

File No. 161122

Committee Item No. _____

Board Item No. 47.

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: _____

Date: _____

Board of Supervisors Meeting

Date: January 24, 2017

Cmte Board

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

(Click the text below for a direct link to the document)

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|--------------------------|-------------------------------------|---|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Resolution Exhibit A</u> |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Controller letter - November 14, 2016</u> |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>CFD Map</u> |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>CFD Report</u> |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Petition Waivers</u> |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Hearing notice - printed December 25, 2016</u> |
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Prepared by: John Carroll

Date: January 19, 2017

Prepared by: _____

Date: _____

1 [Resolution of Formation - Community Facilities District No. 2016-1 (Treasure Island)]

2
3 **Resolution of formation of City and County of San Francisco Community Facilities**
4 **District No. 2016-1 (Treasure Island), Improvement Area No. 1 and a future annexation**
5 **area; and determining other matters in connection therewith.**
6

7 WHEREAS, Naval Station Treasure Island ("NSTI") is a former United States Navy
8 base located in the City and County of San Francisco ("City") that consists of two islands
9 connected by a causeway: (1) Treasure Island, and (2) an approximately 90-acre portion of
10 Yerba Buena Island; and

11 WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended
12 California Health and Safety Code Section 33492.5 and added Section 2.1 to Chapter 1333 of
13 the Statutes of 1968 ("Act"), the California Legislature: (i) designated the Treasure Island
14 Development Authority ("TIDA"), as a redevelopment agency under California redevelopment
15 law with authority over NSTI upon approval of the City's Board of Supervisors, and (ii) with
16 respect to those portions of NSTI which are subject to Tidelands Trust, vested in TIDA the
17 authority to administer the public trust for commerce, navigation and fisheries as to such
18 property; and

19 WHEREAS, The Board of Supervisors approved the designation of TIDA as the
20 redevelopment agency for NSTI in 1997; and

21 WHEREAS, On January 24, 2012, the Board of Supervisors rescinded designation of
22 TIDA as the redevelopment agency for Treasure Island under California Community
23 Redevelopment Law in Resolution No. 11-12; but such rescission did not affect TIDA's status
24 as the Local Reuse Authority for NSTI or the Tidelands Trust trustee for the portions of NSTI
25 subject to the Tidelands Trust, or any of the other powers or authority; and

1 WHEREAS, The United States of America, acting by and through the Department of
2 the Navy (“Navy”), and TIDA entered into an Economic Conveyance Memorandum of
3 Agreement (as amended and supplemented from time to time, the “Conveyance Agreement”)
4 that governs the terms and conditions for the transfer of NSTI from the Navy to TIDA; and
5 under the Conveyance Agreement, the Navy will convey NSTI to TIDA in phases after the
6 Navy has completed environmental remediation and issued a Finding of Suitability to Transfer
7 (as defined in the Conveyance Agreement) for specified parcels of NSTI or portions thereof;
8 and

9 WHEREAS, Treasure Island Community Development, LLC (“Developer”) and TIDA
10 previously entered into a Disposition and Development Agreement (Treasure Island/Yerba
11 Buena Island), dated June 28, 2011 (“DDA”), including a Financing Plan (Treasure
12 Island/Yerba Buena Island) (“Financing Plan”), which governs the disposition and
13 development of a portion of NSTI (“Project Site”) after the Navy’s transfer of NSTI to TIDA in
14 accordance with the Conveyance Agreement; and

15 WHEREAS, The DDA contemplates a project (“Project”) under which TIDA acquires
16 the Project Site from the Navy and conveys portions of the Project Site to Developer (or an
17 affiliate of Developer) for the purposes of: (i) alleviating blight in the Project Site through
18 development of certain improvements, (ii) geotechnically stabilizing the Project Site, (iii)
19 constructing public infrastructure to support the Project and other proposed uses on NSTI, (iv)
20 constructing and improving certain public parks and open spaces, (v) abatement of certain
21 existing hazardous substances, and (vi) selling and ground leasing lots to vertical developers
22 who will construct residential units and commercial and public facilities; and

23 WHEREAS, On April 21, 2011, the Planning Commission by Motion No. 18325 and the
24 Board of Directors of TIDA, by Resolution No. 11-14-04/21, as co-lead agencies, certified the
25 completion of the Final Environmental Impact Report for the Project, and unanimously

1 approved a series of entitlement and transaction documents relating to the Project, including
2 certain environmental findings under the California Environmental Quality Act ("CEQA"), a
3 mitigation and monitoring and reporting program ("MMRP"), and the DDA and other
4 transaction documents; and

5 WHEREAS, On June 7, 2011, in Motion No. M11-0092, the Board of Supervisors
6 unanimously affirmed certification of the Final Environmental Impact Report, and on that same
7 date, the Board of Supervisors, in Resolution No. 246-11, adopted CEQA findings and the
8 MMRP, and made certain environmental findings under CEQA (collectively, "FEIR"), and also
9 on that date, the Board of Supervisors, in Ordinance No. 95-11, approved the DDA and other
10 transaction documents, including the Transportation Plan and Infrastructure Plan; and

11 WHEREAS, TIDA and the Developer have been working diligently since then to
12 implement the Project consistent with the DDA, the MMRP and other documents; and

13 WHEREAS, No additional environmental review is required because there are no
14 substantial changes to the project analyzed in the FEIR, no change in circumstances under
15 which the project is being undertaken, and no new information of substantial importance
16 indicating that new significant impacts would occur, that the impacts identified in the FEIR as
17 significant impacts would be substantially more severe, or that mitigation or alternatives
18 previously found infeasible are now feasible; and

19 WHEREAS, The City anticipates that future improvements will be necessary to ensure
20 that the shoreline, public facilities, and public access improvements will be protected should
21 sea level rise at the perimeter of the Project Site, and the Board of Supervisors desires to
22 provide a mechanism to pay directly for such improvements and/or establish a capital reserve
23 fund to finance such improvements; and

24 WHEREAS, Under the Mello-Roos Community Facilities Act of 1982, as amended,
25 constituting Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with California

1 Government Code Section 53311 (“Mello-Roos Act”), this Board of Supervisors is authorized
2 to establish a community facilities district and to act as the legislative body for a community
3 facilities district; and

4 WHEREAS, Pursuant to Mello-Roos Act Section 53339.2, this Board of Supervisors
5 further desires to undertake proceedings to provide for future annexation of territory to the
6 proposed community facilities district; and

7 WHEREAS, On December 6, 2016, pursuant to the Mello-Roos Act, this Board of
8 Supervisors adopted a resolution entitled “Resolution of intention to establish City and County
9 of San Francisco Community Facilities District No. 2016-1 (Treasure Island), Improvement
10 Area No. 1 and a Future Annexation Area, and determining other matters in connection
11 therewith” (“Resolution of Intention”), on file with the Clerk of the Board of Supervisors in File
12 No. 161038, stating its intention to form (i) “City and County of San Francisco Community
13 Facilities District No. 2016-1 (Treasure Island)” (“CFD”), (ii) “Improvement Area No. 1 of the
14 City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)”
15 (“Improvement Area No. 1”) and (iii) “City and County of San Francisco Community Facilities
16 District No. 2016-1 (Treasure Island) (Future Annexation Area)” (“Future Annexation Area”);
17 and

18 WHEREAS, The Resolution of Intention, incorporating a map of the proposed
19 boundaries of the CFD, Improvement Area No. 1 and the Future Annexation Area and stating
20 the facilities and the services to be provided (as set forth in the list attached hereto as Exhibit
21 A), the cost of providing such facilities and the services, and the rate and method of
22 apportionment of the special tax to be levied within the CFD and Improvement Area No. 1 to
23 pay the principal and interest on bonds proposed to be issued with respect to the CFD and
24 Improvement Area No. 1, the cost of the facilities and the cost of the services, is on file with
25

1 the Clerk of the Board of Supervisors and the provisions thereof are incorporated herein by
2 this reference as if fully set forth herein; and

3 WHEREAS, On this date, this Board of Supervisors held a noticed public hearing as
4 required by the Mello-Roos Act and the Resolution of Intention relative to the proposed
5 formation of the CFD, Improvement Area No. 1 and the Future Annexation Area; and

6 WHEREAS, At the hearing all interested persons desiring to be heard on all matters
7 pertaining to the formation of the CFD, Improvement Area No. 1 and the Future Annexation
8 Area, the facilities to be provided therein, the services to be provided therein and the levy of
9 said special tax were heard and a full and fair hearing was held; and

10 WHEREAS, At the hearing evidence was presented to this Board of Supervisors on
11 said matters before it, including a report caused to be prepared by the Director of the Office of
12 Public Finance ("Report") as to the facilities and the services to be provided through the CFD,
13 Improvement Area No. 1 and the Future Annexation Area and the costs thereof, a copy of
14 which is on file with the Clerk of the Board of Supervisors in File No. 161122, and this Board
15 of Supervisors at the conclusion of said hearing is fully advised in the premises; and

16 WHEREAS, Written protests with respect to the formation of the CFD and Improvement
17 Area No. 1, the furnishing of specified types of facilities and services and the rate and method
18 of apportionment of the special taxes for Improvement Area No. 1 have not been filed with the
19 Clerk of the Board of Supervisors by fifty percent (50%) or more of the registered voters
20 residing within the territory of the CFD and Improvement Area No. 1 or property owners of
21 one-half (1/2) or more of the area of land within the CFD and Improvement Area No. 1 and not
22 exempt from the proposed special tax; and

23 WHEREAS, The special tax proposed to be levied in Improvement Area No. 1 to pay
24 for the proposed facilities and services to be provided therein, as set forth in Exhibit B hereto,
25 has not been eliminated by protest by fifty percent (50%) or more of the registered voters

1 residing within the territory of Improvement Area No. 1 or the owners of one-half (1/2) or more
2 of the area of land within Improvement Area No. 1 and not exempt from the special tax; and

3 WHEREAS, Prior to the time fixed for the hearing, written protests had not been filed
4 with the Clerk of the Board of Supervisors against the proposed annexation of the Future
5 Annexation Area to the CFD by (i) 50% of more of the registered voters, or six registered
6 voters, whichever is more, residing in the proposed boundaries of the CFD, or (ii) 50% or
7 more of the registered voters, or six registered voters, whichever is more, residing in the
8 Future Annexation Area, (iii) owners of one-half or more of the area of land in the proposed
9 CFD or (iv) owners of one-half or more of the area of land in the Future Annexation Area;
10 now, therefore, be it

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

12 FURTHER RESOLVED, That the proposed special tax to be levied within Improvement
13 Area No. 1 has not been precluded by majority protest pursuant to section 53324 of the Mello-
14 Roos Act; and, be it

15 FURTHER RESOLVED, That all prior proceedings taken by this Board of Supervisors
16 in connection with the establishment of the CFD, Improvement Area No. 1 and the Future
17 Annexation Area and the levy of the special tax have been duly considered and are hereby
18 found and determined to be valid and in conformity with the Mello-Roos Act; and, be it

19 FURTHER RESOLVED, That the community facilities district designated "City and
20 County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)" is hereby
21 established pursuant to the Mello-Roos Act; and, be it

22 FURTHER RESOLVED, That the improvement area designated "Improvement Area
23 No. 1 of the City and County of San Francisco Community Facilities District No. 2016-1
24 (Treasure Island)" is hereby established pursuant to the Mello-Roos Act; and, be it
25

1 FURTHER RESOLVED, That the future annexation area designated "City and County
2 of San Francisco Community Facilities District No. 2016-1 (Treasure Island) (Future
3 Annexation Area)" is hereby established pursuant to the Mello-Roos Act; and, be it

4 FURTHER RESOLVED, That the boundaries of the CFD, Improvement Area No. 1 and
5 the Future Annexation Area, as set forth in the map of the CFD heretofore recorded in the
6 Office of the Assessor-Recorder on December 20, 2016 at 1:53 p.m. in Book 001 at Page
7 114, as Document 2016-K377867-00 of Maps of Assessment and Community Facilities
8 Districts, are hereby approved, are incorporated herein by reference and shall be the
9 boundaries of the CFD, Improvement Area No. 1 and the Future Annexation Area; and, be it

10 FURTHER RESOLVED, That, from time to time, parcels within the Future Annexation
11 Area shall be annexed to the CFD only with the unanimous approval (each, a "Unanimous
12 Approval") of the owner or owners of each parcel or parcels at the time that parcel(s) are
13 annexed, and in accordance with the Annexation Approval Procedures described herein; and,
14 be it

15 FURTHER RESOLVED, The Board of Supervisors hereby determines that any
16 property for which the owner or owners execute a Unanimous Approval that is annexed into
17 the CFD in accordance with the Annexation Approval Procedures shall be added to the CFD
18 and the Clerk of the Board of Supervisors shall record (i) an amendment to the notice of
19 special tax lien for the CFD pursuant to Streets & Highways Code Section 3117.5 if the
20 property is annexed to an existing improvement area or (ii) a notice of special tax lien for the
21 CFD pursuant to Streets & Highways Code Section 3117.5 if the property annexed is
22 designated as a new improvement area; provided, however, the designation of property as
23 Future Annexation Area and the ability to annex property to the CFD based on a Unanimous
24 Approval shall not limit, in any way, the annexation of property in the Future Annexation Area
25 to the CFD pursuant to other provisions of the Mello-Roos Act; and, be it

1 FURTHER RESOLVED, That the type of public facilities proposed to be financed by
2 the CFD, Improvement Area No. 1 and the Future Annexation Area (including any area
3 therein designated to be annexed as a separate improvement area) pursuant to the Mello-
4 Roos Act shall consist of those items listed as facilities in Exhibit A hereto and by this
5 reference incorporated herein ("Facilities"); and, be it

6 FURTHER RESOLVED, That the type of public services proposed to be financed by
7 the CFD, Improvement Area No. 1 and the Future Annexation Area (including any area
8 therein designated to be annexed as a separate improvement area) pursuant to the Mello-
9 Roos Act shall consist of those items shown in Exhibit A hereto and by this reference
10 incorporated herein ("Services"); and, be it

11 FURTHER RESOLVED, The City intends to provide the Services on an equal basis in
12 the original territory of the CFD and Improvement Area No. 1 and, when it has been annexed
13 to the CFD, the Future Annexation Area (including any area therein designated to be annexed
14 as a separate improvement area); and, be it

15 FURTHER RESOLVED, That:

16 a. Except to the extent that funds are otherwise available from Improvement Area
17 No. 1, the City will levy a special tax ("Improvement Area No. 1 Special Tax") sufficient to pay
18 directly for the Facilities, including out of a special tax-funded capital reserve established for
19 the payment of Facilities, to pay the principal and interest on bonds and other debt (as defined
20 in the Mello-Roos Act) of the City issued for Improvement Area No. 1 to finance the Facilities,
21 and to pay for the Services, and the Improvement Area No. 1 Special Tax will be secured by
22 the recordation of a continuing lien against all non-exempt real property in Improvement Area
23 No. 1, will be levied annually within Improvement Area No. 1, and will be collected in the same
24 manner as ordinary *ad valorem* property taxes or in such other manner as this Board of
25

1 Supervisors or its designee shall determine, including direct billing of the affected property
2 owners.

3 b. The proposed rate and method of apportionment of the Special Tax among the
4 parcels of real property within Improvement Area No. 1, in sufficient detail to allow each
5 landowner within Improvement Area No. 1 to estimate the maximum amount such owner will
6 have to pay, are shown in Exhibit B attached hereto and hereby incorporated herein ("Rate
7 and Method").

8 c. The Improvement Area No. 1 Special Tax shall not be levied in Improvement
9 Area No. 1 to finance Facilities after the fiscal year established therefor in the Rate and
10 Method, and the Improvement Area No. 1 Special Tax shall only be levied to finance Services
11 thereafter, except that an Improvement Area No. 1 Special Tax that was lawfully levied in or
12 before the final tax year and that remains delinquent may be collected in subsequent years.
13 Under no circumstances shall the Improvement Area No. 1 Special Tax levied in any fiscal
14 year for financing Facilities against any parcel in Improvement Area No. 1 used for private
15 residential purposes be increased in that fiscal year as a consequence of delinquency or
16 default by the owner of any other parcel or parcels within Improvement Area No. 1 by more
17 than 10 percent.

18 d. A special tax to finance the costs of Facilities shall not be levied in one or more
19 future improvement areas formed to include territory that annexes into the CFD from the
20 Future Annexation Area (each, a "Future Improvement Area" and together with Improvement
21 Area No. 1, the "Improvement Areas") after the fiscal year established therefor in the rate and
22 method for the Future Improvement Area and the special tax shall only be levied to finance
23 Services thereafter, except that a special tax that was lawfully levied in or before the final tax
24 year and that remains delinquent may be collected in subsequent years. Under no
25 circumstances shall the special tax levied in any fiscal year for financing Facilities against any

1 parcel in the Future Improvement Area for private residential purposes be increased in that
2 fiscal year as a consequence of delinquency or default by the owner of any other parcel or
3 parcels within the Future Improvement Area by more than 10 percent.

4 e. For Future Improvement Areas, a different rate and method may be adopted for
5 the annexed territory if the annexed territory is designated as a separate improvement area.
6 No supplements to the Rate and Method for any of the Future Improvement Areas and no
7 new rate and method shall cause the maximum tax rate in the then-existing territory of the
8 CFD (including Improvement Area No. 1) to increase. The designation as an Improvement
9 Area of any territory annexing to the CFD, the maximum amount of bonded indebtedness and
10 other debt for such Improvement Area, the rate and method of apportionment of special tax
11 for such improvement area (including the conditions under which the obligation to pay the
12 special tax may be prepaid and permanently satisfied, if any), and the appropriations limit for
13 such Improvement Area shall be identified and approved in the Unanimous Approval executed
14 by property owner(s) in connection with its annexation to the CFD in accordance with the
15 Annexation Approval Procedures described herein.

16 f. Territory in the Future Annexation Area will be annexed into the CFD and a
17 special tax will be levied on such territory only with the Unanimous Approval of the owner or
18 owners of each parcel or parcels at the time that parcel or those parcels are annexed into the
19 CFD in accordance with the Annexation Approval Procedures described herein. Except to the
20 extent that funds are otherwise available to the CFD to pay for the Facilities, the Services
21 and/or the principal and interest as it becomes due on bonds of the CFD issued to finance the
22 Facilities, a Special Tax sufficient to pay the costs thereof, secured by the recordation of a
23 continuing lien against all non-exempt real property in the Future Annexation Area, is intended
24 to be levied annually within the Future Annexation Area, and collected in the same manner as
25

1 ordinary *ad valorem* property taxes or in such other manner as may be prescribed by this
2 Board of Supervisors.

3 g. As required by Mello-Roos Act Section 53339.3(d), the Board of Supervisors
4 hereby determines that the Special Tax proposed to pay for one or more Facilities to be
5 supplied within the Future Annexation Area financed with bonds that have already been
6 issued and that are secured by previously-existing areas of the CFD will be equal to the
7 Special Taxes levied to pay for the same Facilities in previously-existing areas of the CFD,
8 except that (i) a higher Special Tax may be levied within the Future Annexation Area to pay
9 for the same Facilities to compensate for the interest and principal previously paid from
10 Special Taxes in the original area of the CFD, less any depreciation allocable to the financed
11 Facilities and (ii) a higher Special Tax may be levied in the Future Annexation Area to pay for
12 new or additional Facilities, with or without bond financing. As required by Mello-Roos Act
13 Section 53339.3(d), the Board of Supervisors hereby further determines that the Special Tax
14 proposed to pay for Services to be supplied within the Future Annexation Area shall be equal
15 to any Special Tax levied to pay for the same Services in the existing CFD, except that a
16 higher or lower tax may be levied within the Future Annexation Area to the extent that the
17 actual cost of providing the Services in the Future Annexation Area is higher or lower than the
18 cost of providing those Services in the existing CFD. In so finding, the Board of Supervisors
19 does not intend to limit its ability to levy a Special Tax within the Future Annexation Area to
20 provide new or additional services beyond those supplied within the existing CFD and
21 Improvement Area No. 1 or its ability to implement changes pursuant to the Mello-Roos Act,
22 Article 3, within one or more improvement areas; and, be it

23 FURTHER RESOLVED, That the "Annexation Approval Procedures" governing
24 annexations of parcels in the Future Annexation Area into the CFD shall consist of the
25 following sets of procedures (specified in (A) and (B) that follow):

1 (A) The annexation and related matters described in the Unanimous Approval shall
2 be implemented and completed without the need for the approval of either the Board of
3 Directors of TIDA ("TIDA Board") or this Board of Supervisors as long as the following
4 conditions are met:

5 (1) The annexation is to an existing improvement area and the property proposed to
6 be annexed shall be subject to the same rate and method of apportionment of special tax and
7 the same bonded indebtedness limits as such existing improvement area; or

8 (2) The annexation is to a new improvement area and the following conditions
9 apply:

10 (i) The rate and method of apportionment of special tax for the new
11 improvement area is prepared by a special tax consultant retained by the City and paid for by
12 the property owners submitting the Unanimous Approval.

13 (ii) The rate and method of apportionment of special tax for the new
14 improvement area is consistent with the Financing Plan.

15 (iii) The rate and method of apportionment of special tax for the new
16 improvement area does not establish a maximum special tax rate for the initial fiscal year in
17 which the special tax may be levied for any category of property subject to the special tax that
18 is greater than 120% of the maximum special tax rate established for the same category of
19 property subject to the special tax for the same fiscal year calculated pursuant to the Rate and
20 Method (i.e., the rate and method of apportionment of special tax for Improvement Area
21 No. 1).

22 (iv) The rate and method of apportionment of special tax for the new
23 improvement area does not contain a type of special tax that was not included in the Rate and
24 Method (for example, a one-time special tax).

1 (v) The rate and method of apportionment of special tax for the new
2 improvement area contains the same terms for "Collection of Special Tax" (including with
3 respect to the term of the special tax) and for application of Remainder Special Taxes (as
4 defined in the Rate and Method) with respect to park maintenance costs as the Rate and
5 Method.

6 (vi) If the rate and method of apportionment of special tax for the new
7 improvement area includes a provision allowing prepayment of the special tax, in whole or in
8 part, the Director of the Office of Public Finance, after consulting with the special tax
9 consultant retained by the City and the City Attorney, shall be satisfied that such prepayment
10 provision will not adversely impact the financing of authorized Facilities and Services;
11 *provided*, that if the prepayment formula set forth in such rate and method of apportionment
12 has previously been approved by this Board, then such prepayment formula may be
13 replicated in the rate and method of apportionment for such new improvement area without
14 meeting such test.

15 If the foregoing conditions ((1) or (2), as applicable), are satisfied, as determined by the
16 Director of the Office of Public Finance and set forth in a written acceptance by the Director of
17 the Office of Public Finance delivered to the property owner(s) that executed the Unanimous
18 Approval and the Clerk of the Board of Supervisors, the Unanimous Approval shall be
19 deemed accepted by the City and the Clerk of the Board of Supervisors shall record an
20 amendment to the notice of special tax lien or a new notice of special tax lien for the CFD
21 pursuant to Streets & Highways Code Section 3117.5.

22 (B) For any annexation and related matters described in the Unanimous Approval
23 that do not meet the requirements of Section (A) above, the following procedures shall apply
24 (provided, however, that nothing in the following procedures shall prevent the property owners
25 of property to be annexed into the CFD from a Future Annexation Area from annexing

1 property to the CFD (including into a new improvement area) pursuant to Section (A) above
2 and then instituting change proceedings pursuant to Mello-Roos Act, Article 3, to make
3 additional changes to the rate and method or other authorized purposes):

4 *First*, the owners(s) of property to be annexed into the CFD shall submit a Unanimous
5 Approval for each parcel or parcels to be annexed into the CFD to the Treasure Island
6 Director of TIDA, together with a statement as to whether the Unanimous Approval is
7 consistent with the Financing Plan and, if not, the reasons for such inconsistency.

8 *Second*, the Treasure Island Director shall have 30 days to either (a) submit the
9 Unanimous Approval to the TIDA Board, accompanied by a written staff report that includes a
10 statement from the Treasure Island Director as to whether the Unanimous Approval is
11 consistent with the Financing Plan and, if the Treasure Island Director concludes that it is not
12 consistent with the Financing Plan, a description of the inconsistencies, the reasons for such
13 inconsistencies given by the Developer and the Treasure Island Director's recommendation
14 as to such inconsistencies or (b) notify the Developer that the Treasure Island Director shall
15 not submit the Unanimous Approval to the TIDA Board due to inconsistencies with the
16 Financing Plan.

17 *Third*, the TIDA Board shall, within 60 days of the receipt of any Unanimous Approval
18 by the Treasure Island Director pursuant to *Second* above, either (i) adopt a resolution
19 accepting the Unanimous Approval or (ii) adopt a resolution rejecting the Unanimous
20 Approval, with the sole basis for rejection being a detailed conclusion that the Unanimous
21 Approval is not consistent with the Financing Plan.

22 *Fourth*, if the TIDA Board adopts a resolution rejecting the Unanimous Approval, the
23 owner(s) of property to be annexed into the CFD may revise the Unanimous Approval and
24 resubmit it to the Treasure Island Director, who shall endeavor to submit the revised
25 Unanimous Approval to the TIDA Board, accompanied by a written staff report as outlined

1 above under *Second*, at the next available meeting of the TIDA Board, and the TIDA Board
2 shall consider the revised Unanimous Approval and either (i) adopt a resolution accepting the
3 revised Unanimous Approval or (ii) adopt a resolution rejecting the revised Unanimous
4 Approval, with the sole basis for rejection being a detailed conclusion that the revised
5 Unanimous Approval is not consistent with the Financing Plan, in which event the owner(s)
6 may further revise the Unanimous Approval and repeat the process described in this clause
7 *Fourth*. In lieu of submitting a revised Unanimous Approval to the Treasure Island Director,
8 the owner(s) of property to be annexed into the CFD may appeal the TIDA Board's decision to
9 reject the Unanimous Approval to this Board of Supervisors, with the sole basis for appeal
10 being that the Unanimous Approval should not have been rejected because the Unanimous
11 Approval is consistent with the Financing Plan.

12 *Fifth*, within 30 days of the adoption by the TIDA Board of a resolution accepting a Unanimous
13 Approval or an appeal of the TIDA Board's decision to reject a Unanimous Approval, the Director of
14 the Office of Public Finance shall submit said Unanimous Approval as an information item to the Clerk
15 of the Board of Supervisors, and, unless within 30 days of the receipt of the Unanimous Approval by
16 the Clerk, one of the members of this Board of Supervisors asks for it to be placed on an agenda for
17 consideration by the Board of Supervisors (which consideration shall be limited to whether the
18 Unanimous Approval is consistent with the Financing Plan), the Unanimous Approval shall be deemed
19 accepted by the City and the Clerk of the Board of Supervisors shall record an amendment to the
20 notice of special tax lien for the CFD pursuant to Streets & Highways Code Section 3117.5 or a new
21 notice of special tax lien for the CFD pursuant to Streets & Highways Code Section 3117.5; and, be it

22 **FURTHER RESOLVED**, That it is hereby found and determined that the Facilities and
23 the Services are necessary to meet increased demands placed upon local agencies as the
24 result of development occurring in the CFD, Improvement Area No. 1 and the Future
25 Annexation Area; and, be it

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

6 FURTHER RESOLVED, That upon recordation of a notice of special tax lien pursuant
7 to Streets & Highways Code Section 3114.5, a continuing lien to secure each levy of the
8 special tax shall attach to all nonexempt real property in the respective Improvement Areas
9 and this lien shall continue in force and effect until the special tax obligation is prepaid and
10 permanently satisfied and the lien canceled in accordance with law or until collection of the tax
11 by the City ceases; and, be it

12 FURTHER RESOLVED, That in accordance with the Mello-Roos Act, the annual
13 appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California
14 Constitution, of Improvement Area No. 1 is hereby preliminarily established at \$90 million and
15 said appropriations limit shall be submitted to the voters of Improvement Area No. 1 as
16 hereafter provided; and, be it

17 FURTHER RESOLVED, The proposition establishing said annual appropriations limit
18 shall become effective if approved by the qualified electors voting thereon and shall be
19 adjusted in accordance with the applicable provisions of the Mello-Roos Act; and, be it

20 FURTHER RESOLVED, That pursuant to the provisions of the Mello-Roos Act, the
21 proposition of the levy of the Improvement Area No. 1 Special Tax and the proposition of the
22 establishment of the appropriations limit specified above shall be submitted to the qualified
23 electors of Improvement Area No. 1 at an election; and, be it

24 FURTHER RESOLVED, The time, place and conditions of the election shall be as
25 specified by a separate resolution of the Board of Supervisors; and, be it

1 FURTHER RESOLVED, That Mello-Roos Act Section 53314.9 provides that, either
2 before or after formation of the CFD, the City may accept work in-kind from any source,
3 including, but not limited to, private persons or private entities, may provide, by resolution, for
4 the use of that work in-kind for any authorized purpose and this Board of Supervisors may
5 enter into an agreement, by resolution, with the person or entity advancing the work in-kind, to
6 reimburse the person or entity for the value, or cost, whichever is less, of the work in-kind, as
7 determined by this Board of Supervisors, with or without interest, under the conditions
8 specified in the Mello-Roos Act; and, be it

9 FURTHER RESOLVED, Any work in-kind must be performed or constructed as if the
10 work had been performed or constructed under the direction and supervision, or under the
11 authority of, the City and, in furtherance of Mello-Roos Act Section 53314.9, the Board of
12 Supervisors previously approved the execution and delivery of an Acquisition and
13 Reimbursement Agreement among the City, TIDA and the Developer; and, be it

14 FURTHER RESOLVED, That the Board of Supervisors has reviewed and considered
15 the FEIR and finds that the FEIR is adequate for its use for the actions taken by this
16 Resolution and incorporates the FEIR and the CEQA findings contained in Board of
17 Supervisors Resolution No. 246-11 by this reference; and, be it

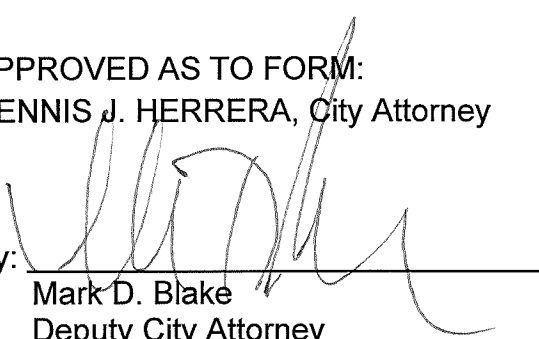
18 FURTHER RESOLVED, That if any section, subsection, sentence, clause, phrase, or
19 word of this resolution, or any application thereof to any person or circumstance, is held to be
20 invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision
21 shall not affect the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

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

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

13 FURTHER RESOLVED, That this Resolution shall take effect upon its enactment.
14 Enactment occurs when the Mayor signs the resolution, the Mayor returns the resolution
15 unsigned or does not sign the resolution within ten days of receiving it, or the Board of
16 Supervisors overrides the Mayor's veto of the resolution.

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

20
21 By: 
22 Mark D. Blake
23 Deputy City Attorney

24
25
n:\spec\las2016\0600537\01143583.docx

EXHIBIT A

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

OFFICIAL BALLOT
SPECIAL TAX ELECTION

Improvement Area No. 1

This ballot is for a special, landowner election. You must return this ballot in the enclosed postage paid envelope to the office of the Director of Elections of the City and County of San Francisco no later than the hour of 2:00 p.m. on January 24, 2017, either by mail or in person. The office of the Director of Elections of the City and County of San Francisco is located at 1 Dr. Carlton B. Goodlett Place, San Francisco, California 94102.

To vote, mark a cross (X) on the voting line after the word "YES" or after the word "NO". All marks otherwise made are forbidden. All distinguishing marks are forbidden and make the ballot void.

If you wrongly mark, tear, or deface this ballot, return it to the Director of Elections of the City and County of San Francisco and obtain another.

Shall the City and County of San Francisco ("City") levy a special tax solely on lands within Improvement Area No. 1 of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island) ("Improvement Area") in accordance with the rate and method contained in the Board of Supervisors resolution

entitled "Resolution of formation of 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" ("Formation Resolution"), commencing in the City's fiscal year 2017-18, to pay for the public facilities and the public services specified in the Formation Resolution and to pay the costs of the City in administering the Improvement Area; shall the annual appropriations limit of the Improvement Area be established in the amount of \$90 million; and shall the City issue bonds and incur other debt ("bonds") for the Improvement Area in one or more series in the maximum aggregate principal amount of \$250 million with interest at a rate or rates not to exceed the maximum interest rate permitted by law at the time of sale of such bonds on behalf of the Improvement Area, the proceeds of which bonds will be used to acquire and/or construct certain facilities and pay for the costs of issuing the bonds and related expenses?

YES: _____

NO: _____

By execution in the space provided below, you also indicate your waiver of (i) the time limit pertaining to the conduct of the election, (ii) any requirement for analysis and arguments with respect to the ballot measure, and (iii) any irregularity in the proceedings that may be claimed as a result of the application of such waivers.

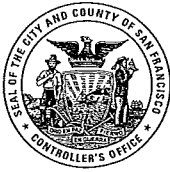
Number of Votes: _____

Property Owner: [Property Owner Name]

By: _____

Name:

Title:



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)

	Amount
Estimated Cost of Construction	(968)
Committed Non-Project Sources (Tax Credits)	449
Project Generated Sources (Net Increment, Other)	138
Affordable Housing Need	(382)
Short-Term MOHCD Funding	30
State Legislative Changes:	
ERAF Share: 25.3% (Bond Proceeds)	206
IRFD Extension	38
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

**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	<u>250.0</u>
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.

**PETITION
TO CREATE A
COMMUNITY FACILITIES DISTRICT
(Including Waivers)**

December 1, 2016

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

Members of the Board of Supervisors:

This Petition to Create a Community Facilities District (including Waivers) (this "Petition") is submitted pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Sections 53311 and following of the California Government Code) (the "Mello-Roos Act").

1. Property Owner. This Petition is submitted to the City and County of San Francisco (the "City") by the owner (the "Property Owner") of the fee simple interest in the parcels of land identified by Assessor Parcel Numbers below (the "Property"). The undersigned Property Owner warrants to the City that it is authorized to execute this Petition and that the Property Owner's submission of this Petition and participation in the City's proceedings under the Mello-Roos Act will not constitute a violation or event of default under any existing financing arrangement to which the Property Owner is a party or in any way otherwise affect the Property Owner's ownership of such Property, including but not limited to any "due-on-encumbrance" clauses under any existing deeds of trust secured by the Property.

2. Request to Institute Proceedings. The Property Owner hereby petitions the City to undertake the following proceedings under the Mello-Roos Act:

(a) the creation of a community facilities district to be designated "City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)" (the "CFD"), an improvement area within the CFD to be designated "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 a future annexation area for the CFD to be designated "City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island) (Future Annexation Area)," with the proposed boundary shown in the proposed map attached as Exhibit B hereto and incorporated herein by reference;

(b) the levy of special taxes in Improvement Area No. 1 pursuant to a Rate and Method of Apportionment of Special Tax (the "Rate and Method") to be prepared by the City, subject to the two-thirds vote of the owners of the taxable property in Improvement Area No. 1; and

(c) the issuance of special tax bonds and other debt (as defined in the Mello-Roos Act) for the CFD and Improvement Area No. 1 in an amount to be determined during the formation proceedings.

3. Boundaries of CFD. The Property Owner hereby asks that the proposed boundaries of the CFD and Improvement Area No. 1 be as shown in Exhibit B. The proposed boundaries of the CFD and Improvement Area No. 1 include the single parcel owned by the Property Owner listed below.

4. Purpose of CFD. The Property Owner hereby asks that the CFD, Improvement Area No. 1 and any improvement area created in the future from the property in the Future Annexation Area (a "Future Improvement Area") be created for the purpose of financing the public facilities (the "Facilities") and the public services described in Exhibit A attached hereto and incorporated herein by reference. Within Improvement Area No. 1 and each Future Improvement Area, the Property Owner will request from time to time that the Board of Supervisors issue special tax bonds in one or more series to finance the Facilities and the related incidental expenses of the proceedings and bond financing.

5. Elections. The Property Owner hereby consents to a special landowner election being held under the Mello-Roos Act to authorize the special taxes and the issuance of the bonds and other debt (as defined in the Mello-Roos Act) and to establish an appropriations limit for Improvement Area No. 1, to the consolidation of the matters into a single election and to the election being conducted by the City and its officials, using mailed or hand-delivered ballots, with such ballots being opened and canvassed and the results certified at the same meeting of the Board of Supervisors as the public hearings on the CFD, Improvement Area No. 1 and the Future Annexation Area under the Mello-Roos Act or as soon thereafter as possible.

6. Waivers. To expedite the completion of the proceedings for the CFD, Improvement Area No. 1 and the Future Annexation Area, all notices of hearings and all notices of election, applicable waiting periods under the Mello-Roos Act for the election and all ballot analyses and arguments for the election are hereby waived. The Property Owner also waives any requirement as to the specific form of the ballot to be used for the election, whether under the Mello-Roos Act, the California Elections Code or otherwise.

This Petition may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

By executing this Petition, the persons below agree to all of the above.

The property that is the subject of this Petition is identified as City and County of San Francisco Assessor Parcel No.: 8949-001

Total Acreage: 2.61 acres

Mailing Address:

Robert P. Beck
Treasure Island Director
Treasure Island Development
Authority
One Avenue of the Palms, Suite
241
Treasure Island
San Francisco, CA 94130

The name of the owner of record of such property and the petitioner and its mailing address is:

TREASURE ISLAND DEVELOPMENT
AUTHORITY,
a California non-profit public benefit corporation

By: Robert P. Beck
Name: Robert P. Beck
Title: Treasure Island Director

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 CURRENT AND FUTURE 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 to be 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 Facilities to be Acquired from Third Parties 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)

BOUNDARY MAP

**PETITION
TO CREATE A
COMMUNITY FACILITIES DISTRICT
(Including Waivers)**

December 1, 2016

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

Members of the Board of Supervisors:

This Petition to Create a Community Facilities District (including Waivers) (this "Petition") is submitted pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Sections 53311 and following of the California Government Code) (the "Mello-Roos Act").

1. Property Owner. This Petition is submitted to the City and County of San Francisco (the "City") by the owner (the "Property Owner") of the fee simple interest in the parcels of land identified by Assessor Parcel Numbers below (the "Property"). The undersigned Property Owner warrants to the City that it is authorized to execute this Petition and that the Property Owner's submission of this Petition and participation in the City's proceedings under the Mello-Roos Act will not constitute a violation or event of default under any existing financing arrangement to which the Property Owner is a party or in any way otherwise affect the Property Owner's ownership of such Property, including but not limited to any "due-on-encumbrance" clauses under any existing deeds of trust secured by the Property.

2. Request to Institute Proceedings. The Property Owner hereby petitions the City to undertake the following proceedings under the Mello-Roos Act:

(a) the creation of a community facilities district to be designated "City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)" (the "CFD"), an improvement area within the CFD to be designated "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 a future annexation area for the CFD to be designated "City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island) (Future Annexation Area)," with the proposed boundary shown in the proposed map attached as Exhibit B hereto and incorporated herein by reference;

(b) the levy of special taxes in Improvement Area No. 1 pursuant to a Rate and Method of Apportionment of Special Tax (the "Rate and Method") to be prepared by the City, subject to the two-thirds vote of the owners of the taxable property in Improvement Area No. 1; and

(c) the issuance of special tax bonds and other debt (as defined in the Mello-Roos Act) for the CFD and Improvement Area No. 1 in an amount to be determined during the formation proceedings.

3. Boundaries of CFD. The Property Owner hereby asks that the proposed boundaries of the CFD and Improvement Area No. 1 be as shown in Exhibit B. The proposed boundaries of the CFD and Improvement Area No. 1 include all of the Property owned by the Property Owner and one parcel owned by the Treasure Island Development Authority.

4. Purpose of CFD. The Property Owner hereby asks that the CFD, Improvement Area No. 1 and any improvement area created in the future from the property in the Future Annexation Area (a "Future Improvement Area") be created for the purpose of financing the public facilities (the "Facilities") and the public services described in Exhibit A attached hereto and incorporated herein by reference. Within Improvement Area No. 1 and each Future Improvement Area, the Property Owner will request from time to time that the Board of Supervisors issue special tax bonds in one or more series to finance the Facilities and the related incidental expenses of the proceedings and bond financing.

5. Elections. The Property Owner hereby consents to a special landowner election being held under the Mello-Roos Act to authorize the special taxes and the issuance of the bonds and other debt (as defined in the Mello-Roos Act) and to establish an appropriations limit for Improvement Area No. 1, to the consolidation of the matters into a single election and to the election being conducted by the City and its officials, using mailed or hand-delivered ballots, with such ballots being opened and canvassed and the results certified at the same meeting of the Board of Supervisors as the public hearings on the CFD, improvement Area No. 1 and the Future Annexation Area under the Mello-Roos Act or as soon thereafter as possible.

6. Waivers. To expedite the completion of the proceedings for the CFD, Improvement Area No. 1 and the Future Annexation Area, all notices of hearings and all notices of election, applicable waiting periods under the Mello-Roos Act for the election and all ballot analyses and arguments for the election are hereby waived. The Property Owner also waives any requirement as to the specific form of the ballot to be used for the election, whether under the Mello-Roos Act, the California Elections Code or otherwise.

7. Deposits. Compliance with the provisions of subsection (d) of Section 53318 of the Mello-Roos Act has been accomplished by a deposit of funds by the Property Owner with the City, made not later than the date of submission of this Petition to the Clerk of the Board of Supervisors, pursuant to an agreement between the City and the Property Owner to pay the estimated costs to be incurred by the City in conducting proceedings for establishment of the CFD.

This Petition may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

By executing this Petition, the persons below agree to all of the above.

The property that is the subject of this Petition is identified as City and County of San Francisco Assessor Parcel Nos.: 8948-001; 8952-001; 8954-001

Total Acreage: 13.26 acres

Mailing Address:

Treasure Island Project Manager
Treasure Island Series 1, LLC
One Sansome Street, Suite 3200
San Francisco, CA 94104

Treasure Island Project Manager
Treasure Island Series 1, LLC
4 Embarcadero Center
Suite 3300
San Francisco, CA 94111

The name of the owner of record of such property and the petitioner and its mailing address is:

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

By: 
Name: Jonathan M. Jaffe
Its: Vice President

By: _____
Name: Christopher Meany
Title: Authorized Signatory

By executing this Petition, the persons below agree to all of the above.

The property that is the subject of this Petition is identified as City and County of San Francisco Assessor Parcel Nos.: 8948-001; 8952-001; 8954-001

Total Acreage: 13.26 acres

Mailing Address:

Treasure Island Project Manager
Treasure Island Series 1, LLC
One Sansome Street, Suite 3200
San Francisco, CA 94104

Treasure Island Project Manager
Treasure Island Series 1, LLC
4 Embarcadero Center
Suite 3300
San Francisco, CA 94111

The name of the owner of record of such property and the petitioner and its mailing address is:

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

By: _____
Name: Jonathan M. Jaffe
Its: Vice President

By: 
Name: Christopher Meany
Title: Authorized Signatory

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 CURRENT AND FUTURE 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 to be 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 Facilities to be Acquired from Third Parties 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)

BOUNDARY MAP

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__.

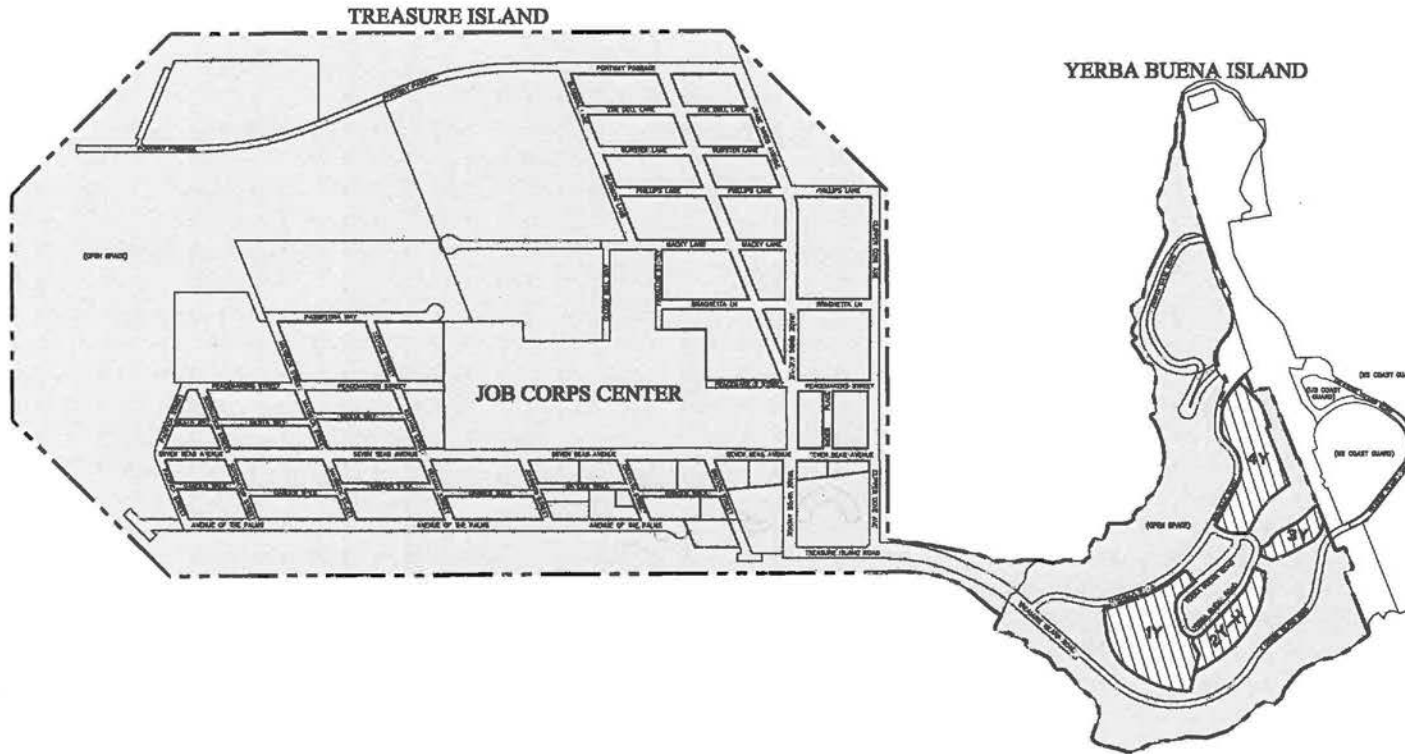
(Clerk of the Board of Supervisors)

(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 ____ a'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

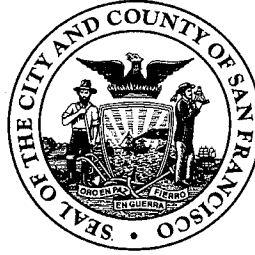
 Boundaries of Community Facilities District No. 2016-1 (Improvement Area No. 1)
 Future Annexation Area

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

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO BOARD OF SUPERVISORS

2016 DEC 21 AM 10:01

BY _____



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. 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.

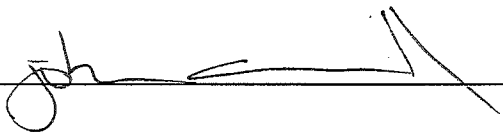
I, John Carroll, an employee of the City and County of San Francisco, mailed the above described document(s) by depositing the sealed items with the United States Postal Service (USPS) with the postage fully prepaid as follows:

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 Limit.

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

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
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.