

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

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3 **Ordinance levying special taxes within the City and County of San Francisco**

4 **Community Facilities District No. 2016-1 (Treasure Island).**

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

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

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

15 A. Pursuant to the Mello-Roos Community Facilities Act of 1982, constituting
16 Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California
17 Government Code (“Mello-Roos Act”), on December 6, 2016, this Board of Supervisors (“Board
18 of Supervisors”) of the City and County of San Francisco (“City”), State of California, adopted
19 its Resolution No. 506-16 entitled “Resolution of intention to establish City and County of San
20 Francisco Community Facilities District No. 2016-1 (Treasure Island), Improvement Area No. 1
21 and a Future Annexation Area, and determining other matters in connection therewith”
22 (“Resolution of Intention to Establish”), on file with the Clerk of the Board of Supervisors in File
23 No. 161038, stating its intention to establish (i) “City and County of San Francisco Community
24 Facilities District No. 2016-1 (Treasure Island)” (“CFD”), (ii) “Improvement Area No. 1 of the City
25 and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)”

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22
23 By: _____
24 Mark D. Blake
25 Deputy City Attorney
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