

1 [Resolution of Intention to Issue Bonds Related to Infrastructure and Revitalization Financing  
2 District No. 2 (Hoedown Yard, Pier 70)]

3 **Resolution of intention to issue bonds for City and County of San Francisco**  
4 **Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard, Pier 70);**  
5 **determining other matters in connection therewith; and affirming the Planning**  
6 **Department’s determination, and making findings under the California Environmental**  
7 **Quality Act.**

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9 NOTE: Additions are *single-underline italics Times New Roman*;  
10 deletions are *strike-through italics Times New Roman*.  
11 Board amendment additions are double-underlined;  
Board amendment deletions are ~~strike-through normal~~.

12 WHEREAS, FC Pier 70, LLC (Forest City) and the City and County of San Francisco  
13 (the City), acting by and through the San Francisco Port Commission (the Port Commission),  
14 anticipate entering into a Disposition and Development Agreement (the DDA), which will  
15 govern the disposition and development of approximately 28 acres of land in the waterfront  
16 area of the City known as Pier 70 (the Project Site); and

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

20 WHEREAS, Pursuant to Proposition F, the voters in the City approved a policy of the  
21 City, that the City encourage the timely development of the Project Site with a development  
22 project that includes certain major uses, including without limitation, new below market-rate  
23 homes affordable to middle- and low-income families and individuals, representing 30 percent  
24 of all new housing units (Affordable Housing); and

1           WHEREAS, Forest City and the City anticipate that Forest City will undertake pursuant  
2 to the DDA an obligation to construct Affordable Housing on the Project Site and an area of  
3 land in the vicinity of the Project Site and within Pier 70 commonly known as Parcel K South  
4 (Parcel K South) to satisfy the requirements for Affordable Housing under Proposition F; and

5           WHEREAS, Under Chapter 2.6 of Part 1 of Division 2 of Title 5 of the California,  
6 commencing with Government Code Section 53369 (IRFD Law), this Board of Supervisors is  
7 authorized to establish an infrastructure and revitalization financing district and to act as the  
8 legislative body for an infrastructure and revitalization financing district; and

9           WHEREAS, Pursuant to the IRFD Law, this Board of Supervisors has adopted its  
10 “Resolution of intention to establish City and County of San Francisco Infrastructure and  
11 Revitalization Financing District No. 2 (Hoedown Yard) on land within the City and County of  
12 San Francisco commonly known as the Hoedown Yard to finance the construction of  
13 affordable housing within Pier 70 and Parcel K South; to provide for future annexation; to call  
14 a public hearing on September 11, 2018 on the formation of the district and to provide public  
15 notice thereof; determining other matters in connection therewith; and affirming the Planning  
16 Department’s determination, and making findings under the California Environmental Quality  
17 Act” (Resolution of Intention to Establish IRFD), stating its intention to form the “City and  
18 County of San Francisco Infrastructure and Revitalization Financing District No. 2 (Hoedown  
19 Yard)” (IRFD) pursuant to the IRFD Law, for the purpose of financing Affordable Housing  
20 within the Project Site and Parcel K South to satisfy the requirements for Affordable Housing  
21 under Proposition F as further provided in the Resolution of Intention to Establish IRFD (the  
22 Facilities); and

23           WHEREAS, In the Resolution of Intention to Establish IRFD, this Board of Supervisors  
24 declared its intent to provide for future annexations of property into the IRFD any time after  
25 formation of the IRFD, but only if the Board of Supervisors has completed the procedures set

1     forth in the Infrastructure Financing Plan, which shall be based on the following: (i) this Board  
2     of Supervisors adopts a resolution of intention to annex property (the “annexation territory”)  
3     into the IRFD and describes the annexation territory to be included in the IRFD, (ii) the  
4     resolution of intention is mailed to each owner of land in the annexation territory and each  
5     affected taxing entity in the annexation territory, if any, in substantial compliance with Sections  
6     53369.11 and 53369.12 of the IRFD Law, (iii) this Board of Supervisors directs the Port to  
7     prepare an amendment to the Infrastructure Financing Plan, if necessary, and the designated  
8     official prepares any such amendment, in substantial compliance with Sections 53369.13 and  
9     53369.14 of the IRFD Law, (iv) any amendment to the Infrastructure Financing Plan is sent to  
10    each owner of land and each affected taxing entity (if any) within the annexation territory, in  
11    substantial compliance with Sections 53369.15 and 53369.16 of the IRFD Law, (v) this Board  
12    of Supervisors notices and holds a public hearing on the proposed annexation, in substantial  
13    compliance with Sections 53369.17 and 53369.18 of the IRFD Law, (vi) this Board of  
14    Supervisors adopts a resolution proposing the adoption of any amendment to the  
15    Infrastructure Financing Plan and annexation of the annexation territory to the IRFD, and  
16    submits the proposed annexation to the qualified electors in the annexation territory, in  
17    substantial compliance with Sections 53369.20-53369.22 of the IRFD Law, with the ballot  
18    measure to include the question of the proposed annexation of the annexation territory into  
19    the IRFD, approval of the appropriations limit for the annexation territory and approval of the  
20    issuance of bonds for the annexation territory, and (vii) after canvass of returns of any  
21    election, and if two-thirds of the votes cast upon the question are in favor of the ballot  
22    measure, this Board may, by ordinance, adopt the amendment to the Infrastructure Financing  
23    Plan, if any, and approve the annexation of the annexation territory to the IRFD, in substantial  
24    compliance with Section 53369.23 of the IRFD Law; and

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1           WHEREAS, In the Resolution of Intention to Establish IRFD, this Board of Supervisors  
2 made certain findings under the California Environmental Quality Act (CEQA) about the Final  
3 Environmental Impact Report (FEIR) for the construction of the Facilities within the Project  
4 Site and Parcel K South, and those findings are incorporated in this Resolution as if set forth  
5 in their entirety herein; and

6           WHEREAS, In addition, this Board of Supervisors has adopted its “Resolution  
7 authorizing and directing the Executive Director of the Port of San Francisco, or designee of  
8 the Executive Director of the Port of San Francisco, to prepare an infrastructure financing plan  
9 for the City and County of San Francisco Infrastructure and Revitalization Financing District  
10 No. 2 (Hoedown Yard); determining other matters in connection therewith; and affirming the  
11 Planning Department’s determination, and making findings under the California Environmental  
12 Quality Act,” ordering preparation of an infrastructure financing plan for the IRFD (the  
13 Infrastructure Financing Plan) consistent with the requirements of the IRFD Law; and

14           WHEREAS, The Infrastructure Financing Plan includes a list of Facilities to be financed  
15 by the IRFD as Attachment I thereto; and

16           WHEREAS, Pursuant to IRFD Law Section 53369.40, the Board of Supervisors may,  
17 by majority vote, initiate proceedings to issue bonds pursuant to the IRFD Law by adopting a  
18 resolution stating its intent to issue the bonds, and pursuant to IRFD Law Section 53369.14,  
19 the Infrastructure Financing Plan must contain a detailed description of any intention to incur  
20 debt for financing facilities for the IRFD; and

21           WHEREAS, United States Income Tax Regulations section 1.150-2 provides generally  
22 that proceeds of tax-exempt debt are not deemed to be expended when such proceeds are  
23 used for reimbursement of expenditures made prior to the date of issuance of such debt  
24 unless certain procedures are followed, one of which is a requirement that (with certain  
25

1 exceptions), prior to the payment of any such expenditure, the issuer declares an intention to  
2 reimburse such expenditure; and

3 WHEREAS, It is in the public interest and for the public benefit that the Board of  
4 Supervisors, on behalf of the City, declares its official intent to reimburse the expenditures  
5 referenced herein; now, therefore, be it

6 RESOLVED, That the Board of Supervisors proposes issuing one or more series of  
7 bonds or other debt (Bonds) for the purpose of financing the costs of the Facilities, including  
8 acquisition and improvement costs and all costs incidental to or connected with the  
9 accomplishment of said purposes and of the financing thereof; and, be it

10 FURTHER RESOLVED, The Board of Supervisors hereby declares that it reasonably  
11 expects (i) to pay certain costs of the Facilities prior to the date of issuance of the Bonds and  
12 (ii) to use a portion of the proceeds of the Bonds for reimbursement of expenditures for the  
13 Facilities that are paid before the date of issuance of the Bonds; and, be it

14 FURTHER RESOLVED, That the Bonds will be paid from property tax revenues  
15 allocated to the IRFD; and, be it

16 FURTHER RESOLVED, That the Board of Supervisors hereby estimates that the cost  
17 of the Facilities will be \$91.9 million (in 2017 dollars), and that the estimated costs of  
18 preparing and issuing the Bonds will be equal to up to 10.0% of the par amount of the Bonds;  
19 and, be it

20 FURTHER RESOLVED, That this Board of Supervisors intends to authorize the  
21 issuance and sale of the Bonds in one or more series for the IRFD in the maximum aggregate  
22 principal amount of (i) \$91.9 million plus (ii) the additional (if any) principal amount of Bonds  
23 approved by this Board of Supervisors and the qualified electors of the annexation territory in  
24 connection with the annexation of the annexation territory to the IRFD, so long as the Board  
25 makes the finding specified in Section 53369.41(f) of the IRFD Law, and the Bonds shall bear

1 interest payable semi-annually or in such other manner as this Board of Supervisors shall  
2 determine, at a rate not to exceed the maximum rate of interest as may be authorized by  
3 applicable law at the time of sale of the Bonds, and the maximum underwriter's discount of the  
4 Bonds shall be 2.0% of the par amount of the Bonds; and, be it

5 FURTHER RESOLVED, That the Board of Supervisors estimates, based on the  
6 analysis set forth in the Infrastructure Financing Plan, that the incremental property tax  
7 revenues that are expected to be available to the IRFD to pay principal of and interest on the  
8 Bonds is \$91.9 million, and in accordance with IRFD Law Section 53369.41(f), the Board of  
9 Supervisors hereby finds that the amount necessary to pay principal of and interest on the  
10 maximum principal amount of Bonds specified in the preceding paragraph is less than or  
11 equal to the incremental property tax revenues that are expected to be available to the IRFD  
12 to pay principal of and interest on the Bonds; and, be it

13 FURTHER RESOLVED, That the Board of Supervisors will call a special landowner  
14 election for September 11, 2018, to consider the proposed authorization to issue Bonds. The  
15 election will be consolidated with the election on the issue of the proposed formation of the  
16 IRFD and approval of the proposed Infrastructure Financing Plan and appropriations limit for  
17 the IRFD to be held on September 11, 2018. The Director of Elections is hereby designated  
18 as the official to conduct the election in the IRFD and to receive all ballots until 3:00 p.m. on  
19 September 11, 2018, and pursuant to IRFD Law Section 53369.20, the election shall be  
20 conducted by personal service or mail-delivered ballot; and, be it

21 FURTHER RESOLVED, That all references in this Resolution to Bonds shall be  
22 deemed to include a reference to debt (as defined in the IRFD Law), to the extent applicable;  
23 and, be it

24 FURTHER RESOLVED, That this Resolution shall in no way obligate the Board of  
25 Supervisors to propose establishment of the IRFD or to authorize the issuance of bonds for

1 the IRFD, and the authorization to issue bonds shall be subject to the approval of this Board  
2 of Supervisors by resolution following the elections of the qualified electors described above;  
3 and, be it

4 FURTHER RESOLVED, That the Clerk of the Board of Supervisors shall publish this  
5 resolution once a day for at least seven successive days in a newspaper published in the City  
6 at least six days a week, or at least once a week for two successive weeks in a newspaper  
7 published in the City less than six days a week, and if there are no newspapers meeting the  
8 foregoing criteria, this resolution shall posted in three public places within the territory of the  
9 IRFD for two succeeding weeks; and, be it

10 FURTHER RESOLVED, That the Board of Supervisors has reviewed and considered  
11 the FEIR and finds that the FEIR is adequate for its use for the actions taken by this resolution  
12 and incorporates the FEIR and the CEQA findings contained in Resolution No. \_\_\_\_\_  
13 of this Board of Supervisors; 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 things and take any and all actions, including execution and delivery of any and all

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

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

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

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

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15 By: \_\_\_\_\_  
16 MARK D. BLAKE  
Deputy City Attorney

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