by the Board of Supervisors in January following Public Hearings on the districts.
- The IRFD will allow Treasure Island Development Authority ("TIDA") to capture property tax increment for affordable housing and to reimburse Treasure Island Community Development ("TICD") for eligible public infrastructure expenses.

- The CFD will place a supplemental assessment on development parcels which will reimburse eligible TICD public infrastructure expenses and will fund future sea level rise adaptation strategies and park & open space maintenance, but which cannot finance affordable housing.
- The 2011 agreements allowed for 1,684 affordable units with the option to develop up to 1,866 affordable units without compensation to the developer, TICD, although it was not determined at the time how the City might finance these additional units.
- Since the adoption of the DDA in 2011 revised projections have identified a gap of \$382 million across a total cost of \$968 million to construct the 1,864 units.
- The gap includes funding an additional 184 affordable housing units, increased construction cost, and lost contributions from State and Federal funding programs which no longer exist. Most notable is the loss due to dissolution of redevelopment of the Educational Revenue Augmentation Fund (“ERAF”) which represent 25.3% of the 1% ad valorem property tax.
- Potential solutions to close the affordable housing funding gap will be available in near-, mid-, and long-term, over the life of the development and will entail future Board actions and change in State law.
- The City is projected to deliver 720 TIDA/TIHDI affordable units over 7 parcels between 2018 – when the first parcel will be available – and 2026 with funding in the near-term from MOHCD.
- The committed and project-generated sources funds 1,429 units (including the 720 units above) or 65% of the affordable housing obligation, including inclusionary units, over the life of the development.
- To the extent that we are able to further realize the potential funding sources identified in this memo, 1,967 units or 90% of the affordable housing obligation including inclusionary units can be delivered over the life of the development.
- Although the City has rights to develop over 20 parcels, the City projects it can construct the 1,864 units on only 17 parcels. Therefore, the City has 3 parcels available for future affordable housing development beyond the 8,000 units and outside of the scope of the development.

Affordable Housing Program

Table 1 below, summarizes some of the key characteristics of the affordable housing program and costs in 2011 compared to 2016.

Table 1: Affordable Housing Program – 2011 and 2016

	2011	2016
Total Affordable Housing Units	2,000	2,173
TIDA/TIHDI Units	1,684	1,864
Inclusionary Units	316	309
Total Cost of TIDA/TIHDI Units	\$600 million	\$968 million
Estimated Funding Gap	\$144+ million*	\$382 million

* – Includes expired Federal and State sources, TIHDI financing obligation, and construction of Tax Credit ineligible market rate units.

With the elimination of redevelopment, the Project was limited to the share of ad valorem property taxes allocated to San Francisco as a City and County which are 64.7% of the total revenues. State law authorizing the formation of Infrastructure Financing Districts (“IFDs”) allowed the City to leverage these revenues in a manner similar to redevelopment law. In the Finance Plan and Housing Plan as revised following the dissolution of redevelopment, the City dedicated 56.7% of the ad valorem tax revenues to the financing of the public improvements, with 82.5% of that amount committed to the reimbursement of TICD for the provision of infrastructure improvements and 17.5% of that amount set aside to finance affordable housing to be constructed by TIDA and TIHDI. The resultant financing structure is reflected in Table 2.

Table 2: Available Tax Increment Under Redevelopment Law vs Treasure Island Post-Redevelopment Finance Plan

	RDA*	IFD**	Notes
General Fund Subtotal	13%	8%	8% of local Tax Increment to GF; 56.7 to project implementation
SF School District	6.5%	7.7%	Not available under IFD
ERAF	-	25.3%	Not available under IFD
Other Districts	0.5%	2.3%	Not available under IFD
Affordable Housing	20%	9.92%	=17.5% of 56.7%
Available for Infrastructure	60%	46.78%	=82.5% of 56.7%
Total	100%	100%	

- * – Under Redevelopment Law, the State committed the ERAF share of property tax increment derived from the project area to the Redevelopment Agency (“RDA”) for the financing of public improvements and affordable housing within the project area.
- ** – Per the Treasure Island Finance Plan, local Tax Increment is to be leveraged through an Infrastructure and Revitalization Financing District (“IFD”)

Addressing the Funding Gap

As illustrated in Table 3, the \$382 million funding gap considers only funding contributions from affordable housing tax credits, TICD’s affordable housing subsidy payment, and tax increment to be leveraged through the IRFD. The committed and project-generated sources funds 1,429 units or 65% of affordable housing obligation, which includes inclusionary units. It does not factor in potential contributions from potential state and local revenues. There are several other avenues that we can pursue to close the funding gap, but the pursuit of these revenues will, by necessity, unfold over time. It is difficult to currently predict with certainty the timing of sources and amounts available to contribute to the final funding program. If these potential funding sources are realized, 1,967 units or 90% of the affordable housing obligation including inclusionary units will be delivered over the life of the development.

The City is exploring a number of alternative funding sources to close the funding gap. The funding source with the potential greatest impact is the restoration of the State ERAF share that was lost when the State dissolved redevelopment in 2011. The restoration of the ERAF Share is one of several of the funding strategies which would require State legislation. The Infrastructure Financing Plan before the Board provides that any additional revenues arising from changes in IRFD law including the reinstatement of ERAF and/or the pledge of MVLF would be used exclusively to finance affordable housing.

Table 3: Net Funding Need (\$ in Millions)

	<u>Amount</u>
Estimated Cost of Construction	(968)
Committed Non-Project Sources (Tax Credits)	449
Project Generated Sources (Net Increment, Other)	<u>138</u>
Affordable Housing Need	(382)
Short-Term MOHCD Funding	30
State Legislative Changes:	
ERAF Share: 25.3% (Bond Proceeds)	206
IRFD Extension	<u>38</u>
Net Funding Need Gap	(108)
Future Local Shares	
GF Share: 8%	65
Leverage Island Revenue	TBD
Future MOHCD Funding	TBD

It is also useful to understand when potential sources may be available to support the housing program. Table 4, below, illustrates which sources may be available in the near-, mid-, and long-term.

Table 4: Affordable Housing Funding Sources

	Near-Term	Mid-Term	Long-Term
Local Project Generated Sources			
GF Share: 8%		X	X
Leverage Island Revenue	X	X	X
Grants			
AHSC	X	X	
No Place Like Home		X	
Legislative Changes			
State ERAF Share		X	X
IRFD Extension			X
MOHCD Funding	X	X	X

Conclusion

TIDA and TIHDI have been working with the MOHCD to develop a funding strategy with an emphasis on projects deliverable over the next 10 years. It is very difficult to predict with any certainty what local revenues will be available beyond 10 years and what other projects will be competing for those resources. Based on our efforts, we project that we will be able to deliver 720 TIDA/TIHDI affordable units between 2018 – when the first parcel will be available – and 2026 with approximately \$30 million in support from MOHCD. These projections do not assume external grants or the legislative changes described above which could make more funds available. To the extent that we are able to realize the potential funding sources identified above, 1,967 units or 90% of the affordable housing obligation including inclusionary units will be delivered over the life of the development.

To date, TICD has demolished structures on Yerba Buena Island and, in August, began demolition on Treasure Island. TICD has taken bids for the initial infrastructure contracts on Yerba Buena Island – for new water storage reservoirs and for new roadways and utility infrastructure – and those contractors are poised to mobilize and begin construction in the coming weeks.

For this work to continue moving forward, it is essential that the City and TIDA commence formation of the initial IRFD and CFD to demonstrate the capacity to reimburse TICD – and, by extension, their lenders – for eligible work as it is completed. A delay in the formation of the IRFD and CDF would slow the release of funds and progress to implement the Program would stall.

The administration of the IRFD and CFD will require TIDA and the Office of Public Finance to appear regularly before the Board of Supervisors to authorize future bond sales and take other actions. We would update the Board of the progress in funding individual affordable housing projects and narrowing the overall funding gap as a regular part of every report.

Your consideration of this matter is greatly appreciated. Please contact Nadia Sesay at 415-554-554-5956 or Bob Beck at 415-274-0646 if you have any questions.

CC: Angela Calvillo, Clerk of the Board of Supervisors
Ben Rosenfield, Controller
Naomi Kelly, City Administrator
Nicole Elliott, Director of Legislative & Government Affairs
Mawuli Tugbenyoh, Mayor's Liaison to the Board of Supervisors
Melissa Whitehouse, Mayor's Budget Director
Olson Lee, Mayor's Office of Housing and Community Development
Kate Hartley, Mayor's Office of Housing and Community Development
Harvey Rose, Budget Analyst

**RECORDING REQUESTED BY AND
AFTER RECORDATION RETURN TO:**

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

NOTICE OF SPECIAL TAX LIEN

**IMPROVEMENT AREA NO. 1 OF THE
CITY AND COUNTY OF SAN FRANCISCO
Community Facilities District No. 2016-1
(Treasure Island)**

Pursuant to the requirements of Section 3114.5 of the California Streets and Highways Code of California and Section 53328.3 of the California Government Code, the undersigned Clerk of the Board of Supervisors of the City and County of San Francisco, 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. The special tax secured by this lien is authorized to be levied for the purpose of (i) financing directly the acquisition and construction of all or a portion of the public facilities described in Exhibit A attached hereto (the "Authorized Facilities"), (ii) financing the services described in Exhibit A attached hereto (the "Authorized Services"), (iii) paying principal and interest on bonds (and other debt as defined in the Mello-Roos Act), the proceeds of which are being used to finance the acquisition and construction of all or a portion of the Authorized Facilities, and (iv) to pay the cost of administering the Improvement Area (defined below).

The special tax is authorized to be levied within "Improvement Area No. 1 of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)" (the "Improvement Area") which has now been officially formed and the lien of the special tax is a continuing lien which shall secure each annual levy of the special tax and which 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 California Government Code.

The rate, method of apportionment, and manner of collection of the authorized special tax for the Improvement Area 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 follows: None.

Notice is further given that upon the recording of this notice in the Office of the Assessor-Recorder for the City and County of San Francisco, State of California the obligation to pay the special tax levy shall become a lien upon all nonexempt real property within the Improvement Area 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 numbers of the real property included within the area of the Improvement Area and not exempt from the special tax are as set forth in Exhibit C attached hereto and hereby made a part hereof.

Reference is made to the boundary map of the Improvement Area recorded on _____, 2016 at _____ a.m. in Book ____ of Maps of Assessment and Community Facilities Districts at Page __, as Document No. _____ in the Office of the Assessor-Recorder for the City and County of San Francisco, State of California, which map is now the final boundary map of the Improvement Area.

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 _____, 2016

By: _____
Clerk of the Board of Supervisors,
City and County of San Francisco

EXHIBIT A

NOTICE OF SPECIAL TAX LIEN

IMPROVEMENT AREA NO. 1 OF THE CITY AND COUNTY OF SAN FRANCISCO Community Facilities District No. 2016-1 (Treasure Island)

DESCRIPTION OF FACILITIES AND SERVICES TO BE FINANCED BY THE CFD AND IMPROVEMENT AREA NO. 1 THEREIN

FACILITIES

The CFD and Improvement Area No. 1 are authorized to finance all or a portion of the costs of the acquisition, construction and improvement of any of the following types of facilities:

A. Facilities Acquired from Third Parties

1. Acquisition - includes acquisition of land for public improvements.
2. Abatement - includes abatement of hazardous materials and disposal of waste.
3. Demolition - removal of below-grade, at-grade, and above-grade facilities, and recycling or disposal of waste.
4. Supplemental Fire Water Supply System - including, but not limited to, main pipe, laterals, valves, fire hydrants, cathodic protection, manifolds, air-gap back flow preventer, wharf fire hydrants, portable water pumper, and tie-ins for onsite water supply network that is unique to San Francisco intended for fire suppression.
5. Low Pressure Water - including, but not limited to, main pipe, pressure reducing stations, laterals, water meters, water meter boxes, back flow preventers, gate valves, air valves, blowoffs, fire hydrants, cathodic protection, and tie-ins for onsite and offsite low pressure water supply network intended for domestic use.
6. Water Tank Facilities – including, but not limited to, storage tanks, pumps, and other facilities associated with water storage.
7. Recycled Water - including, but not limited to, main pipe, laterals, water meters, water meter boxes, back flow preventers, gate valves, air valves, blowoffs, cathodic protection, and tie-ins for recycled water supply network intended to provide treated wastewater for use in irrigation of parks and landscaping as well as graywater uses within buildings.
8. Storm Drainage System – including, but not limited to, main pipe, laterals, manholes, catch basins, air vents, stormwater treatment facilities, connections to existing systems, headwalls, outfalls, and lift stations for a network intended to convey onsite and offsite separated storm water.
9. Separated Sanitary Sewer – including, but not limited to, main pipe, laterals, manholes, traps, air vents, connections to existing systems, force main pipe and associated valves and cleanouts, and pump and lift stations for a network intended to convey separated sanitary sewage.
10. Joint Trench – including, but not limited to, the electrical substation, installation of primary and secondary conduits, overhead poles, pull boxes, vaults, subsurface enclosures, and anodes, for dry utilities including but not limited to electrical and information systems.

11. Earthwork – including, but not limited to, importation of clean fill materials, clearing and grubbing, slope stabilization, ground improvement, installation of geogrid, surcharging, wick drains, excavation, rock fragmentation, placement of fill, compaction, grading, erosion control, deep vibratory soil compaction, cement deep soil mix (CDSM) columns and panels, stone columns, and post-construction stabilization such as hydroseeding.

12. Retaining Walls – including, but not limited to, excavation, foundations, construction of retaining walls, subdrainage, and backfilling.

13. Highway Ramps, Roadways, Pathways, Curb, and Gutter – including, but not limited to, road subgrade preparation, aggregate base, concrete roadway base, asphalt wearing surface, concrete curb, concrete gutter, medians, colored asphalt and concrete, speed tables, class 1 and 2 bike facilities (e.g., cycle tracks), sawcutting, grinding, conform paving, resurfacing, for onsite and offsite roadways.

14. Traffic – including, but not limited to, transit stops, transit facilities, transit buses and ferries, bridge structures, permanent pavement marking and striping, traffic control signage, traffic light signals, pedestrian traffic lighting, and contributions for offsite traffic improvements.

15. Streetscape – including, but not limited to, subgrade preparation, aggregate base, sidewalks, pavers, ADA curb ramps with detectable tiles, streetlights, light pole foundations, landscaping, irrigation, street furniture, waste receptacles, newspaper stands, and public art.

16. Shoreline Improvements – including, but not limited to, demolition, excavation, installation of revetment, structural improvements of shoreline and revetment, and structural repair for replacement or retrofit of shoreline structures.

17. Parks – including, but not limited to, ground improvement, subgrade preparation, landscaping and trees, aggregate base, sidewalks, pavers, decomposed granite, lighting, irrigation, furniture, decks, fountains, and restrooms.

18. Ferry Terminal – including, but not limited to, foundations, ferry shelter building, signs, electronic toll collection system, breakwaters, pier, gangway, float, restroom, bike storage

19. Hazardous Soil Removal – removal and disposal of contaminated soil.

20. Community Facilities – including, but not limited to, costs of police station, fire station, community center spaces for uses including reading room/library, senior/adult services, teen/youth center, outdoor performance and gathering spaces, community gardens, public school, childcare centers, public recreational facilities including ballfields, playing fields and sports centers, and publicly-owned parking garages.

21. Any other amounts specifically identified in the DDA as a Project Cost.

22. Hard Costs, Soft Costs and Pre-Development Costs, as defined in the Conveyance Agreement, associated with the design, procurement, development and construction of all Facilities listed herein.

B. Authorized Payments

1. Contribution to the City and other public agencies for costs related to open space improvements, transportation and transit facilities, and design and construction of ramps and access roads.

C. Facilities Constructed by the City or TIDA

1. Sea Level Rise Adaptations – including, but not limited to, demolition, excavation, and installation of revetment; structural improvements of shoreline and revetment; construction, improvement or relocation of shoreline structures, seawalls, stormwater pump stations and outfalls; earthwork, grading and landscaping; and the development of intertidal zones or wetlands.

2. Facility Capital Improvements – upgrade, reconstruction, or replacement of publicly-owned assets on Treasure Island and Yerba Buena Island, including, but not limited to, buildings, hangars, school facilities, living quarters, parks, improvements for sea-level rise, piers, and the Acquisition Facilities described in Section A of this Exhibit A.

NOTE: The categories of facilities labeled “Facilities Acquired from Third Parties” and “Facilities Constructed by the City or TIDA” reflect current assumptions of the City and TIDA. The CFD shall be authorized to finance the listed facilities whether they are acquired from third parties or constructed by the City or TIDA.

SERVICES

Special taxes collected in the CFD and Improvement Area No. 1 will finance, in whole or in part, the following services (“services” shall have the meaning given that term in the Mello-Roos Community Facilities Act of 1982):

- The costs of operating and maintaining Improvements constructed pursuant to the Parks and Open Space Plan within the Project Site, including installing landscaping, all personnel or third-party maintenance costs, costs of maintaining irrigation systems and other equipment directly related to maintenance, maintenance or replacement as needed of landscape areas, water features, bathrooms, trash receptacles, park benches, planting containers, picnic tables, and other equipment or fixtures installed in areas to be maintained, insurance costs, and any other related overhead costs, along with TIDA personnel, administrative, and overhead costs related to maintenance or to contracting for and managing third-party maintenance. The terms used in this paragraph have the meaning given them in the Financing Plan.
- Operating and maintaining TIDA owned structures and facilities within the Project Site, including but not limited to Building 1, Hangers 2 & 3, Pier 1, the Historic Officers’ Quarters, Quarters 10 & 62, the Torpedo Building, Chapel, gymnasium, roadways, paths and walkways. Costs include but are not limited to all personnel or third-party maintenance costs, costs of maintaining systems and other equipment directly related to maintenance, as needed, of building systems, roofs, building envelope, and interiors, insurance costs, and any other related overhead costs, along with TIDA personnel, administrative, and overhead costs related to maintenance or to contracting for and managing third-party maintenance. The terms used in this paragraph have the meaning given them in the Financing Plan.

OTHER

The CFD and Improvement Area No. 1 may also finance any of the following:

1. Bond 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 Improvement Area No. 1 and the Bonds.

3. Reimbursement of costs related to the formation of the CFD and Improvement Area No. 1 advanced by the City, the landowner(s) in the CFD and Improvement Area No. 1, 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 and Improvement Area No. 1 or any party related to any of the foregoing, for facilities, fees or other purposes or costs of the CFD and Improvement Area No. 1.

4. Funding a capital reserve fund to finance the Facilities described in this Exhibit A.

EXHIBIT B

NOTICE OF SPECIAL TAX LIEN

**IMPROVEMENT AREA NO. 1 OF THE
CITY AND COUNTY OF SAN FRANCISCO
Community Facilities District No. 2016-1
(Treasure Island)**

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

EXHIBIT C

NOTICE OF SPECIAL TAX LIEN

**IMPROVEMENT AREA NO. 1 OF THE
CITY AND COUNTY OF SAN FRANCISCO
Community Facilities District No. 2016-1
(Treasure Island)**

**ASSESSOR'S PARCEL NUMBERS AND OWNERS OF LAND
WITHIN IMPROVEMENT AREA NO. 1**

Assessor's Parcel Nos.

Names of Property Owners

8948-001
8952-001
8954-001
8949-001

Treasure Island Series 1, LLC
Treasure Island Series 1, LLC
Treasure Island Series 1, LLC
Treasure Island Development Authority

**CITY AND COUNTY OF SAN FRANCISCO
Community Facilities District No. 2016-1
(Treasure Island)**

COMMUNITY FACILITIES DISTRICT REPORT

CONTENTS

Introduction

- A. Description of Facilities and Services
- B. Proposed Boundaries of the Community Facilities District
- C. Cost Estimate

- EXHIBIT A - Description of Facilities and Services to be Financed by the CFD and Each Improvement Area Therein
- EXHIBIT B - Cost Estimate

CITY AND COUNTY OF SAN FRANCISCO
Community Facilities District No. 2016-1
(Treasure Island)

INTRODUCTION

The Board of Supervisors (the "Board of Supervisors") of the City and County of San Francisco (the "City") did, pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended (the "Mello-Roos Act"), on December 6, 2016, adopt a resolution entitled "Resolution of intention to establish City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island), Improvement Area No.1 and a Future Annexation Area, and determining other matters in connection therewith" (the "Resolution of Intention"). In the Resolution of Intention, the Board of Supervisors expressly ordered the preparation of a written Community Facilities District Report (the "Report"), for the proposed (i) "City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)" (the "CFD"), (ii) "Improvement Area No. 1 of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)" ("Improvement Area No. 1") and (iii) "City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island) (Future Annexation Area)" (the "Future Annexation Area").

The Resolution of Intention ordering the Report directed that the Report generally contain the following:

(a) A description of the public facilities (the "Facilities") and the public services (the "Services") by type which will be required to adequately meet the needs of the CFD, Improvement Area No. 1 and the Future Annexation Area.

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

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

For particulars, reference is made to the Resolution of Intention for the CFD, as previously approved and adopted by the Board of Supervisors.

NOW, THEREFORE, I, the Director of the Office of Public Finance, do hereby submit the following data:

A. DESCRIPTION OF FACILITIES AND SERVICES. A general description of the proposed Facilities and Services is as shown in Exhibit "A" attached hereto and hereby made a part hereof. The CFD, Improvement Area No. 1, and each improvement area created in connection with the annexation of territory in the Future Annexation Area to the CFD (each a "Future Improvement Area") are authorized to finance the Facilities and Services without limitation.

In general, the financing plan for the CFD, Improvement Area No. 1 and the Future Improvement Areas contemplates the following, although the plan is subject to change in the discretion of the City (subject to any written agreements on the subject that the City may enter from time to time):

Naval Station Treasure Island ("NSTI") is a former United States Navy base located in the City that consists of two islands connected by a causeway: (1) Treasure Island, and (2) an approximately 90-acre portion of Yerba Buena Island. Treasure Island Community Development, LLC ("Developer") and the Treasure Island Development Authority ("TIDA") previously entered into a Disposition and Development Agreement (Treasure Island/Yerba Buena Island), dated June 28, 2011 ("DDA"), including a Financing Plan (Treasure Island/Yerba Buena Island) ("Financing Plan"), which governs the disposition and development of a portion of NSTI ("Project Site") after the Navy's transfer of NSTI to TIDA. The DDA contemplates a project ("Project") under which TIDA acquires the Project Site from the Navy and conveys portions of the Project Site to Developer (or an affiliate of Developer) for the purposes of: (i) alleviating blight in the Project Site through development of certain improvements; (ii) geotechnically stabilizing the Project Site; (iii) constructing public infrastructure to support the Project and other proposed uses on NSTI; (iv) constructing and improving certain public parks and open spaces; (v) abatement of certain existing hazardous substances; and (vi) selling and ground leasing lots to vertical developers who will construct residential units and commercial and public facilities.

In general, the Facilities to be funded are those described above and in the Financing Plan that are eligible to be funded under the Mello-Roos Act. In addition, the City anticipates that future improvements will be necessary to ensure that the shoreline, public facilities, and public access improvements will be protected should sea level rise at the perimeter of the Project Site, and the City desires to provide a mechanism to issue or incur bonds and/or other debt to pay for such improvements, to pay directly for such improvements and/or establish a capital reserve fund to finance such improvements. These improvements and costs are also included as Facilities to be financed by the CFD.

The Services to be financed by the CFD generally consist of the costs of operating and maintaining improvements constructed pursuant to the Parks and Open Space Plan within the Project Site, as well as operating and maintaining TIDA owned structures and facilities within the Project Site.

B. PROPOSED BOUNDARIES OF THE COMMUNITY FACILITIES DISTRICT.

The proposed boundaries of the CFD and Improvement Area No. 1 are those properties and parcels in which special taxes may be levied to pay for the costs and expenses of the Facilities. The proposed boundaries of the CFD and Improvement Area No. 1 are described on the map of the CFD on file with the Clerk of the Board of Supervisors, to which reference is hereby made.

Parcels within the Future Annexation Area shall be annexed to the CFD only with the unanimous approval of the owner or owners of each parcel or parcels at the time that parcel or those parcels are annexed, and in accordance with the annexation approval procedures set forth in the Resolution of Intention. The proposed boundaries of the Future Annexation Area are also described on the map of the CFD on file with the Clerk of the Board of Supervisors, to which reference is hereby made.

C. **COST ESTIMATE.** The cost estimate for the Facilities and the Services and incidental expenses for the CFD is set forth in Exhibit "B" attached hereto and hereby made a part hereof.

Dated as of January 19, 2017

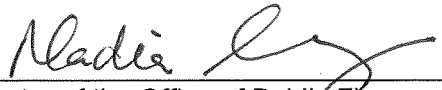
By: 
Director of the Office of Public Finance,
City and County of San Francisco

EXHIBIT A

City and County of San Francisco
Community Facilities District No. 2016-1
(Treasure Island)

DESCRIPTION OF FACILITIES AND SERVICES TO BE FINANCED BY THE CFD AND EACH IMPROVEMENT AREA THEREIN

FACILITIES

It is intended that the CFD, Improvement Area No. 1, and each Future Improvement Area will be authorized to finance all or a portion of the costs of the acquisition, construction and improvement of any of the following types of facilities:

- A. Facilities Acquired from Third Parties
 - 1. Acquisition - includes acquisition of land for public improvements.
 - 2. Abatement - includes abatement of hazardous materials and disposal of waste.
 - 3. Demolition - removal of below-grade, at-grade, and above-grade facilities, and recycling or disposal of waste.
 - 4. Supplemental Fire Water Supply System - including, but not limited to, main pipe, laterals, valves, fire hydrants, cathodic protection, manifolds, air-gap back flow preventer, wharf fire hydrants, portable water pumper, and tie-ins for onsite water supply network that is unique to San Francisco intended for fire suppression.
 - 5. Low Pressure Water - including, but not limited to, main pipe, pressure reducing stations, laterals, water meters, water meter boxes, back flow preventers, gate valves, air valves, blowoffs, fire hydrants, cathodic protection, and tie-ins for onsite and offsite low pressure water supply network intended for domestic use.

6. Water Tank Facilities – including, but not limited to, storage tanks, pumps, and other facilities associated with water storage.
7. Recycled Water - including, but not limited to, main pipe, laterals, water meters, water meter boxes, back flow preventers, gate valves, air valves, blowoffs, cathodic protection, and tie-ins for recycled water supply network intended to provide treated wastewater for use in irrigation of parks and landscaping as well as graywater uses within buildings.
8. Storm Drainage System – including, but not limited to, main pipe, laterals, manholes, catch basins, air vents, stormwater treatment facilities, connections to existing systems, headwalls, outfalls, and lift stations for a network intended to convey onsite and offsite separated storm water.
9. Separated Sanitary Sewer – including, but not limited to, main pipe, laterals, manholes, traps, air vents, connections to existing systems, force main pipe and associated valves and cleanouts, and pump and lift stations for a network intended to convey separated sanitary sewage.
10. Joint Trench – including, but not limited to, the electrical substation, installation of primary and secondary conduits, overhead poles, pull boxes, vaults, subsurface enclosures, and anodes, for dry utilities including but not limited to electrical and information systems.
11. Earthwork – including, but not limited to, importation of clean fill materials, clearing and grubbing, slope stabilization, ground improvement, installation of geogrid, surcharging, wick drains, excavation, rock fragmentation, placement of fill, compaction, grading, erosion control, deep vibratory soil compaction, cement deep soil mix (CDSM) columns and panels, stone columns, and post-construction stabilization such as hydroseeding.
12. Retaining Walls – including, but not limited to, excavation, foundations, construction of retaining walls, subdrainage, and backfilling.

13. Highway Ramps, Roadways, Pathways, Curb, and Gutter – including, but not limited to, road subgrade preparation, aggregate base, concrete roadway base, asphalt wearing surface, concrete curb, concrete gutter, medians, colored asphalt and concrete, speed tables, class 1 and 2 bike facilities (e.g., cycle tracks), sawcutting, grinding, conform paving, resurfacing, for onsite and offsite roadways.
14. Traffic – including, but not limited to, transit stops, transit facilities, transit buses and ferries, bridge structures, permanent pavement marking and striping, traffic control signage, traffic light signals, pedestrian traffic lighting, and contributions for offsite traffic improvements.
15. Streetscape – including, but not limited to, subgrade preparation, aggregate base, sidewalks, pavers, ADA curb ramps with detectable tiles, streetlights, light pole foundations, landscaping, irrigation, street furniture, waste receptacles, newspaper stands, and public art.
16. Shoreline Improvements – including, but not limited to, demolition, excavation, installation of revetment, structural improvements of shoreline and revetment, and structural repair for replacement or retrofit of shoreline structures.
17. Parks – including, but not limited to, ground improvement, subgrade preparation, landscaping and trees, aggregate base, sidewalks, pavers, decomposed granite, lighting, irrigation, furniture, decks, fountains, and restrooms.
18. Ferry Terminal – including, but not limited to, foundations, ferry shelter building, signs, electronic toll collection system, breakwaters, pier, gangway, float, restroom, bike storage
19. Hazardous Soil Removal – removal and disposal of contaminated soil.
20. Community Facilities – including, but not limited to, costs of police station, fire station, community center spaces for uses including reading room/library,

senior/adult services, teen/youth center, outdoor performance and gathering spaces, community gardens, public school, childcare centers, public recreational facilities including ballfields, playing fields and sports centers, and publicly-owned parking garages.

21. Any other amounts specifically identified in the DDA as a Qualified Project Cost.

22. Hard Costs, Soft Costs and Pre-Development Costs, as defined in the Conveyance Agreement, associated with the design, procurement, development and construction of all Facilities listed herein.

B. Authorized Payments

1. Contribution to the City and other public agencies for costs related to open space improvements, transportation and transit facilities, and design and construction of ramps and access roads.

C. Facilities Constructed by the City or TIDA

1. Sea Level Rise Adaptations – including, but not limited to, demolition, excavation, and installation of revetment; structural improvements of shoreline and revetment; construction, improvement or relocation of shoreline structures, seawalls, stormwater pump stations and outfalls; earthwork, grading and landscaping; and the development of intertidal zones or wetlands.

2. Facility Capital Improvements – upgrade, reconstruction, or replacement of publicly-owned assets on Treasure Island and Yerba Buena Island, including, but not limited to, buildings, hangars, school facilities, living quarters, parks, improvements for sea-level rise, piers, and the Acquisition Facilities described in Section A of this Exhibit A.

NOTE: The categories of facilities labeled “Facilities Acquired from Third Parties” and

“Facilities Constructed by the City or TIDA” reflect current assumptions of the City and TIDA. The CFD shall be authorized to finance the listed facilities whether they are acquired from third parties or constructed by the City or TIDA.

SERVICES

Special taxes collected in the CFD, Improvement Area No. 1, and each Future Improvement Area will finance, in whole or in part, the following services (“services” shall have the meaning given that term in the Mello-Roos Community Facilities Act of 1982):

- The costs of operating and maintaining Improvements constructed pursuant to the Parks and Open Space Plan within the Project Site, including installing landscaping, all personnel or third-party maintenance costs, costs of maintaining irrigation systems and other equipment directly related to maintenance, maintenance or replacement as needed of landscape areas, water features, bathrooms, trash receptacles, park benches, planting containers, picnic tables, and other equipment or fixtures installed in areas to be maintained, insurance costs, and any other related overhead costs, along with TIDA personnel, administrative, and overhead costs related to maintenance or to contracting for and managing third-party maintenance. The terms used in this paragraph have the meaning given them in the Financing Plan.
- Operating and maintaining TIDA owned structures and facilities within the Project Site, including but not limited to Building 1, Hangers 2 & 3, Pier 1, the Historic Officers' Quarters, Quarters 10 & 62, the Torpedo Building, Chapel, gymnasium, roadways, paths and walkways. Costs include but are not limited to all personnel or third-party maintenance costs, costs of maintaining systems and other equipment directly related to maintenance, as needed, of building systems, roofs, building envelope, and interiors, insurance costs, and any other related overhead costs, along with TIDA personnel, administrative, and overhead costs related to maintenance or to contracting for and managing third-party maintenance. The terms used in this paragraph have the meaning given them in the Financing Plan.

OTHER

The CFD, Improvement Area No. 1, and each Future Improvement Area may also finance any of the following:

1. Bond 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, Improvement Area No. 1, and each Future Improvement Area and the Bonds.

3. Reimbursement of costs related to the formation of the CFD, Improvement Area No. 1, and each Future Improvement Area advanced by the City, the landowner(s) in the CFD, Improvement Area No. 1, and each Future Improvement Area, 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, Improvement Area No. 1, and each Future Improvement Area or any party related to any of the foregoing, for facilities, fees or other purposes or costs of the CFD, Improvement Area No. 1, and each Future Improvement Area.

4. Funding a capital reserve fund to finance the Facilities described in this Exhibit A.

EXHIBIT B

CITY AND COUNTY OF SAN FRANCISCO
Community Facilities District No. 2016-1
(Treasure Island)

COST ESTIMATE

FACILITIES

The following is a summary of the total estimated costs of acquisition and construction of the Facilities, including related incidental expenses.

<u>Type of Facility</u>	<u>Estimated Cost (in Millions)</u>
Acquisition	65.2
Abatement	108.8
Demolition	98.1
Supplemental Fire Water Supply System	15.0
Low Pressure Water	49.8
Water Tank Facilities	40.2
Recycled Water	24.3
Storm Drainage System	82.8
Separated Sanitary Sewer	84.8
Joint Trench	60.5
Earthwork	381.7
Retaining Walls	7.8
Highway Ramps, & Roadways	105.1
Traffic	26.3
Streetscape	51.5
Shoreline Improvements	19.9
Parks	202.1
Ferry Terminal	91.5
Other Hard & Soft Costs	31
Community Facilities	157.1
Historic Renovation	37.5
Authorized Payments & Subsidies	179.1
Sea Level Rise Adaptations	340.0
Facility Capital Improvements	250.0
Total	\$2,510.1

SERVICES

It is estimated that the cost of providing the Services to the territory in the CFD, Improvement Area No. 1 and the Future Annexation Area will be the following for Fiscal Year 2016-17, with the cost escalating annually thereafter.

<u>Services</u>	<u>Estimated Cost/Fiscal Year</u>
Total	<u>\$13,000,000</u>

OTHER

In addition to the acquisition and construction costs of the Facilities and the cost of providing the Services, the City will finance bond or other debt-issuance costs, capitalized interest, a debt service reserve fund and other costs associated with the sale of bonds or other debt and annual administration of the CFD.

The estimated bond or other debt issuance costs are approximately 5% of the principal amount of the bond or other debt.

The estimated costs of determining the amount of taxes, collecting special taxes, allocating special taxes, and other costs incurred in order to carry out the authorized purposes of the CFD is approximately \$100,000 per year (not including Project Management services, which will cost approximately 0.5-1% of construction costs).

The estimated costs of forming the CFD are approximately \$250,000.

PROPOSED BOUNDARIES OF
 CITY AND COUNTY OF SAN FRANCISCO
 COMMUNITY FACILITIES DISTRICT NO. 2016-1
 (TREASURE ISLAND)
 COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA

(1) Filed in the office of the Clerk of the Board of Supervisors of the City and County of San Francisco this ____ day of _____, 20__.

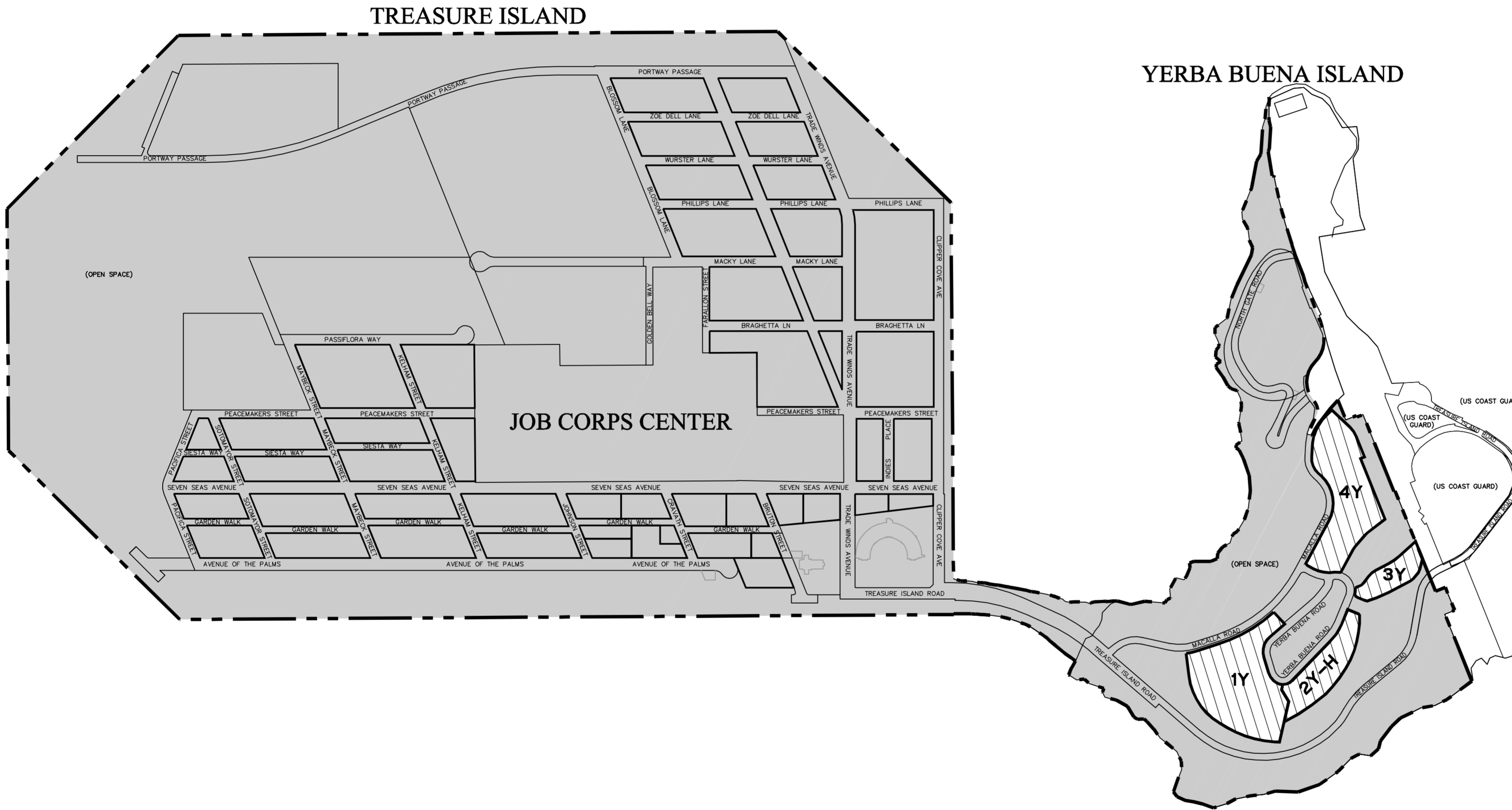
 (Clerk of the Board of Supervisors)

(2) I hereby certify that the within map showing proposed boundaries of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island), City and County of San Francisco, State of California, was approved by the Board of Supervisors of the City and County of San Francisco, at a regular meeting thereof, held on the ____ day of _____, 20__, by its Resolution No. _____.



 (Clerk of the Board of Supervisors)

(3) Filed this ____ day of _____, 20__, at the hour of __ o'clock __.m., in Book _____ of Maps of Assessment and Community Facilities Districts at page _____, in the office of the Assessor-Recorder in the City and County of San Francisco, State of California.

 (Assessor-Recorder of the City and County of San Francisco)



LEGEND

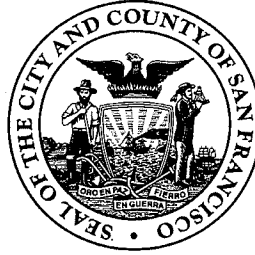
	Boundaries of Community Facilities District No. 2016-1 (Improvement Area No. 1)
	Future Annexation Area

Assessor's Parcel Number of Property in Improvement Area No. 1	
Developable Parcel	Assessor's Parcel Number(s)
1Y	8948/001
2Y-H	8949/001
3Y	8952/001
4Y	8954/001

Reference is hereby made to the maps maintained by the Office of the Assessor-Recorder of the City and County of San Francisco for an exact description of the lines and dimensions of each lot and parcel.

Prepared by:
 BkF Engineers

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

NOTICE OF PUBLIC HEARINGS

BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO

NOTICE IS HEREBY GIVEN THAT, in accordance with California Government Code, Sections 53322(a) and 53346, the Board of Supervisors of the City and County of San Francisco, as a Committee of the Whole, will hold public hearings to consider the following proposals and said public hearings will be held as follows, at which time all interested parties may attend and be heard:

Date: Tuesday, January 24, 2017

Time: 3:00 p.m.

Location: Legislative Chamber, City Hall, Room 250
1 Dr. Carlton B. Goodlett, Place, San Francisco, CA

Subject: **File No. 161362.** Hearing of the Board of Supervisors sitting as a Committee of the Whole on January 24, 2017, at 3:00 p.m., to hold public hearings to consider the following to form Community Facilities District No. 2016-1 and incur bonded indebtedness for Community Facilities District No. 2016-1: (File Nos. 161122, 161123, 161124, 161125, 161126, and 161127) a Resolution of formation of Community Facilities District No. 2016-1, Improvement Area No. 1 and a future annexation area; a Resolution determining necessity to incur bonded indebtedness and other debt in an amount not to exceed \$5,000,000,000 for the Community Facilities District; a Resolution calling a special election in the City and County of San Francisco Community Facilities District; a Resolution declaring results of the special election and directing recording of notice of special tax lien for the Community Facilities District; an Ordinance levying special taxes within the Community Facilities District; and a Resolution authorizing the issuance and sale of special tax bonds for Improvement Area No. 1 of the Community Facilities District in an aggregate principal amount not to exceed \$250,000,000.

On December 6, 2016, pursuant to the Mello-Roos Community Facilities Act of 1982, as amended ("Mello-Roos Act"), the Board of Supervisors ("Board of Supervisors") of the City and County of San Francisco ("City"), State of California adopted a resolution of intention ("Resolution of Intention") to establish (i) "City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)" ("CFD"), (ii) "Improvement Area No. 1 of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)" ("Improvement Area No. 1"), and (iii) a future annexation area for the CFD ("Future Annexation Area").

Also on December 6, 2016, the Board of Supervisors adopted a resolution of intention to incur bonded indebtedness and other debt in an amount not to exceed \$5.0 billion for the CFD, Improvement Area No. 1 and the Future Annexation Area under the Mello-Roos Act (the "Bond Resolution").

Under the Mello-Roos Act, the Resolution of Intention and the Bond Resolution, the Board of Supervisors gives notice as follows:

1. The text of the Resolution of Intention, with Exhibits A and B thereto, as adopted by the Board of Supervisors, is on file with the Clerk of the Board of Supervisors and reference is made thereto for the particular provisions thereof. The text of the Resolution of Intention is summarized as follows:
 - a. Under the Mello-Roos Act, this Board of Supervisors is undertaking proceedings for the establishment of the CFD, Improvement Area No. 1 and the Future Annexation Area, the boundaries of which are shown on a map on file with the City.
 - b. The purpose of the CFD, Improvement Area No. 1 and the Future Annexation Area is to provide for the financing of (i) certain public facilities ("Facilities") as more fully described in the Resolution of Intention and Exhibit A thereto and (ii) certain public services ("Services") as more fully described in the Resolution of Intention and Exhibit A thereto.
 - c. Initially, the method of financing the Facilities and the Services is through the imposition and levy of a special tax ("Special Tax") to be apportioned on the properties in Improvement Area No. 1 under the rate and method of apportionment described in the Resolution of Intention and Exhibit B thereto.
 - d. The Resolution of Intention directed the preparation of a CFD Report that shows the Facilities and the Services and the estimated costs of the Facilities and the Services. The CFD Report will be made a permanent part of the record of the public hearing specified below. Reference is made to the CFD Report as filed with the Clerk of the Board of Supervisors.
 - e. Property within the Future Annexation Area will be annexed to the CFD, and may be designated as one or more improvement areas (each, a "Future Improvement Area"), and a special tax will be levied on such property, only with the

unanimous approval (each, a "Unanimous Approval") of the owner or owners of each parcel or parcels at the time that parcel or those parcels are annexed, in accordance with the annexation approval procedures specified in the Resolution of Intention.

f. As set forth below, the Board of Supervisors will hold a public hearing on the establishment of the CFD, Improvement Area No. 1 and the Future Annexation Area, the Facilities, the Services and the Special Tax.

2. The public hearing will be held on the date and at the time specified above, or as soon as possible thereafter, in the Legislative Chamber, City Hall, Room 250, 1 Dr. Carlton B. Goodlett, Place, San Francisco, CA 94102.

3. At the hearing, the testimony of all interested persons or taxpayers, including all persons owning property within Improvement Area No. 1, for or against the establishment of the CFD and Improvement Area No. 1, the Special Tax to be levied in Improvement Area No. 1, the extent of the CFD and Improvement Area No. 1 and the furnishing of the specified Facilities and Services, will be heard. Any person interested may file a protest in writing as provided in Section 53323 of the Mello-Roos Act. Any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and shall clearly set forth the irregularities and defects to which objection is made. All written protests must be filed with the Clerk of the Board of Supervisors on or before the time fixed for the hearing.

If 50% or more of the registered voters, or six registered voters, whichever is more, residing in the territory proposed to be included in Improvement Area No. 1, or the owners of one-half or more of the area of land in the territory proposed to be included in Improvement Area No. 1 and not exempt from the Special Tax to be levied in Improvement Area No. 1, file written protests against the establishment of Improvement Area No. 1 and the protests are not withdrawn to reduce the value of the protests to less than a majority, the Board of Supervisors shall take no further action to create the CFD and Improvement Area No. 1 or levy the Special Tax in Improvement Area No. 1 for a period of one year from the date of decision of the Board of Supervisors, and, if the majority protests of the registered voters or landowners are only against the furnishing of a type or types of Facilities or Services within the CFD and Improvement Area No. 1, or against levying a specified part of the Special Tax in Improvement Area No. 1, those types of Facilities or Services or the specified part of the Special Tax to be levied in Improvement Area No. 1 will be eliminated from the proceedings to form the CFD and Improvement Area No. 1.

In addition, at the hearing, the testimony of all interested persons for and against the establishment of the Future Annexation Area or the levying of special taxes within any portion of the Future Annexation Area annexed in the future to the CFD will be heard. If 50% or more of the registered voters, or 6 registered voters, whichever is more, residing within the proposed territory of the CFD, or if 50% or more of the registered voters, or 6 registered voters, whichever is more, residing in the territory proposed to be included in the Future Annexation Area, or the owners of 50% or more of the area of land in the territory proposed to be included in the CFD or in the Future

Annexation Area, file written protests against the establishment of the Future Annexation Area and the protests are not withdrawn to reduce the value of the protests to less than a majority, the Board of Supervisors shall take no further action to create the Future Annexation Area for a period of one year from the date of decision of the Board of Supervisors.

4. If there is no majority protest, the Board of Supervisors may submit the levy of the Special Tax in Improvement Area No. 1 for voter approval at a special election. The Special Tax requires the approval of 2/3rds of the votes cast at a special election by the property owner voters of Improvement Area No. 1, with each owner having one vote for each acre or portion thereof such owner owns in Improvement Area No. 1 not exempt from the Special Tax.

5. Reference is hereby made to the entire text of the Bond Resolution, a complete copy of which is on file with the Clerk of the Board of Supervisors. The text of the Bond Resolution is summarized as follows:

a. The Board of Supervisors has adopted the Resolution of Intention stating its intention to form the CFD, Improvement Area No. 1 and the Future Annexation Areas for the purpose of financing, among other things, all or part of the Facilities, as further provided in that Resolution of Intention.

b. The Board of Supervisors estimates the amount required to finance the costs of the Facilities to be not more than \$5.0 billion and, in order to finance such costs, it is necessary to (i) incur bonded indebtedness and other debt (as defined in the Mello-Roos Act) in the amount of not more than \$5.0 billion on behalf of the CFD and the improvement areas therein (including Future Improvement Areas (as such term is defined herein)), (ii) for Improvement Area No. 1, to incur bonded indebtedness and other debt (as defined in the Mello-Roos Act) in the amount of not more than \$250 million ("Improvement Area No. 1 Indebtedness Limit"), and (iii) for the portion of the CFD that is not in Improvement Area No. 1, to incur bonded indebtedness and other debt (as defined in the Mello-Roos Act) in the amount of not more than \$4.75 billion ("Non-Improvement Area No. 1 Indebtedness Limit").

c. The proposed bonded indebtedness and other debt is to finance the Facilities, including acquisition and improvement costs and all costs incidental to or connected with the accomplishment of such purposes and of the financing thereof, as permitted by the Mello-Roos Act.

d. The Board of Supervisors, acting as legislative body for the CFD, intends to authorize the issuance and sale of bonds and other forms of debt (as defined in the Mello-Roos Act) payable from the Improvement Area No. 1 Special Tax in one or more series in the aggregate principal amount of not more than the Improvement Area No. 1 Indebtedness Limit. The Board of Supervisors, acting as legislative body for the CFD, intends to authorize the issuance and sale of bonds and other forms of debt (as defined in the Mello-Roos Act) payable from special taxes levied in the portion of the CFD that is

not in Improvement Area No. 1 in one or more series in the maximum aggregate principal amount of not more than the Non-Improvement Area No. 1 Indebtedness.

e. In the event all or a portion of the Future Annexation Area is annexed as one or more future improvement areas (each, a "Future Improvement Area"), the maximum indebtedness of each such Future Improvement Area shall be identified and approved in the unanimous approval executed by property owners in connection with their annexation to the CFD at the time of the annexation (each, a "Unanimous Approval") and in accordance with the Annexation Approval Procedures described in the Resolution of Intention referred to above, and the amount of the maximum indebtedness for the Future Improvement Area shall be subtracted from the Non-Improvement Area No. 1 Indebtedness Limit, which shall result in a corresponding reduction in the Non-Improvement Area No. 1 Indebtedness Limit.

f. The Board of Supervisors, acting as legislative body for the CFD, intends to authorize the issuance and sale of bonds and other forms of debt (as defined in the Mello-Roos Act) payable from a special tax levied in each Future Improvement Area in one or more series in the aggregate principal amount determined at the time of annexation of such territory as a separate improvement area (not to exceed the Non-Improvement Area No. 1 Indebtedness Limit in the aggregate).

6. The Board of Supervisors will hold a public hearing on the necessity of incurring the above amount of bonded indebtedness and other debt for the CFD, Improvement Area No. 1 and the Future Annexation Area on the date and at the time specified above, or as soon as possible thereafter, in the Legislative Chamber, City Hall, Room 250, 1 Dr. Carlton B. Goodlett, Place, San Francisco, CA 94102.

7. At public hearing the testimony of all interested persons, including voters and/or persons owning property in the area of the proposed CFD, Improvement Area No. 1 and the Future Annexation Area for and against the proposed bonded debt and other debt, will be heard.

In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments prior to the time the hearing begins. These comments will be made as part of the official public record in this matter and shall be brought to the attention of the Board of Supervisors. Written comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA, 94102. Information relating to this matter is available in the Office of the Clerk of the Board and agenda information relating to this matter will be available for public review on Friday, January 20, 2017.


for Angela Calvillo
Clerk of the Board

GOVERNMENT

NOTICE OF PUBLIC HEARING Tuesday, January 10, 2017 - 1:30 PM City Hall, Room 400, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102, at a Regular Meeting of the San Francisco Public Utilities Commission (SFPUC), the governing board of the publicly owned utility operations of the City and County of San Francisco: Notice is hereby given that the SFPUC will conduct a public hearing to consider proposed rules and regulations by the San Francisco Public Utilities Commission (SFPUC) regarding excessive residential water use during drought periods. The detailed agenda and related files will be available at least 72 hours before the scheduled meetings at the SFPUC website www.sfwater.org, or by calling (415) 554-3165. All interested parties are invited to attend the public hearing and present their views. Persons who are unable to attend the public hearing may also submit to the City, by the time the proceedings begin, written comments regarding the subject of the hearing. These comments will be brought to the attention of the Commission and will become part of the official public record. Written comments can be sent to Donna Hood, Commission Secretary, SFPUC, 525 Golden Gate Ave., 13th Floor, SF, CA 94102. The Draft Excessive Residential Water Use Rules and Regulations can be viewed and printed from the SFPUC website at www.sfwater.org/waterwaste.

NOTICE OF PUBLIC HEARINGS BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO

NOTICE IS HEREBY GIVEN THAT, in accordance with California Government Code, Sections 53322(a) and 53346, the Board of Supervisors of the City and County of San Francisco, as a Committee of the Whole, will hold public hearings to consider the following proposals and said public hearings will be held as follows, at which time all interested parties may attend and be heard:

Date: Tuesday, January 24, 2017 Time: 3:00 p.m.
Location: Legislative Chamber, City Hall, Room 250 1 Dr. Carlton B. Goodlett, Place, San Francisco, CA
Subject: File No. 161362. Hearing of the Board of Supervisors sitting as a Committee of the Whole on January 24, 2017, at 3:00 p.m., to hold public hearings to consider the following to form Community Facilities District No. 2016-1 and incur bonded indebtedness for Community Facilities District No. 2016-1: (File Nos. 161122, 161123, 161124, 161125, 161126, and 161127) a Resolution of formation of Community Facilities District No. 2016-1, Improvement Area No. 1 and a future annexation area; a Resolution determining necessity to incur bonded indebtedness and other debt in an amount not to exceed \$5,000,000,000

for the Community Facilities District; a Resolution calling a special election in the City and County of San Francisco Community Facilities District; a Resolution declaring results of the special election and directing recording of notice of special tax lien for the Community Facilities District; an Ordinance levying special taxes within the Community Facilities District; and a Resolution authorizing the issuance and sale of special tax bonds for Improvement Area No. 1 of the Community Facilities District in an aggregate principal amount not to exceed \$250,000,000. On December 6, 2016, pursuant to the Mello-Roos Community Facilities Act of 1982, as amended ("Mello-Roos Act"), the Board of Supervisors ("Board of Supervisors") of the City and County of San Francisco ("City"), State of California adopted a resolution of intention ("Resolution of Intention") to establish (i) "City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)" ("CFD"), (ii) "Improvement Area No. 1 of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)" ("Improvement Area No. 1"), and (iii) a future annexation area for the CFD ("Future Annexation Area"). Also on December 6, 2016, the Board of Supervisors adopted a resolution of intention to incur bonded indebtedness and other debt in an amount not to exceed \$5.0 billion for the CFD, Improvement Area No. 1 and the Future Annexation Area under the Mello-Roos Act (the "Bond Resolution"). Under the Mello-Roos Act, the Resolution of Intention and the Bond Resolution, the Board of Supervisors gives notice as follows:

1. The text of the Resolution of Intention, with Exhibits A and B thereto, as adopted by the Board of Supervisors, is on file with the Clerk of the Board of Supervisors and reference is made thereto for the particular provisions thereof. The text of the Resolution of Intention is summarized as follows:

a. Under the Mello-Roos Act, this Board of Supervisors is undertaking proceedings for the establishment of the CFD, Improvement Area No. 1 and the Future Annexation Area, the boundaries of which are shown on a map on file with the City.

b. The purpose of the CFD, Improvement Area No. 1 and the Future Annexation Area is to provide for the financing of (i) certain public facilities ("Facilities") as more fully described in the Resolution of Intention and Exhibit A thereto and (ii) certain public services ("Services") as more fully described in the Resolution of Intention and Exhibit A thereto. c. Initially, the method of financing the Facilities and the Services is through the imposition and levy of a special tax ("Special Tax") to be apportioned on the properties in Improvement Area No. 1 under the rate and method of apportionment described in the Resolution of Intention and Exhibit B thereto. d. The Resolution of Intention directed the preparation of a CFD Report that shows the Facilities and the Services and the estimated costs of the Facilities and the Services.

The CFD Report will be made a permanent part of the record of the public hearing specified below. Reference is made to the CFD Report as filed with the Clerk of the Board of Supervisors. e. Property within the Future Annexation Area will be annexed to the CFD, and may be designated as one or more improvement areas (each, a "Future Improvement Area"), and a special tax will be levied on such property, only with the unanimous approval (each, a "Unanimous Approval") of the owner or owners of each parcel or parcels at the time that parcel or those parcels are annexed, in accordance with the annexation approval procedures specified in the Resolution of Intention. f. As set forth below, the Board of Supervisors will hold a public hearing on the establishment of the CFD, Improvement Area No. 1 and the Future Annexation Area, the Facilities, the Services and the Special Tax. 2. The public hearing will be held on the date and at the time specified above, or as soon as possible thereafter, in the Legislative Chamber, City Hall, Room 250, 1 Dr. Carlton B. Goodlett, Place, San Francisco, CA 94102.

3. At the hearing, the testimony of all interested persons or taxpayers, including all persons owning property within Improvement Area No. 1, for or against the establishment of the CFD and Improvement Area No. 1, the Special Tax to be levied in Improvement Area No. 1, the extent of the CFD and Improvement Area No. 1 and the furnishing of the specified Facilities and Services, will be heard. Any person interested may file a protest in writing as provided in Section 53323 of the Mello-Roos Act. Any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and shall clearly set forth the irregularities and defects to which objection is made. All written protests must be filed with the Clerk of the Board of Supervisors on or before the time fixed for the hearing.

If 50% or more of the registered voters, or six registered voters, whichever is more, residing in the territory proposed to be included in Improvement Area No. 1, or the owners of one-half or more of the area of land in the territory proposed to be included in Improvement Area No. 1 and not exempt from the Special Tax to be levied in Improvement Area No. 1, file written protests against the establishment of Improvement Area No. 1 and the protests are not withdrawn to reduce the value of the protests to less than a majority, the Board of Supervisors shall take no further action to create the CFD and Improvement Area No. 1 or levy the Special Tax in Improvement Area No. 1 for a period of one year from the date of decision of the Board of Supervisors, and, if the majority protests of the registered voters or landowners are only against the furnishing of a type or types of Facilities or Services within the CFD and Improvement Area No. 1, or against levying a specified part of the Special Tax in Improvement Area No. 1, those types of Facilities or Services, or the specified part of the Special Tax to be levied in Improvement Area No. 1

will be eliminated from the proceedings to form the CFD and Improvement Area No. 1. In addition, at the hearing, the testimony of all interested persons for and against the establishment of the Future Annexation Area or the levying of special taxes within any portion of the Future Annexation Area annexed in the future to the CFD will be heard. If 50% or more of the registered voters, or 6 registered voters, whichever is more, residing within the proposed territory of the CFD, or if 50% or more of the registered voters, or 6 registered voters, whichever is more, residing in the territory proposed to be included in the Future Annexation Area, or the owners of 50% or more of the area of land in the territory proposed to be included in the CFD or in the Future Annexation Area, file written protests against the establishment of the Future Annexation Area and the protests are not withdrawn to reduce the value of the protests to less than a majority, the Board of Supervisors shall take no further action to create the Future Annexation Area for a period of one year from the date of decision of the Board of Supervisors.

4. If there is no majority protest, the Board of Supervisors may submit the levy of the Special Tax in Improvement Area No. 1 for voter approval at a special election. The Special Tax requires the approval of 2/3rds of the votes cast at a special election by the property owner voters of Improvement Area No. 1, with each owner having one vote for each acre or portion thereof such owner owns in Improvement Area No. 1 not exempt from the Special Tax. 5. Reference is hereby made to the entire text of the Bond Resolution, a complete copy of which is on file with the Clerk of the Board of Supervisors. The text of the Bond Resolution is summarized as follows:

a. The Board of Supervisors has adopted the Resolution of Intention stating its intention to form the CFD, Improvement Area No. 1 and the Future Annexation Areas for the purpose of financing, among other things, all or part of the Facilities, as further provided in that Resolution of Intention. b. The Board of Supervisors estimates the amount required to finance the costs of the Facilities to be not more than \$5.0 billion and, in order to finance such costs, it is necessary to (i) incur bonded indebtedness and other debt (as defined in the Mello-Roos Act) in the amount of not more than \$5.0 billion on behalf of the CFD and the improvement areas therein (including Future Improvement Areas (as such term is defined herein)), (ii) for Improvement Area No. 1, to incur bonded indebtedness and other debt (as defined in the Mello-Roos Act) in the amount of not more than \$250 million ("Improvement Area No. 1 Indebtedness Limit"), and (iii) for the portion of the CFD that is not in Improvement Area No. 1, to incur bonded indebtedness and other debt (as defined in the Mello-Roos Act) in the amount of not more than \$4.75 billion ("Non-Improvement Area No. 1 Indebtedness Limit"). c. The proposed bonded indebtedness and other debt is to finance the Facilities, including acquisition and

improvement costs and all costs incidental to or connected with the accomplishment of such purposes and of the financing thereof, as permitted by the Mello-Roos Act. d. The Board of Supervisors, acting as legislative body for the CFD, intends to authorize the issuance and sale of bonds and other forms of debt (as defined in the Mello-Roos Act) payable from the Improvement Area No. 1 Special Tax in one or more series in the aggregate principal amount of not more than the Improvement Area No. 1 Indebtedness Limit. The Board of Supervisors, acting as legislative body for the CFD, intends to authorize the issuance and sale of bonds and other forms of debt (as defined in the Mello-Roos Act) payable from special taxes levied in the portion of the CFD that is not in Improvement Area No. 1 in one or more series in the maximum aggregate principal amount of not more than the Non-Improvement Area No. 1 Indebtedness.

e. In the event all or a portion of the Future Annexation Area is annexed as one or more future improvement areas (each, a "Future Improvement Area"), the maximum indebtedness of each such Future Improvement Area shall be identified and approved in the unanimous approval executed by property owners in connection with their annexation to the CFD at the time of the annexation (each, a "Unanimous Approval") and in accordance with the Annexation Approval Procedures described in the Resolution of Intention referred to above, and the amount of the maximum indebtedness for the Future Improvement Area shall be subtracted from the Non-Improvement Area No. 1 Indebtedness Limit, which shall result in a corresponding reduction in the Non-Improvement Area No. 1 Indebtedness Limit.

f. The Board of Supervisors, acting as legislative body for the CFD, intends to authorize the issuance and sale of bonds and other forms of debt (as defined in the Mello-Roos Act) payable from a special tax levied in each Future Improvement Area in one or more series in the aggregate principal amount determined at the time of annexation of such territory as a separate improvement area (not to exceed the Non-Improvement Area No. 1 Indebtedness Limit in the aggregate). 6. The Board of Supervisors will hold a public hearing on the necessity of incurring the above amount of bonded indebtedness and other debt for the CFD, Improvement Area No. 1 and the Future Annexation Area on the date and at the time specified above, or as soon as possible thereafter, in the Legislative Chamber, City Hall, Room 250, 1 Dr. Carlton B. Goodlett, Place, San Francisco, CA 94102.

7. At public hearing the testimony of all interested persons, including voters and/or persons owning property in the area of the proposed CFD, Improvement Area No. 1 and the Future Annexation Area for and against the proposed bonded debt and other debt, will be heard. In accordance with Administrative Code, Section

67.7-1, persons who are unable to attend the hearing on this matter may submit written comments prior to the time the hearing begins. These comments will be made as part of the official public record in this matter and shall be brought to the attention of the Board of Supervisors. Written comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA, 94102. Information relating to this matter is available in the Office of the Clerk of the Board and agenda information relating to this matter will be available for public review on Friday, January 20, 2017. Angela Calvillo Clerk of the Board

NOTICE OF PUBLIC HEARING BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO

NOTICE IS HEREBY GIVEN THAT, in accordance with California Government Code, Section 53369.17, the Board of Supervisors of the City and County of San Francisco, as a Committee of the Whole, will hold a public hearing to consider the following proposal and said public hearing will be held as follows, at which time all interested parties may attend and be heard:

Date: Tuesday, January 24, 2017 Time: 3:00 p.m.
Location: Legislative Chamber, City Hall, Room 250 1 Dr. Carlton B. Goodlett, Place, San Francisco, CA
Subject: File No. 161361. Hearing of the Board of Supervisors sitting as a Committee of the Whole on January 24, 2017, at 3:00 p.m., to hold a public hearing to consider the following to form Treasure Island Infrastructure and Revitalization Financing District No. 1: (File Nos. 161117, 161118, 161119, 161120, 161121) a Resolution proposing adoption of the Infrastructure Financing Plan and formation of the Infrastructure and Revitalization Financing District; a Resolution calling a special election and Revitalization Financing District; a Resolution declaring results of the special election; an Ordinance forming the Infrastructure and Revitalization Financing District, and adopting an Infrastructure Financing Plan for such district; and a Resolution authorizing issuance of bonds for the Infrastructure and Revitalization Financing District and project areas therein, in an aggregate principal amount not to exceed \$780,000,000.

On December 6, 2016, the Board of Supervisors (the "Board of Supervisors") of the City and County of San Francisco (the "City") adopted its "Resolution of Intention to establish City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) and project areas therein to finance the construction and/or acquisition of capital improvements on Treasure Island; to provide for annexation; to call a public hearing on the formation of the district and project areas therein and to provide public notice thereof; and determining

other matters in connection therewith" ("Resolution of Intention to Establish IRFD"), stating its intention to form the "City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island)" (the "IRFD") pursuant to Government Code Section 53369 et seq. (the "IRFD Law"). The City intends to form the IRFD for the purpose of financing certain public improvements (the "Facilities") as further provided in the Resolution of Intention to Establish IRFD and summarized herein.

Also on December 6, 2016, the Board of Supervisors adopted its "Resolution authorizing and directing the Director of the Office of Public Finance, or designee thereof, to prepare an infrastructure financing plan for City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) and project areas therein and determining other matters in connection therewith," ordering preparation of an infrastructure financing plan (the "Infrastructure Financing Plan") consistent with the requirements of the IRFD Law. The Infrastructure Financing Plan is available for public inspection in the office of the Clerk of the Board of Supervisors, 1 Dr. Carlton B. Goodlett Place, City Hall, San Francisco, California and on the website of the Clerk of the Board of Supervisors.

Under the IRFD Law, the Board of Supervisors gives notice as follows:

1. **Facilities to be Financed.** The IRFD will be used to finance costs of the acquisition, construction and improvement of any facilities authorized by Section 53369.3 of the IRFD Law, including, but not limited to, facilities acquired from third parties (such as acquisition, abatement and demolition costs, a supplemental fire water supply system, low pressure water facilities, water tank facilities, recycled water facilities, storm drainage system, separated sanitary sewer, joint trench, earthwork, retaining walls, highway ramps, roadways, pathways, curbs and gutters, traffic facilities, streetscapes, shoreline improvements, parks, a ferry terminal, hazardous soil removal, community facilities, other amounts specifically identified in the DDA as a Qualified Project Cost and Hard Costs, Soft Costs and Pre-Development Costs as defined in the Conveyance Agreement), and authorized payments (consisting of the contribution to the City and other public agencies for costs related to open space improvements, transportation and transit facilities, and design and construction of ramps and access roads). The category of facilities labeled "Acquired from Third Parties" reflects current assumptions of the City and TIDA. The IRFD shall be authorized to finance the listed facilities whether they are acquired from third parties or constructed by the City or TIDA.

2. **Financial Arrangements.** The IRFD will finance the public works described above with tax increment revenue received by the IRFD from no other affected taxing entities), and the proceeds of bonds or other indebtedness issued or incurred by or for the IRFD

that is payable from tax increment revenue received by the IRFD.

3. **Boundaries of the IRFD.** The boundaries of the IRFD are described in a map of the proposed boundaries that is part of the Infrastructure Financing Plan on file with the Clerk of the Board of Supervisors, to which map reference is hereby made. It is anticipated that the ultimate boundaries of the IRFD, following anticipated annexations to the IRFD, will encompass the entirety of the development parcels comprising the development project on Treasure Island and Yerba Buena Island in the City. The process for the annexation of additional parcels into the IRFD is described in the Resolution of Intention to Establish IRFD, which by this reference is incorporated herein.

4. **Public Hearing.** The public hearing will be held on the date and at the time specified above, or as soon as possible thereafter, in the Legislative Chamber, City Hall, Room 250, 1 Dr. Carlton B. Goodlett, Place, San Francisco, CA 94102. At the hearing, any persons having any objections to the proposed Infrastructure Financing Plan, or the regularity of any of the prior proceedings relating to the IRFD, may appear before the Board of Supervisors and object to the adoption of the proposed Infrastructure Financing Plan by the Board of Supervisors. The Board of Supervisors will consider all evidence and testimony for and against the adoption of the Infrastructure Financing Plan.

In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments prior to the time the hearing begins. These comments will be made as part of the official public record in this matter and shall be brought to the attention of the Board of Supervisors. Written comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA, 94102. Information relating to this matter is available in the Office of the Clerk of the Board and agenda information relating to this matter will be available for public review on Friday, January 20, 2017. Angela Calvillo Clerk of the Board

CITY AND COUNTY OF SAN FRANCISCO BOARD OF SUPERVISORS

NOTICE IS HEREBY GIVEN that on December 6, 2016, the Board of Supervisors adopted the following legislation, and approved by the Mayor on December 16, 2016: **Resolution of intention to issue bonds for City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island); and determining other matters in connection therewith.** WHEREAS, Naval Station Treasure Island ("NSTI") is a former United States Navy base located in the City and County of San Francisco ("City") that consists of two islands connected by a causeway: (1) Treasure Island, and (2) an approximately

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SAN FRANCISCO BOARD OF SUPERVISORS

2016 DEC 21 AM 10:01

BY _____



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
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Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 544-5227

PROOF OF MAILING

Legislative File No. 161361, 161362

Description of Items: Certified copies of Resolution No. 503-16; hearing notices for File Nos. 161361 and 161362. Related to Treasure Island Infrastructure and Revitalization Financing District No. 1 and Community Facilities District No. 2016-1 Committee of the Whole hearings on January 24, 2017.

Recipients indicated on the attached memo.

I, John Carroll, an employee of the City and County of San Francisco, mailed the above described document(s) by depositing the sealed items with the United States Postal Service (USPS) with the postage fully prepaid as follows:

Date: December 21, 2016

Time: 10:00 a.m.

USPS Location: Clerk's office USPS pickup mailbox.

Mailbox/Mailslot Pick-Up Times (if applicable): N/A

Signature: _____

Instructions: Upon completion, original must be filed in the above referenced file.

Affected Taxing Entities

CITY

City and County of San Francisco
Attn: Mayor Ed Lee
1 Dr. Carlton B. Goodlett Place
City Hall, Room 200
San Francisco, Ca. 94102

BART

San Francisco Bay Area Rapid Transit District
Attn: Grace Crunican, General Manager
300 Lakeside Drive, 23rd Floor
Oakland, CA 94612

CC:

San Francisco Bay Area Rapid Transit District
Attn: Kenneth A. Duron, District Secretary
300 Lakeside Drive, 23rd Floor
Oakland, California 94612

San Francisco Bay Area Rapid Transit District
Attn: Rosemarie V. Poblete, Controller-Treasurer
300 Lakeside Drive, 23rd Floor
Oakland, CA 94612

BAAQMD

Bay Area Air Quality Management District
Attn: Jack Broadbent, Executive Officer
375 Beale Street, Suite 600
San Francisco, CA 94105

Landowners

TREASURE ISLAND SERIES 1, LLC,
a Delaware limited liability company

Treasure Island Series 1, LLC
Attn: Kofi Bonner
One Sansome Street, Suite 3200
San Francisco, CA 94104

Treasure Island Series 1, LLC
Attn: Chris Meany
4 Embarcadero Center, Suite 3300
San Francisco, CA 94111

TREASURE ISLAND DEVELOPMENT AUTHORITY,
a California nonprofit public benefit corporation

Treasure Island Development Authority
One Avenue of the Palms
Treasure Island
San Francisco, CA 94130

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SAN FRANCISCO, CA 94102

COPY OF NOTICE

Notice Type: GPN GOVT PUBLIC NOTICE
Ad Description: File No. 161362 - CFD Hearing Notice

To the right is a copy of the notice you sent to us for publication in the SAN FRANCISCO EXAMINER. Thank you for using our newspaper. Please read this notice carefully and call us with ny corrections. The Proof of Publication will be filed with the County Clerk, if required, and mailed to you after the last date below. Publication date(s) for this notice is (are):

12/25/2016

The charge(s) for this order is as follows. An invoice will be sent after the last date of publication. If you prepaid this order in full, you will not receive an invoice.

EXM# 2959119

NOTICE OF PUBLIC HEARINGS BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO

NOTICE IS HEREBY GIVEN THAT, in accordance with California Government Code, Sections 53322(a) and 53346, the Board of Supervisors of the City and County of San Francisco, as a Committee of the Whole, will hold public hearings to consider the following proposals and said public hearings will be held as follows, at which time all interested parties may attend and be heard:

Date: Tuesday, January 24, 2017 **Time:** 3:00 p.m.
Location: Legislative Chamber, City Hall, Room 250 1 Dr. Carlton B. Goodlett, Place, San Francisco, CA

Subject: File No. 161362. Hearing of the Board of Supervisors sitting as a Committee of the Whole on January 24, 2017, at 3:00 p.m., to hold public hearings to consider the following to form Community Facilities District No. 2016-1 and incur bonded indebtedness for Community Facilities District No. 2016-1: (File Nos. 161122, 161123, 161124, 161125, 161126, and 161127) a Resolution of formation of Community Facilities District No. 2016-1, Improvement Area No. 1 and a future annexation area; a Resolution determining necessity to incur bonded indebtedness and other debt in an amount not to exceed \$5,000,000,000 for the Community Facilities District; a Resolution calling a special election in the City and County of San Francisco Community Facilities District; a Resolution declaring results of the special election and directing recording of notice of special tax lien for the Community Facilities District; an Ordinance levying special taxes within the Community Facilities District; and a Resolution authorizing the issuance and sale of special tax bonds for Improvement Area No. 1 of the Community Facilities District in an aggregate principal amount not to exceed \$250,000,000. On December 6, 2016, pursuant to the Mello-Roos Community Facilities Act of 1982, as amended ("Mello-Roos Act"), the Board of Supervisors ("Board of Supervisors") of the City and County of San Francisco ("City"), State of California

adopted a resolution of intention ("Resolution of Intention") to establish (i) "City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)" ("CFD"), (ii) "Improvement Area No. 1 of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)" ("Improvement Area No. 1"), and (iii) a future annexation area for the CFD ("Future Annexation Area").

Also on December 6, 2016, the Board of Supervisors adopted a resolution of intention to incur bonded indebtedness and other debt in an amount not to exceed \$5.0 billion for the CFD, Improvement Area No. 1 and the Future Annexation Area under the Mello-Roos Act (the "Bond Resolution").

Under the Mello-Roos Act, the Resolution of Intention and the Bond Resolution, the Board of Supervisors gives notice as follows:

1. The text of the Resolution of intention, with Exhibits A and B thereto, as adopted by the Board of Supervisors, is on file with the Clerk of the Board of Supervisors and reference is made thereto for the particular provisions thereof. The text of the Resolution of intention is summarized as follows:

a. Under the Mello-Roos Act, this Board of Supervisors is undertaking proceedings for the establishment of the CFD, Improvement Area No. 1 and the Future Annexation Area, the boundaries of which are shown on a map on file with the City.

b. The purpose of the CFD, Improvement Area No. 1 and the Future Annexation Area is to provide for the financing of (i) certain public facilities ("Facilities") as more fully described in the Resolution of Intention and Exhibit A thereto and (ii) certain public services ("Services") as more fully described in the Resolution of Intention and Exhibit A thereto.

c. Initially, the method of financing the Facilities and the Services is through the imposition and levy of a special tax ("Special Tax") to be apportioned on the properties in Improvement Area No. 1 under the rate and method of apportionment described in the Resolution of Intention and Exhibit B thereto.

d. The Resolution of Intention directed the preparation of a CFD Report that shows the Facilities and



the Services and the estimated costs of the Facilities and the Services. The CFD Report will be made a permanent part of the record of the public hearing specified below. Reference is made to the CFD Report as filed with the Clerk of the Board of Supervisors.

e. Property within the Future Annexation Area will be annexed to the CFD, and may be designated as one or more improvement areas (each, a "Future Improvement Area"), and a special tax will be levied on such property, only with the unanimous approval (each, a "Unanimous Approval") of the owner or owners of each parcel or parcels at the time that parcel or those parcels are annexed, in accordance with the annexation approval procedures specified in the Resolution of Intention.

f. As set forth below, the Board of Supervisors will hold a public hearing on the establishment of the CFD, Improvement Area No. 1 and the Future Annexation Area, the Facilities, the Services and the Special Tax.

2. The public hearing will be held on the date and at the time specified above, or as soon as possible thereafter, in the Legislative Chamber, City Hall, Room 250, 1 Dr. Carlton B. Goodlett, Place, San Francisco, CA 94102.

3. At the hearing, the testimony of all interested persons or taxpayers, including all persons owning property within Improvement Area No. 1, for or against the establishment of the CFD and Improvement Area No. 1, the Special Tax to be levied in Improvement Area No. 1, the extent of the CFD and Improvement Area No. 1 and the furnishing of the specified Facilities and Services, will be heard. Any person interested may file a protest in writing as provided in Section 53323 of the Mello-Roos Act. Any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and shall clearly set forth the irregularities and defects to which objection is made. All written protests must be filed with the Clerk of the Board of Supervisors on or before the time fixed for the hearing.

If 50% or more of the registered voters, or six registered voters, whichever is more, residing in the territory proposed to be included in Improvement Area No. 1, or the owners of

one-half or more of the area of land in the territory proposed to be included in Improvement Area No. 1 and not exempt from the Special Tax to be levied in Improvement Area No. 1, file written protests against the establishment of Improvement Area No. 1 and the protests are not withdrawn to reduce the value of the protests to less than a majority, the Board of Supervisors shall take no further action to create the CFD and Improvement Area No. 1 or levy the Special Tax in Improvement Area No. 1 for a period of one year from the date of decision of the Board of Supervisors, and, if the majority protests of the registered voters or landowners are only against the furnishing of a type or types of Facilities or Services within the CFD and Improvement Area No. 1, or against levying a specified part of the Special Tax in Improvement Area No. 1, those types of Facilities or Services or the specified part of the Special Tax to be levied in Improvement Area No. 1 will be eliminated from the proceedings to form the CFD and Improvement Area No. 1.

In addition, at the hearing, the testimony of all interested persons for and against the establishment of the Future Annexation Area or the levying of special taxes within any portion of the Future Annexation Area annexed in the future to the CFD will be heard. If 50% or more of the registered voters, or 6 registered voters, whichever is more, residing within the proposed territory of the CFD, or if 50% or more of the registered voters, or 6 registered voters, whichever is more, residing in the territory proposed to be included in the Future Annexation Area, or the owners of 50% or more of the area of land in the territory proposed to be included in the CFD or in the Future Annexation Area, file written protests against the establishment of the Future Annexation Area and the protests are not withdrawn to reduce the value of the protests to less than a majority, the Board of Supervisors shall take no further action to create the Future Annexation Area for a period of one year from the date of decision of the Board of Supervisors.

4. If there is no majority protest, the Board of

Supervisors may submit the levy of the Special Tax in Improvement Area No. 1 for voter approval at a special election. The Special Tax requires the approval of 2/3rds of the votes cast at a special election by the property owner voters of Improvement Area No. 1, with each owner having one vote for each acre or portion thereof such owner owns in Improvement Area No. 1 not exempt from the Special Tax.

5. Reference is hereby made to the entire text of the Bond Resolution, a complete copy of which is on file with the Clerk of the Board of Supervisors. The text of the Bond Resolution is summarized as follows:

a. The Board of Supervisors has adopted the Resolution of Intention stating its intention to form the CFD, Improvement Area No. 1 and the Future Annexation Areas for the purpose of financing, among other things, all or part of the Facilities, as further provided in that Resolution of Intention.

b. The Board of Supervisors estimates the amount required to finance the costs of the Facilities to be not more than \$5.0 billion and, in order to finance such costs, it is necessary to (i) incur bonded indebtedness and other debt (as defined in the Mello-Roos Act) in the amount of not more than \$5.0 billion on behalf of the CFD and the improvement areas therein (including Future Improvement Areas (as such term is defined herein)), (ii) for Improvement Area No. 1, to incur bonded indebtedness and other debt (as defined in the Mello-Roos Act) in the amount of not more than \$250 million ("Improvement Area No. 1 Indebtedness Limit"), and (iii) for the portion of the CFD that is not in Improvement Area No. 1, to incur bonded indebtedness and other debt (as defined in the Mello-Roos Act) in the amount of not more than \$4.75 billion ("Non-Improvement Area No. 1 Indebtedness Limit").

c. The proposed bonded indebtedness and other debt is to finance the Facilities, including acquisition and improvement costs and all costs incidental to or connected with the accomplishment of such purposes and of the financing thereof, as permitted by the Mello-Roos Act.

d. The Board of Supervisors, acting as legislative body for

the CFD, intends to authorize the issuance and sale of bonds and other forms of debt (as defined in the Mello-Roos Act) payable from the Improvement Area No. 1 Special Tax in one or more series in the aggregate principal amount of not more than the Improvement Area No. 1 Indebtedness Limit. The Board of Supervisors, acting as legislative body for the CFD, intends to authorize the issuance and sale of bonds and other forms of debt (as defined in the Mello-Roos Act) payable from special taxes levied in the portion of the CFD that is not in Improvement Area No. 1 in one or more series in the maximum aggregate principal amount of not more than the Non-Improvement Area No. 1 Indebtedness.

e. In the event all or a portion of the Future Annexation Area is annexed as one or more future improvement areas (each, a "Future Improvement Area"), the maximum indebtedness of each such Future Improvement Area shall be identified and approved in the unanimous approval executed by property owners in connection with their annexation to the CFD at the time of the annexation (each, a "Unanimous Approval") and in accordance with the Annexation Approval Procedures described in the Resolution of Intention referred to above, and the amount of the maximum indebtedness for the Future Improvement Area shall be subtracted from the Non-Improvement Area No. 1 Indebtedness Limit, which shall result in a corresponding reduction in the Non-Improvement Area No. 1 Indebtedness Limit.

f. The Board of Supervisors, acting as legislative body for the CFD, intends to authorize the issuance and sale of bonds and other forms of debt (as defined in the Mello-Roos Act) payable from a special tax levied in each Future Improvement Area in one or more series in the aggregate principal amount determined at the time of annexation of such territory as a separate improvement area (not to exceed the Non-Improvement Area No. 1 Indebtedness Limit in the aggregate).

6. The Board of Supervisors will hold a public hearing on the necessity of incurring the above amount of bonded indebtedness and other debt

for the CFD, Improvement Area No. 1 and the Future Annexation Area on the date and at the time specified above, or as soon as possible thereafter, in the Legislative Chamber, City Hall, Room 250, 1 Dr. Carlton B. Goodlett, Place, San Francisco, CA 94102.

7. At public hearing the testimony of all interested persons, including voters and/or persons owning property in the area of the proposed CFD, Improvement Area No. 1 and the Future Annexation Area for and against the proposed bonded debt and other debt, will be heard.

In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments prior to the time the hearing begins. These comments will be made as part of the official public record in this matter and shall be brought to the attention of the Board of Supervisors. Written

comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA, 94102. Information relating to this matter is available in the Office of the Clerk of the Board and agenda information relating to this matter will be available for public review on Friday, January 20, 2017. Angela Calvillo Clerk of the Board



TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Mayor Edwin M. Lee
RE: Infrastructure and Revitalization Financing District & Community Facilities District Legislation
DATE: October 18, 2016

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2016 OCT 18 11:32 AM
BY AK

Attached for introduction to the Board of Supervisors is legislation necessary to initiate the formation of financing districts required to provide public financing of eligible expenses incurred in the development of the former Naval Station Treasure Island:

1. Resolution Authorizing Issuance of Bonds Related to Infrastructure and Revitalization Financing District No. 1 (Treasure Island).
2. Resolution Calling Special Election Related to Infrastructure and Revitalization Financing District No. 1 (Treasure Island).
3. Resolution Proposing Adoption of Infrastructure Financing Plan---Infrastructure and Revitalization Financing District No. 1 (Treasure Island).
4. Ordinance Creating Infrastructure and Revitalization Financing District No. 1 (Treasure Island) and Adopting an Infrastructure Financing Plan
5. Resolution Calling Special Election---Community Facilities District No. 2016-1 (Treasure Island)
6. Resolution Declaring Results of Special Election Related to Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
7. Ordinance Levying Special Taxes Community Facilities District No. 2016-1 (Treasure Island)
8. Resolution Authorizing Issuance and Sale of Special Tax Bonds---Community District No. 2016-1 (Treasure Island)---Not to Exceed \$250 million
9. Resolution Declaring Results--- Community Facilities District No. 2016-1 (Treasure Island)
10. Resolution of Formation--- Community Facilities District No. 2016-1 (Treasure Island)
11. Resolution Determining Necessity to Incur Bonded Indebtedness---Community Facilities District No. 2016-1 (Treasure Island)---\$5.0 Billion
12. Resolution Authorizing Issuance and Sale of Special Tax Bonds---Community District No. 2016-1 (Treasure Island)

I respectfully request that these items be heard at the December 6, 2016 Board of Supervisors meeting.

Should you have any questions, please contact Nicole Elliott at (415) 554-7940.