

**CITY AND COUNTY OF SAN FRANCISCO**  
**Community Facilities District No. 2014-1**  
**(Transbay Transit Center)**

**Report Pursuant to Government Code Section 53325**

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 "Act"), on July 15, 2014, adopt a resolution entitled "Resolution of Intention to Establish City and County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center) and determining other matters in connection therewith" (the "Resolution of Intention"), which Resolution of Intention was signed by the Mayor of the City on July 22, 2014. The Resolution of Intention included the rate and method of apportionment of the special tax (the "Original RMA") to be levied within the proposed "City and County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center)" (the "CFD").

Since the date of the Resolution of Intention, certain changes have been proposed to the Original RMA that, among other things, provide that properties owned by public agencies in the CFD will be subject to the special tax on the same basis as private property and clarify that the obligation to participate in the CFD arises under Section 424.8 of the Planning Code and by agreement between property owners and one or more public agencies, and an amended rate and method of apportionment of special tax (the "Amended and Restated Rate and Method") is on file with the Clerk of the Board of Supervisors.

Section 53325 of the Act provides:

"If the legislative body proposes to modify the resolution of intention in a way that will increase the probable special tax to be paid by the owner of any lot or parcel, it shall direct that a report be prepared that includes a brief analysis of the impact of the proposed modifications on the probable special tax to be paid by the owners of lots or parcels in the district, and shall receive and consider the report before approving the modifications or any resolution of formation that includes those modifications."

The Amended and Restated Rate and Method amends the Original RMA to:


(i) Consistent with the statements executed by the public agencies that own property in the boundaries of the CFD pursuant to Government Code Section 53317(f)(3), provide that property owned by public agencies in the CFD will be subject to the special tax on the same basis as private property within the CFD. City staff believes that this change will not increase the probable special tax to be paid by the owner of any lot or parcel in the CFD because, consistent with Government Code 53317(f)(3), it is expected that special taxes will only be paid with respect to those parcels by private transferees of the property.

(ii) Clarify that certain parcels that are not obligated to participate in the CFD by Planning Code Section 424.8 may be obligated to participate in the CFD by other methods, including by disposition and development agreement with the Office of Community Investment and Infrastructure. City staff believes that this change will not increase the probable special tax to be paid by the owner of any lot or parcel because the only current private owner of property in

the proposed boundaries of the CFD that is affected by this amendment is a party to a disposition and development agreement that obligates it to participate in the CFD.

(iii) Clarify that if only a portion of a Building (as defined in the Amended and Restated Rate and Method) is obligated to participate in the CFD, the special tax shall be calculated based on the highest occupied story. This change is expected to affect only one parcel in the CFD, where the obligation to participate in the CFD arises as a result of an entitlement to construct additional floors in a previously-entitled building. City staff believes that this change will not increase the probable special tax to be paid by the owner of any lot or parcel because this amendment does not change the meaning of the Original RMA and is only intended to address a potential ambiguity in the Original RMA.

Dated as of September 8, 2014

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