

1 [Resolution of Intention to Establish Community Facilities District No. 2016-1 (Treasure
2 Island)]

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3 **Resolution of Intention to establish City and County of San Francisco Community**
4 **Facilities District No. 2016-1 (Treasure Island), Improvement Area No. 1 and a Future**
5 **Annexation Area; to call a public hearing on January 24, 2017; and determining other**
6 **matters in connection therewith.**

7

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

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

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

22 WHEREAS, On January 24, 2012, the Board of Supervisors rescinded designation of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

1 subject to the Tidelands Trust, or any of the other powers or authority; and

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

10 WHEREAS, Treasure Island Community Development, LLC (“Developer”) and TIDA
11 previously entered into a Disposition and Development Agreement (Treasure Island/Yerba
12 Buena Island), dated June 28, 2011 (“DDA”), in Board File No. 110291, including a Financing
13 Plan (Treasure Island/Yerba Buena Island) (“Financing Plan”), which governs the disposition
14 and development of a portion of NSTI (“Project Site”) after the Navy’s transfer of NSTI to TIDA
15 in accordance with the Conveyance Agreement; and

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

24 WHEREAS, On April 21, 2011, the Planning Commission by Motion No. 18325 and the
25 Board of Directors of TIDA, by Resolution No. 11-14-04/21, as co-lead agencies, certified the

1 completion of the Final Environmental Impact Report for the Project, and unanimously
2 approved a series of entitlement and transaction documents relating to the Project, including
3 certain environmental findings under the California Environmental Quality Act (“CEQA”), a
4 mitigation and monitoring and reporting program (“MMRP”), and the DDA and other
5 transaction documents; and

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

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

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

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

25 WHEREAS, Under the Mello-Roos Community Facilities Act of 1982, as amended,

1 constituting Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with California
2 Government Code Section 53311 (“Mello-Roos Act”), this Board of Supervisors is authorized
3 to establish a community facilities district and to act as the legislative body for a community
4 facilities district; and

5 WHEREAS, This Board of Supervisors now desires to proceed with the establishment
6 of a community facilities district in order to finance costs of public infrastructure and certain
7 public services necessary or incident to development within the proposed boundaries of the
8 proposed community facilities district, including, without limitation, future improvements
9 necessitated by sea level rise; and

10 WHEREAS, Pursuant to Mello-Roos Act Section 53339.2, this Board of Supervisors
11 further desires to undertake proceedings to provide for future annexation of territory to the
12 proposed community facilities district; now, therefore, be it

13 RESOLVED, That this Board of Supervisors proposes to conduct proceedings to
14 establish a community facilities district pursuant to the Mello-Roos Act, and hereby
15 determines that public convenience and necessity require that a future annexation area be
16 established pursuant to the Mello-Roos Act; and, be it

17 FURTHER RESOLVED, That the name proposed for the community facilities district is
18 “City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)”
19 (“CFD”); and, be it

20 FURTHER RESOLVED, That pursuant to Mello-Roos Act Section 53350, the territory
21 to be initially included in the CFD (as shown on the map described below) is hereby
22 designated to include the following Improvement Area: “Improvement Area No. 1 of the City
23 and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)”
24 (“Improvement Area No. 1”); and, be it

25 FURTHER RESOLVED, That the name proposed for the territory proposed to be

1 annexed into the CFD in the future is “City and County of San Francisco Community Facilities
2 District No. 2016-1 (Treasure Island) (Future Annexation Area)” (“Future Annexation Area”),
3 and in connection with the annexation of all or a portion of the Future Annexation Area, this
4 Board of Supervisors shall follow the Annexation Approval Procedures described herein,
5 which may include a designation that the area to be annexed shall be annexed as a separate
6 improvement area; and, be it

7 FURTHER RESOLVED, That the proposed boundaries of the CFD, Improvement Area
8 No. 1 and the Future Annexation Area are as shown on the map of them on file with the Clerk
9 of the Board of Supervisors in File No. 161038, which boundaries are hereby preliminarily
10 approved and to which map reference is hereby made for further particulars, and the Clerk of
11 the Board of Supervisors is hereby directed to record, or cause to be recorded, the map of the
12 boundaries of the CFD, Improvement Area No. 1 and the Future Annexation Area in the office
13 of the Assessor-Recorder for the City and County of San Francisco within 15 days of the date
14 of adoption of this Resolution; and, be it

15 FURTHER RESOLVED, That, from time to time, parcels within the Future Annexation
16 Area shall be annexed to the CFD only with the unanimous approval (each, a “Unanimous
17 Approval”) of the owner or owners of each parcel or parcels at the time that such parcel(s) are
18 annexed, and in accordance with the Annexation Approval Procedures described herein, and
19 the Board of Supervisors hereby determines that any property for which the owner or owners
20 execute a Unanimous Approval that is annexed into the CFD in accordance with the
21 Annexation Approval Procedures shall be added to the CFD and the Clerk of the Board of
22 Supervisors shall record (i) an amendment to the notice of special tax lien for the CFD
23 pursuant to Streets & Highways Code Section 3117.5 if the property is annexed to an existing
24 improvement area or (ii) a notice of special tax lien for the CFD pursuant to Streets &
25 Highways Code Section 3117.5 if the property annexed is designated as a new improvement

1 area; provided, however, the designation of property as Future Annexation Area and the
2 ability to annex property to the CFD based on a Unanimous Approval shall not limit, in any
3 way, the annexation of property in the Future Annexation Area to the CFD pursuant to other
4 provisions of the Mello-Roos Act; and, be it

5 FURTHER RESOLVED, That the type of public facilities proposed to be financed by
6 the CFD, Improvement Area No. 1 and the Future Annexation Area (including any area
7 therein designated to be annexed as a separate improvement area) pursuant to the Mello-
8 Roos Act shall consist of those listed as facilities on Exhibit A hereto and hereby incorporated
9 herein ("Facilities"), and this Board of Supervisors hereby determines that the Facilities are
10 necessary to meet increased demands placed upon local agencies as the result of
11 development occurring within the CFD, Improvement Area No. 1 and the Future Annexation
12 Area, and this Board of Supervisors hereby finds and determines that the public interest will
13 not be served by allowing the property owners in the CFD to enter into a contract in
14 accordance with Mello-Roos Act Section 53329.5(a), and notwithstanding the foregoing, this
15 Board of Supervisors, on behalf of the CFD, may enter into one or more contracts directly with
16 any of the property owners with respect to the construction and/or acquisition of the any
17 portion of the Facilities; and, be it

18 FURTHER RESOLVED, That the Director of the Office of Public Finance is hereby
19 authorized and directed to enter into joint community facilities agreements with any entity that
20 will own or operate any of the Facilities, as may be necessary to comply with the provisions of
21 Mello-Roos Act Sections 53316.2(a) and (b), and this Board of Supervisors' approval of a joint
22 community facilities agreement shall be conclusively evidenced by the execution and delivery
23 thereof by the Director of the Office of Public Finance, and this Board of Supervisors hereby
24 declares that such joint agreements will be beneficial to owners of property in the area of the
25 CFD; and, be it

1 FURTHER RESOLVED, That the type of services proposed to be financed by the CFD,
2 Improvement Area No. 1 and the Future Annexation Area (including any area therein
3 designated to be annexed as a separate improvement area) pursuant to the Mello-Roos Act
4 shall consist of those listed in Exhibit A hereto and hereby incorporated herein (“Services”).
5 This Board of Supervisors hereby determines that the Services are necessary to meet
6 increased demands for such services placed upon local agencies as the result of
7 development occurring within the area of the CFD, Improvement Area No. 1 and the Future
8 Annexation Area; and, be it

9 FURTHER RESOLVED, That the Services are in addition to those provided in the
10 territory of the CFD, Improvement Area No. 1 and the Future Annexation Area as of the date
11 hereof and will not supplant services already available within the territory of the CFD,
12 Improvement Area No. 1 and the Future Annexation Area as of the date hereof, and the City
13 intends to provide the Services on an equal basis in the original territory of the CFD and
14 Improvement Area No. 1 and, when it has been annexed to the CFD, the Future Annexation
15 Area (including any area therein designated to be annexed as a separate improvement area);
16 and, be it

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

1 taxes, or in such other manner as this Board of Supervisors or its designee shall determine,
2 including direct billing of the affected property owners; and, be it

3 FURTHER RESOLVED, That the proposed rate and method of apportionment of the
4 Special Tax among the parcels of real property within Improvement Area No. 1, in sufficient
5 detail to allow each landowner within Improvement Area No. 1 to estimate the maximum
6 amount such owner will have to pay, is described in Exhibit B attached hereto and hereby
7 incorporated herein (“Rate and Method”); and, be it

8 FURTHER RESOLVED, That the Special Tax to be levied in Improvement Area No. 1
9 (the “Improvement Area No. 1 Special Tax”) shall not be levied in Improvement Area No. 1 to
10 finance Facilities after the fiscal year established therefor in the Rate and Method, and the
11 Improvement Area No. 1 Special Tax shall only be levied to finance Services thereafter,
12 except that an Improvement Area No. 1 Special Tax that was lawfully levied in or before the
13 final tax year and that remains delinquent may be collected in subsequent years; and, be it

14 FURTHER RESOLVED, Under no circumstances shall the Improvement Area No. 1
15 Special Tax levied against any parcel in Improvement Area No. 1 to finance Facilities in any
16 fiscal year used for private residential purposes be increased in that fiscal year as a
17 consequence of delinquency or default by the owner of any other parcel or parcels within
18 Improvement Area No. 1 by more than 10 percent; and, be it

19 FURTHER RESOLVED, That a special tax to finance Facilities shall not be levied in
20 one or more future improvement areas formed to include territory that annexes into the CFD
21 from the Future Annexation Area (each, a “Future Improvement Area”) after the fiscal year
22 established therefor in the rate and method for the Future Improvement Area, and the special
23 tax shall only be levied to finance Services thereafter, except that a special tax that was
24 lawfully levied in or before the final tax year and that remains delinquent may be collected in
25 subsequent years; and, be it

1 FURTHER RESOLVED, Under no circumstances shall the special tax for financing
2 Facilities levied against any parcel in the Future Improvement Area in any fiscal year used for
3 private residential purposes be increased in that fiscal year as a consequence of delinquency
4 or default by the owner of any other parcel or parcels within the Future Improvement Area by
5 more than 10 percent; and, be it

6 FURTHER RESOLVED, That for Future Improvement Areas, a different rate and
7 method may be adopted for annexed territory if the annexed territory is designated as a
8 separate improvement area; and, be it

9 FURTHER RESOLVED, No supplements to the Rate and Method for any of the Future
10 Improvement Areas and no new rate and method shall cause the maximum tax rate in the
11 then-existing territory of the CFD (including Improvement Area No. 1) to increase, and the
12 designation as an improvement area of any territory annexing to the CFD, the maximum
13 amount of bonded indebtedness and other debt for such improvement area, the rate and
14 method of apportionment of special tax for such improvement area (including the conditions
15 under which the obligation to pay the special tax may be prepaid and permanently satisfied, if
16 any), and the appropriations limit for such improvement area shall be identified and approved
17 in the Unanimous Approval executed by property owner(s) in connection with its annexation to
18 the CFD in accordance with the Annexation Approval Procedures described herein; and, be it

19 FURTHER RESOLVED, That the “Annexation Approval Procedures” governing
20 annexations of parcels in the Future Annexation Area into the CFD shall consist of the
21 following sets of procedures (specified in (A) and (B) that follow):

22 (A) The annexation and related matters described in the Unanimous Approval shall be
23 implemented and completed without the need for the approval of either the Board of Directors
24 of TIDA (“TIDA Board”) or this Board of Supervisors as long as the following conditions are
25 met:

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

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

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

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

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

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

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

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

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

17 (B) For any annexation and related matters described in the Unanimous Approval that
18 does not meet the requirements of Section (A) above, the following procedures shall apply
19 (provided, however, that nothing in the following procedures shall prevent the property owners
20 of property to be annexed into the CFD from a Future Annexation Area from annexing
21 property to the CFD (including into a new improvement area) pursuant to Section (A) above
22 and then instituting change proceedings pursuant to Article 3 of the Mello-Roos Act to make
23 additional changes to the rate and method or other authorized purposes):

24 *First*, the owners(s) of property to be annexed into the CFD shall submit a Unanimous
25 Approval for each parcel or parcels to be annexed into the CFD to the Treasure Island

1 Director of TIDA, together with a statement as to whether the Unanimous Approval is
2 consistent with the Financing Plan and, if not, the reasons for such inconsistency.

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

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

16 *Fourth*, if the TIDA Board adopts a resolution rejecting the Unanimous Approval, the
17 owner(s) of property to be annexed into the CFD may revise the Unanimous Approval and
18 resubmit it to the Treasure Island Director, who shall endeavor to submit the revised
19 Unanimous Approval to the TIDA Board, accompanied by a written staff report as outlined
20 above under *Second*, at the next available meeting of the TIDA Board, and the TIDA Board
21 shall consider the revised Unanimous Approval and either (i) adopt a resolution accepting the
22 revised Unanimous Approval or (ii) adopt a resolution rejecting the revised Unanimous
23 Approval, with the sole basis for rejection being a detailed conclusion that the revised
24 Unanimous Approval is not consistent with the Financing Plan, in which event the owner(s)
25 may further revise the Unanimous Approval and repeat the process described in this clause

1 *Fourth.* In lieu of submitting a revised Unanimous Approval to the Treasure Island Director,
2 the owner(s) of property to be annexed into the CFD may appeal the TIDA Board's decision to
3 reject the Unanimous Approval to this Board of Supervisors, with the sole basis for appeal
4 being that the Unanimous Approval should not have been rejected because the Unanimous
5 Approval is consistent with the Financing Plan.

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

18 FURTHER RESOLVED, That this Board of Supervisors hereby finds that the provisions
19 of Mello-Roos Act Sections 53313.6, 53313.7 and 53313.9 (relating to adjustments to *ad*
20 *valorem* property taxes and schools financed by a community facilities district) are
21 inapplicable to the proposed CFD, Improvement Area No. 1 and the Future Annexation Area;
22 and, be it

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

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

20 FURTHER RESOLVED, That except as may otherwise be provided by law or by the
21 Rate and Method, all lands owned by any public entity, including the United States, the State
22 of California and/or the City, or any departments or political subdivisions thereof, shall be
23 omitted from the levy of the Special Tax to be made to cover the costs and expenses of the
24 Facilities, the Services, the CFD or Improvement Area No. 1. In the event that a portion of the
25 property within Improvement Area No. 1 shall become for any reason exempt, wholly or in

1 part, from the levy of the Special Tax, this Board of Supervisors will, on behalf of the CFD,
2 increase the levy to the extent necessary upon the remaining property within Improvement
3 Area No. 1 which is not exempt in order to yield the required debt service payments and other
4 annual expenses of Improvement Area No. 1, if any, subject to the provisions of the Rate and
5 Method; and, be it

6 FURTHER RESOLVED, That except as may otherwise be provided by law or by the
7 rate and method of apportionment for a Future Improvement Area, all lands owned by any
8 public entity, including the United States, the State of California and/or the City, or any
9 departments or political subdivisions thereof, shall be omitted from the levy of the special tax
10 to be made to cover the costs and expenses of the Facilities, the Services and the Future
11 Improvement Area. In the event that a portion of the property within the Future Improvement
12 Area shall become for any reason exempt, wholly or in part, from the levy of the special tax,
13 this Board of Supervisors will, on behalf of the CFD, increase the levy to the extent necessary
14 upon the remaining property within the Future Improvement Area which is not exempt in order
15 to yield the required debt service payments and other annual expenses of the Future
16 Improvement Area, if any, subject to the provisions of the rate and method of apportionment
17 of the special tax; and, be it

18 FURTHER RESOLVED, That the levy of the Improvement Area No. 1 Special Tax shall
19 be subject to the approval of the qualified electors of Improvement Area No. 1 at a special
20 election, and the proposed voting procedure shall be by mailed or hand-delivered ballot
21 among the landowners in the proposed Improvement Area No. 1, with each owner having one
22 vote for each acre or portion of an acre such owner owns in Improvement Area No. 1 not
23 exempt from the Improvement Area No. 1 Special Tax; and, be it

24 FURTHER RESOLVED, That a special tax shall be levied in the Future Annexation
25 Area only with the Unanimous Approval of the owner or owners of each parcel or parcels at

1 the time that parcel or those parcels are annexed into the CFD and in accordance with the
2 Annexation Approval Procedures; and, be it

3 FURTHER RESOLVED, That it is the intention of this Board of Supervisors, acting as
4 the legislative body of the CFD, to cause bonds of the City and other debt (as defined in the
5 Mello-Roos Act) to be issued for Improvement Area No. 1 pursuant to the Mello-Roos Act to
6 finance in whole or in part the construction and/or acquisition of the Facilities, and the bonds
7 and other debt shall be in the aggregate principal amount of not to exceed \$250 million
8 (“Improvement Area No. 1 Indebtedness Limit”), shall be issued in such series and bear
9 interest payable semi-annually or in such other manner as this Board of Supervisors shall
10 determine, at a rate not to exceed the maximum rate of interest as may be authorized by
11 applicable law at the time of sale of each series of bonds and other debt, and shall mature not
12 to exceed 40 years from the date of the issuance thereof; and, be it

13 FURTHER RESOLVED, That it is the intention of this Board of Supervisors, acting as
14 the legislative body of the CFD, to cause bonds of the City and other debt (as defined in the
15 Mello-Roos Act) to be issued for that portion of the CFD that is not included in Improvement
16 Area No. 1 to finance in whole or in part the construction and/or acquisition of the Facilities,
17 and the bonds and other debt shall be in the aggregate principal amount of not to exceed
18 \$4.75 billion (“Non-Improvement Area No. 1 Indebtedness Limit”), shall be issued in such
19 series and bear interest payable semi-annually or in such other manner as this Board of
20 Supervisors shall determine, at a rate not to exceed the maximum rate of interest as may be
21 authorized by applicable law at the time of sale of each series of bonds and other debt, and
22 shall mature not to exceed 40 years from the date of the issuance thereof; and, be it

23 FURTHER RESOLVED, That in the event all or a portion of the Future Annexation
24 Area is annexed as one or more Future Improvement Areas, the designation as an
25 improvement area of any territory annexing to the CFD, the maximum amount of bonded

1 indebtedness and other debt for such improvement area, the rate and method of
2 apportionment of special tax for such improvement area and the appropriations limit for such
3 improvement area shall be identified and approved in the Unanimous Approval executed by
4 property owners in connection with their annexation to the CFD in accordance with the
5 Annexation Approval Procedures. In that event, the amount of the maximum indebtedness for
6 the Future Improvement Area shall be subtracted from the Non-Improvement Area No. 1
7 Indebtedness Limit, which shall result in a reduction in the Non-Improvement Area No. 1
8 Indebtedness Limit; and, be it

9 FURTHER RESOLVED, That it is the intention of this Board of Supervisors, acting as
10 the legislative body for the CFD, to cause bonds and other debt of the City to be issued for the
11 Future Improvement Areas pursuant to the Mello-Roos Act to finance in whole or in part the
12 construction and/or acquisition of the Facilities, and the bonds and other debt shall be in the
13 aggregate principal amount designated at the time of annexation, shall be issued in such
14 series and bear interest payable semi-annually or in such other manner as this Board of
15 Supervisors shall determine, at a rate not to exceed the maximum rate of interest as may be
16 authorized by applicable law at the time of sale of each series of bonds and other debt, and
17 shall mature not to exceed 40 years from the date of the issuance thereof; and, be it

18 FURTHER RESOLVED, That the City’s Director of the Office of Public Finance, as the
19 officer having charge and control of the Facilities and the Services in and for the CFD,
20 Improvement Area No. 1 and the Future Annexation Area, is hereby directed to study said
21 proposed Facilities and Services and to make, or cause to be made, and file with the Clerk of
22 the Board of Supervisors a report in writing (“CFD Report”) presenting the following:

- 23 (a) A description of the Facilities and the Services by type which will be
24 required to adequately meet the needs of the CFD (which is proposed to consist initially
25 of Improvement Area No. 1) and the Future Annexation Area.

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

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

8 The CFD Report shall be made a part of the record of the public hearing specified below; and,
9 be it

10 FURTHER RESOLVED, Tuesday, January 24, 2017 at 3:00 p.m. or as soon as
11 possible thereafter, in the Board of Supervisors Chamber, 1 Dr. Carlton B. Goodlett Place,
12 San Francisco, California, be, and the same are hereby appointed and fixed as the time and
13 place when and where this Board of Supervisors, as legislative body for the CFD, will conduct
14 a public hearing on the establishment of the CFD, Improvement Area No. 1 and the Future
15 Annexation Area and consider and finally determine whether the public interest, convenience
16 and necessity require the formation of the CFD, Improvement Area No. 1, the Future
17 Annexation Area and the levy of the Special Tax, including the Improvement Area No. 1
18 Special Tax; and, be it

19 FURTHER RESOLVED, That the Clerk of the Board of Supervisors is hereby directed
20 to cause notice of the public hearing to be given by publication one time in a newspaper
21 published in the area of the CFD and the Future Annexation Area; and, be it

22 FURTHER RESOLVED, The publication shall be completed at least seven days before
23 the date of the public hearing specified above. The notice shall be substantially in the form
24 specified in Mello-Roos Act Section 53322, with the form summarizing the provisions hereof
25 hereby specifically approved; 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 advances of funds and may provide,
3 by resolution, for the use of those funds, including but not limited to pay any cost incurred by
4 the local agency in creating the CFD, and may agree to reimburse the advances under all of
5 the following conditions: (A) the proposal to repay the advances is included both in the
6 resolution of intention and the resolution of formation to establish the CFD; and (B) any
7 proposed special tax is approved by the qualified electors of the CFD and, if the qualified
8 electors of the CFD do not approve the proposed special tax, the City shall return any funds
9 which have not been committed for any authorized purpose by the time of the election and, in
10 furtherance of Mello-Roos Act Section 53314.9, the Board of Supervisors previously approved
11 the execution and delivery of a Deposit and Reimbursement Agreement (“Deposit
12 Agreement”) among the City, TIDA and the Developer, in Board File No. 150648; and, be it

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

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

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

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

8 FURTHER RESOLVED, That this Resolution shall in no way obligate this Board of
9 Supervisors of the City to form the CFD, Improvement Area No. 1 or the Future Annexation
10 Area; and, be it

11 FURTHER RESOLVED, The formation of the CFD, Improvement Area No. 1 and the
12 Future Annexation Area shall be subject to the approval of this Board of Supervisors by
13 resolution following the holding of the public hearing referred to above; and, be it

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

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

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

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

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

14

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

17

18 By: _____
19 Mark D. Blake
20 Deputy City Attorney
21 n:\spec\as2016\0600537\01133165.docx

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