

File No. 190293

Committee Item No. 10

Board Item No. 13

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Sub-Committee

Date April 3, 2019

Board of Supervisors Meeting

Date April 9, 2019

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- Introduction Form
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- Board of Supervisors Ordinance No. 34-18
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Completed by: Linda Wong Date March 28, 2019

Completed by: Linda Wong Date April 4, 2019

1 [Reimburse Expenditures - Development of the Mission Rock Project, with Tax-Exempt Debt]

2
3 **Resolution declaring official intent to reimburse expenditures related to development**
4 **of the Mission Rock Project from the proceeds of bonds and other debt; and making**
5 **findings under the California Environmental Quality Act.**
6

7 WHEREAS, California Statutes of 1968, Chapter 1333 ("Burton Act") and San
8 Francisco Charter, Section 4.114 and Appendix B, beginning at Section B3.581, empower the
9 City and County of San Francisco ("City"), acting through the Port Commission ("Port" or "Port
10 Commission"), with the power and duty to use, conduct, operate, maintain, manage, regulate,
11 and control the lands within Port jurisdiction; and

12 WHEREAS, Seawall Lot 337 Associates, LLC, a Delaware limited liability company
13 ("Master Developer") and the City, acting by and through the Port, are parties to a Disposition
14 and Development Agreement ("DDA"), including a Financing Plan ("Financing Plan"), that
15 governs the disposition and development of certain parcels in the jurisdiction of the Port,
16 including Seawall Lot 337, 3.53 acres of Terry A. Francois Boulevard from Third Street to
17 Mission Rock Street, China Basin Park and ½ acre to the east of Terry A. Francois Boulevard
18 between Pier 48 and Pier 50 ("Project Site"), and also provides for development of Pier 48,
19 which DDA was approved by the Board of Supervisors by Resolution No. 42-18, adopted on
20 February 13, 2018, signed by the Mayor on February 23, 2018, and a copy of which is in
21 Board File No. 180092; and

22 WHEREAS, The Port collaborated with the State Lands Commission and California
23 legislators to amend the Burton Act to lift or suspend its statutory trust use restrictions that
24 impede the Port's ability to realize the development potential of Port lands; under Senate Bill
25 815 (Stats. 2007, ch. 660, as amended by Stats. 2016, ch. 529) ("SB 815"), the Port is

1 authorized to lease certain seawall lots south of Market Street, including the Project Site, for
2 nontrust purposes, providing revenues for rehabilitation of historic wharves and piers and
3 other trust uses; SB 815 allows long-term nontrust uses that are not permissible under the
4 Burton Act as a primary mechanism to generate Port revenues for trust purposes, including
5 the construction of infrastructure needed for development; and

6 WHEREAS, On November 3, 2015, San Francisco voters approved the Mission Rock
7 Affordable Housing, Parks, Jobs and Historic Preservation Initiative ("Proposition D"), which
8 authorized increased height limits on the Project Site, subject to environmental review, and
9 established a City policy to encourage development of the Project Site; Proposition D
10 specifically provides that it is intended to encourage and implement the lease and
11 development of the Project Site as described in SB 815 to support the purposes of the Burton
12 Act, especially the preservation of historic piers and historic structures and construction of
13 waterfront plazas and open space; and

14 WHEREAS, The proposed development of the Project Site, which is commonly
15 referred to as the Mission Rock project ("Project"), will be a new mixed-use neighborhood that
16 is proposed to include a mix of commercial/office, retail, parking, and market rate and
17 affordable residential uses and approximately eight acres of new and expanded parks and
18 shoreline access; and

19 WHEREAS, Under the DDA, (i) the Developer is responsible for master development of
20 the Project Site, including construction of public infrastructure, (ii) the Port and Developer will
21 enter into a master lease for all of the Project Site, (iii) the Port will convey development
22 parcels to vertical developers and those parcels will be released from the master lease and
23 (iv) the Port may enter into a separate lease with the Developer (or an affiliate) for
24 development of Pier 48; and
25

1 WHEREAS, The City anticipates that, in addition to the public infrastructure and private
2 development described above, future improvements will be necessary to ensure that the
3 shoreline, public facilities, and public access improvements will be protected should sea level
4 rise in the vicinity of the Project Site ("Resilience Improvements"); and

5 WHEREAS, This Board of Supervisors has taken certain actions and intends to take
6 further actions to provide financing for the infrastructure and Resilience Improvements
7 described above; and

8 WHEREAS, Under California Government Code, Sections 53395 et seq. ("IFD Law"),
9 the Board of Supervisors is authorized to establish an infrastructure financing district and to
10 act as the legislative body for such an infrastructure financing district; more specifically, the
11 Board of Supervisors is authorized to establish "waterfront districts" under IFD Law, Section
12 53395.8; and

13 WHEREAS, By Ordinance No. 27-16, which the Board of Supervisors adopted on
14 February 23, 2016, and which was signed by the Mayor on March 11, 2016 ("Ordinance
15 Establishing IFD"), the Board of Supervisors, among other things, declared "City and County
16 of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco)" (IFD) to be
17 fully formed and established, approved an infrastructure financing plan (the "IFD Infrastructure
18 Financing Plan") and designated initial proposed project areas within the IFD; and

19 WHEREAS, By Ordinance No. 34-18, which the Board of Supervisors adopted on
20 February 27, 2018, and which was signed by the Mayor on March 6, 2018 ("Ordinance
21 Establishing Project Area I and Sub-Project Areas I-1 through I-13"), the Board of
22 Supervisors, among other things, declared the following project area ("Project Area I") and
23 sub-project areas (collectively, "Sub-Project Areas") within the Project Site to be fully formed
24 and established and approved Appendix I to the IFD Infrastructure Financing Plan: (i) "Project
25 Area I (Mission Rock)," (ii) "Sub-Project Area I-1 (Mission Rock)," (iii) "Sub-Project Area I-2

1 (Mission Rock),” (iv) “Sub-Project Area I-3 (Mission Rock),” (v) “Sub-Project Area I-4 (Mission
2 Rock),” (vi) “Sub-Project Area I-5 (Mission Rock),” (vii) “Sub-Project Area I-6 (Mission Rock),”
3 (viii) “Sub-Project Area I-7 (Mission Rock),” (ix) “Sub-Project Area I-8 (Mission Rock),” (x)
4 “Sub-Project Area I-9 (Mission Rock),” (xi) “Sub-Project Area I-10 (Mission Rock),” (xii) “Sub-
5 Project Area I-11 (Mission Rock),” (xiii) “Sub-Project Area I-12 (Mission Rock),” and (xiv)
6 “Sub-Project Area I-13 (Mission Rock)”; and

7 WHEREAS, Under Chapter 43, Article X of the San Francisco Administrative Code
8 (“Code”), which Code incorporates by reference the Mello-Roos Community Facilities Act of
9 1982, as amended (“Mello-Roos Act”), this Board of Supervisors is authorized to establish a
10 special tax district and to act as the legislative body for a special tax district; and

11 WHEREAS, The Financing Plan contemplates the formation of one or more special tax
12 districts (“Special Tax Districts”) under the Code to finance the costs of public infrastructure
13 and other authorized facilities and certain public services necessary or incident to
14 development of the Project Site; and

15 WHEREAS, United States Income Tax Regulations, Section 1.150-2 provides generally
16 that proceeds of tax-exempt debt are not deemed to be expended when such proceeds are
17 used for reimbursement of expenditures made prior to the date of issuance of such debt
18 unless certain procedures are followed, one of which is a requirement that (with certain
19 exceptions), prior to the payment of any such expenditure, the issuer declares an intention to
20 reimburse such expenditure; and

21 WHEREAS, In connection with formation of Project Area I and the Sub-Project Areas,
22 this Board of Supervisors declared in Resolution No. 427-17 its intent to reimburse
23 expenditures made prior to the date of issuance of bonds and other debt for Project Area I
24 and the Sub-Project Areas, which Resolution was adopted on November 28, 2017, and
25 signed by the Mayor on November 30, 2017; and

1 WHEREAS, This Board wishes to ratify and supplement its declaration of intent to
2 issue bonds and incur other debt ("Bonds") for the IFD and to declare its intent to issue Bonds
3 for the Special Tax Districts for the purpose of reimbursing expenditures on public
4 infrastructure related to the Project and Resilience Improvements ("Reimbursable
5 Expenditures") that are made prior to the date of issuance of such Bonds; now, therefore, be it

6 RESOLVED, That the recitals herein are true and correct; and, be it

7 FURTHER RESOLVED, That this Board of Supervisors intends to issue Bonds for the
8 IFD and Special Tax Districts for the purpose of paying the Reimbursable Expenditures; and,
9 be it

10 FURTHER RESOLVED, That this Board of Supervisors declares that it reasonably
11 expects (i) to pay certain Reimbursable Expenditures prior to the date of issuance of the
12 Bonds and (ii) to use a portion of the proceeds of the Bonds for reimbursement of
13 Reimbursable Expenditures that are made prior to the date of issuance of the Bonds; and, be
14 it

15 FURTHER RESOLVED, That this Board of Supervisors declares that the maximum
16 principal amount of the Bonds is \$2,190,000,000; and, be it

17 FURTHER RESOLVED, That in the Ordinance Establishing Project Area I and Sub-
18 Project Areas I-1 through I-13, this Board of Supervisors made certain findings under the
19 California Environmental Quality Act about the Project, Project Area I and the Sub-Project
20 Areas, and the Board of Supervisors hereby adopts and incorporates those findings by
21 reference as though fully set forth herein; and, be it

22 FURTHER RESOLVED, That this Resolution shall take effect upon its adoption.
23
24
25



To: Angela Calvillo, Clerk of the Board of Supervisors
Alisa Somera, Legislative Deputy Director

From: Phil Williamson, Mission Rock Development Project Manager
Brad Benson, Director of Special Projects

Subject: Approval of Reimbursement Resolution for the Mission Rock Special Use District

Date: March 12, 2019

Executive Summary

At the Port's request, Mayor London Breed is introducing legislation on March 12, 2019 to request that the Board of Supervisors adopt a reimbursement resolution in advance of issuing public debt to fund public infrastructure for the new Mission Rock neighborhood.

Federal tax law allows public agencies to issue tax-exempt bonds to reimburse themselves for expenditures on capital projects only when the public agency has declared its intent to do so no later than 60 days after the expenditures were made. The declaration of intent must include a description of the project and the maximum amount of tax-exempt bonds to be issued.

The Port Commission, for and on behalf of the City, is a party to an agreement with the developer of the 28-acre Mission Rock project. The developer (Seawall Lot 337 Associates, LLC) will construct the public infrastructure for the project, the City will finance its acquisition of the infrastructure with public finance proceeds, and the developer will earn a market rate of return on the capital it spends on public infrastructure until the City acquires the infrastructure. In order to halt the accrual of the developer's return as soon as possible, the Port intends to advance proceeds from project land sales and development leases to acquire the infrastructure whenever public finance proceeds are not available, and then ask the City to reimburse the Port for the advance of land proceeds when public finance proceeds generated by taxes on property in the 28-acres become available. The Port is requesting that the Board of Supervisors adopt the attached resolution to ensure that tax-exempt bond proceeds will be used to reimburse the Port for its advance of land proceeds whenever permitted by federal tax law.

This resolution is consistent with prior approvals for the Mission Rock project:

1. **Final Environmental Impact Report** (Planning Dept. Case No. 2013.0208ENV)
 - Certify FEIR and adopt CEQA Findings: Planning Commission Motion No. 20017 and Motion No. 20018, October 5, 2017
 - Adopt CEQA Findings and MMRP: Port Resolution No. 18-03, January 30, 2018
 - Affirm Planning Commission's certification of FEIR and adopt CEQA Findings and MMRP: Board of Supervisors Resolution No. 36-18, February 13, 2018
2. **Planning Code and Zoning Map amendments**
 - Recommend: Planning Commission Resolution No. 20019, October 5, 2017
 - Consent: Port Resolution No. 18-04, January 30, 2018

- Approve: Board of Supervisors Ordinance No. 31-18, February 27, 2018
3. **Development Agreement and amendments and waivers of specified provisions of the Administrative and Subdivision Codes**
- Recommend: Planning Commission Resolution No. 20020, October 5, 2017
 - Consent: Port Resolution No. 18-06, January 30, 2018
 - Consent: SFPUC Resolution No. 18-0014, January 23, 2018
 - Consent: SFMTA Resolution No. 180206-025, February 6, 2018,
 - Approve: Board of Supervisors Ordinance No. 33-18, February 27, 2018
4. **Mission Rock Design Controls**
- Approve: Planning Commission Motion No. 20021, October 5, 2017
 - Approve: Port Resolution No. 18-04, January 30, 2018
5. **Master Lease**
- Adopt public trust findings, approve, and recommend: Port Resolution No. 18-03, January 30, 2018
 - Adopt public trust findings and approve under Charter § 9.118: Board of Supervisors Resolution No. 42-18, February 12, 2018
6. **Disposition and Development Agreement and Development Plan**
- Adopt public trust findings, approve, and recommend: Port Resolution No. 18-03, January 30, 2018
 - Approve under Charter § 9.118: Board of Supervisors Resolution No. 42-18, February 12, 2018
7. **Waterfront Land Use Plan / Waterfront Design and Access Element amendments**
- Adopt public trust findings and approve: Port Resolution No. 18-03 (Public Trust Findings) January 30, 2018, and Resolution No. 18-05 (Waterfront Land Use Plan), January 30, 2018
8. **Infrastructure Financing District Project Area I and Sub-Project Areas**
- Adopt public trust findings, approve, and recommend: Port Resolution No. 18-08, January 30, 2018
 - Approve: Board of Supervisors Ordinance Nos. 34-18, February 27, 2018
9. **Memorandum of Understanding re Interagency Cooperation**
- Approve and recommend: Port Resolution No. 18-07, January 30, 2018
 - Adopt CEQA Findings and consent: SFMTA Board Resolution No. 180206-025, February 6, 2018
 - Adopt CEQA Findings and consent: SFPUC Resolution No. 18-0014, January 23, 2018
 - Approve: Board of Supervisors Resolution No. 44-18, February 13, 2018
10. **Memorandum of Understanding re Collection and Allocation of Taxes**
- Approve and recommend: Port Resolution No. 18-09, January 30, 2018
 - Approve: Board of Supervisors Resolution No. 45-18, February 13, 2018

11. Mission Rock South Redevelopment Plan Amendment, OPA Amendment, and Design for Development Plan Amendment

- Approve: OCII Commission Resolution Nos. 39-2017, 40-2017, 41-2017 and 42-2017, all October 17, 2017
- Approve: Board of Supervisors Ordinance No. 32-18, February 27, 2018

Background – Mission Rock Mixed-Use District Project

Property

The Port owns the approximately 28 acre project site along San Francisco's waterfront known as Seawall Lot 337 and Pier 48. Beginning in 2005, the Port initiated an intensive planning process that culminated in a project to restore and redevelop the site bounded generally by 3rd Street on the west, San Francisco Bay on the north and east and Mission Rock Street on the south ("Project Site").

Project Summary

At full build-out, the Mission Rock Mixed-Use District Project will include: (1) 1,000 to 1,600 new residential units, 40% of which will be on-site housing affordable to a range of low- to moderate-income households; (2) between 972,000 and 1.4 million gross square feet of new commercial and office space, including space for small-scale manufacturing, retail, and neighborhood services; (3) transportation demand management on-site, and payment of impact fees to the Municipal Transportation Agency that it will use to improve transportation connections through the neighborhood; (4) 8 acres of new open space, potentially including active recreation on rooftops, a central neighborhood square, and a waterfront park along the shoreline; and (5) on-site strategies to protect against sea level rise. Development of the Mission Rock project is anticipated to commence in late 2019 and will occur in in four phases over 10+ years.

1 [Establishing Project Area I (Mission Rock), and Sub-Project Areas I-1 Through I-13 Therein -
2 Adopting Appendix I to Infrastructure Financing Plan (Port of San Francisco)]

3 **Ordinance establishing Project Area I (Mission Rock), and Sub-Project Areas I-1**
4 **through I-13 therein, of City and County of San Francisco Infrastructure Financing**
5 **District No. 2 (Port of San Francisco); affirming the Planning Department's**
6 **determination and making findings under the California Environmental Quality Act; and**
7 **approving other matters in connection therewith.**

8
9 Be it ordained by the People of the City and County of San Francisco:

10 (a) Findings. The Board of Supervisors of the City and County of San Francisco
11 hereby finds, determines, and declares based on the record before it that:

12 (1) California Statutes of 1968, Chapter 1333 (Burton Act) and San Francisco
13 Charter Section 4.114 and Appendix B, beginning at Section B3.581, empower the City and
14 County of San Francisco (City), acting through the Port Commission, with the power and duty
15 to use, conduct, operate, maintain, manage, regulate, and control the lands within Port
16 Commission jurisdiction.

17 (2) Under California Government Code Sections 53395 et seq. (IFD Law),
18 the Board of Supervisors is authorized to establish an infrastructure financing district and to
19 act as the legislative body for such an infrastructure financing district. More specifically, the
20 Board of Supervisors is authorized to establish "waterfront districts" under Section 53395.8 of
21 the IFD Law.

22 (3) Pursuant to Section 53395.8 of the IFD Law, a waterfront district may be
23 divided into project areas, each with distinct limitations under IFD Law.

24 (4) By Resolution No. 123-13, which the Board of Supervisors adopted on
25

1 April 23, 2013 and the Mayor approved on April 30, 2013, the City adopted "Guidelines for the
2 Establishment and Use of Infrastructure Financing Districts on Project Areas on Land under
3 Jurisdiction of the San Francisco Port Commission" (Port IFD Guidelines) relating to the
4 formation of infrastructure financing districts by the City on waterfront property in San
5 Francisco under the jurisdiction of the Port Commission.

6 (5) By Resolution No. 110-12, which the Board of Supervisors adopted on
7 March 27, 2012 and the Mayor approved on April 5, 2012 (Original Resolution of Intention to
8 Establish IFD), the City declared its intention to establish a waterfront district to be known as
9 "City and County of San Francisco Infrastructure Financing District No. 2 (Port of San
10 Francisco)" (IFD), and designated initial proposed project areas within the IFD (Project Areas).

11 (6) By Resolution No. 227-12, which the Board of Supervisors adopted on
12 June 12, 2012 and the Mayor approved on June 20, 2012 (First Amending Resolution), the
13 City amended the Original Resolution of Intention to Establish IFD to propose, among other
14 things, an amended list of Project Areas, including Project Area G (Pier 70).

15 (7) By Resolution No. 421-15, which the Board of Supervisors adopted on
16 November 17, 2015 and the Mayor approved on November 25, 2015 (Second Amending
17 Resolution, and together with the Original Resolution of Intention to Establish IFD and the
18 First Amending Resolution, the "Resolution of Intention to Establish IFD"), the City declared its
19 intention to establish Sub-Project Area G-1 (Pier 70 - Historic Core), as a Pier 70 district,
20 within Project Area G (Pier 70).

21 (8) In the Resolution of Intention to Establish IFD, the Board of Supervisors
22 directed the Executive Director of the Port of San Francisco (Executive Director) to prepare an
23 infrastructure financing plan for the IFD (Infrastructure Financing Plan) that would comply with
24 the IFD Law, and reserved the right to establish infrastructure financing plans in the future
25 specific to other project areas and sub-project areas within the IFD.

1 (9) In accordance with the IFD Law, at the direction of this Board of
2 Directors, the Executive Director prepared the Infrastructure Financing Plan.

3 (10) By Ordinance No. 27-16, which the Board of Supervisors passed on
4 March 1, 2016 and the Mayor approved on March 11, 2016 (Ordinance Establishing IFD), this
5 Board of Supervisors, among other things, declared the IFD to be fully formed and established
6 with full force and effect of law.

7 (11) By Resolution No. 426-17, which the Board of Supervisors adopted on
8 November 28, 2017 and the Mayor approved on November 30, 2017, the Board of
9 Supervisors declared its intention to establish (i) "Project Area I (Mission Rock)," (ii) "Sub-
10 Project Area I-1 (Mission Rock)," (iii) "Sub-Project Area I-2 (Mission Rock)," (iv) "Sub-Project
11 Area I-3 (Mission Rock)," (v) "Sub-Project Area I-4 (Mission Rock)," (vi) "Sub-Project Area I-5
12 (Mission Rock)," (vii) "Sub-Project Area I-6 (Mission Rock)," (viii) "Sub-Project Area I-7
13 (Mission Rock)," (ix) "Sub-Project Area I-8 (Mission Rock)," (x) "Sub-Project Area I-9 (Mission
14 Rock)," (xi) "Sub-Project Area I-10 (Mission Rock)," (xii) "Sub-Project Area I-11 (Mission
15 Rock)," (xiii) "Sub-Project Area I-12 (Mission Rock)," and (xiv) "Sub-Project Area I-13 (Mission
16 Rock)" (such sub-project areas collectively referred to herein as, the Sub-Project Areas of
17 Project Area I), each a waterfront district, of the IFD (Resolution of Intention to Establish
18 Project Area I).

19 (12) Project Area I (Mission Rock) and the Sub-Project Areas of Project Area I
20 are anticipated to be rehabilitated pursuant to a Disposition and Development Agreement
21 (DDA), by and between the City, acting by and through the Port Commission, and Seawall Lot
22 337 Associates, LLC (SW Lot 337 Associates).

23 (13) Project Area I (Mission Rock) and the Sub-Project Areas of Project Area I
24 are within the Seawall 337 and Pier 48 Mixed-Use District Project (Project), for which the
25 Planning Commission certified a Final Environmental Impact Report (FEIR) for the Seawall

1 337 and Pier 48 Mixed-Use District Project pursuant to the California Environmental Quality
2 Act (CEQA) (California Public Resources Code Section 21000 et seq.), the CEQA Guidelines
3 (14 Cal. Code Reg. Section 15000 et seq.), and Chapter 31 of the Administrative Code.

4 (14) In the Resolution of Intention to Establish Project Area I, this Board of
5 Supervisors concurred with the FEIR conclusions, affirmed the Planning Commission's
6 certification of the FEIR, and found that the actions contemplated in the Resolution of
7 Intention to Establish Project Area I therein are within the scope of the Project described and
8 analyzed in the FEIR.

9 (15) In recommending the proposed Planning Code Amendments for approval
10 by this Board of Supervisors at its hearing on October 5, 2017, by Motion No. M-20018, the
11 Planning Commission also adopted findings under CEQA, including a statement of overriding
12 consideration, and a Mitigation Monitoring and Reporting Program (MMRP).

13 (16) In the Resolution of Intention to Establish Project Area I, this Board of
14 Supervisors also adopted the Planning Commission's CEQA approval findings and adopted
15 the Project's MMR.

16 (17) The Resolution of Intention to Establish Project Area I directed the
17 Executive Director to prepare Appendix I to the Infrastructure Financing Plan relating to the
18 Project Area I (Mission Rock) and Sub-Project Areas of Project Area I consistent with the
19 requirements of the IFD Law.

20 (18) As required by the IFD Law, the Executive Director:

21 (A) Prepared Appendix I to the Infrastructure Financing Plan,
22 proposing an allocation of property tax increment from the proposed Project Area I (Mission
23 Rock) and the Sub-Project Areas of Project Area I to finance the public facilities described in
24 Appendix I to the Infrastructure Financing Plan, which development and public facilities have
25 been analyzed under CEQA in the FEIR; and,

1 (B) Sent the Infrastructure Financing Plan, including Appendix I, along
2 with the FEIR, to the City's Planning Department and the Board of Supervisors.

3 (19) The Clerk of the Board of Supervisors made the Infrastructure Financing
4 Plan, including Appendix I, available for public inspection.

5 (20) Following publication of notice consistent with the requirements of the IFD
6 Law, the Board of Supervisors held a public hearing on February 13, 2018, relating to the
7 proposed Appendix I to the Infrastructure Financing Plan.

8 (21) At the hearing any persons having any objections to the proposed
9 Appendix I to the Infrastructure Financing Plan, or the regularity of any of the prior
10 proceedings, and all written and oral objections, and all evidence and testimony for and
11 against the adoption of Appendix I to the Infrastructure Financing Plan, were heard and
12 considered, and a full and fair hearing was held.

13 (22) Pursuant to the DDA, SW Lot 337 Associates and the City anticipate
14 forming two special tax districts (Special Tax Districts) under the San Francisco Special Tax
15 Financing Law (Admin. Code ch. 43, art. X) to finance (i) certain public infrastructure within
16 Project Area I (Mission Rock) and the Sub-Project Areas of Project Area I, and (ii) the
17 operation and maintenance of such infrastructure.

18 (23) Appendix I (i) contemplates the potential issuance of bonds by the
19 Special Tax Districts that are secured by tax increment from Project Area I (Mission Rock) and
20 the Sub-Project Areas of Project Area I to help finance the public facilities described in
21 Appendix I, and (ii) expects that 100% of the cost of maintaining and operating
22 spaces/facilities within and around Project Area I (Mission Rock) and the Sub-Project Areas of
23 Project Area I will be funded by special taxes levied within the Special Tax Districts, not the
24 City's general fund.
25

1 (b) CEQA. This Board of Supervisors has reviewed and considered the FEIR and
2 finds that the FEIR is adequate for its use for the actions taken by this Ordinance and
3 incorporates the FEIR and the CEQA findings contained in the Resolution of Intention to
4 Establish Project Area I (Mission Rock) by this reference.

5 (c) Formation of Project Area I (Mission Rock) and Approval of Appendix I. By the
6 passage of this Ordinance, the Board of Supervisors hereby (i) declares the Project Area I
7 (Mission Rock) and the Sub-Project Areas of Project Area I to be fully formed and established
8 with full force and effect of law, (ii) approves Appendix I to the Infrastructure Financing Plan,
9 subject to amendment as permitted by IFD Law, and (iii) establishes the respective base
10 years for Project Area I (Mission Rock) and the Sub-Project Areas of Project Area I as set
11 forth in Appendix I to the Infrastructure Financing Plan, all as provided in the proceedings for
12 the formation of Project Area I (Mission Rock) and the Sub-Project Areas of Project Area I
13 within the IFD and in the IFD Law. It is hereby found that all prior proceedings and actions
14 taken by the Board of Supervisors with respect to the IFD, including Project Area I (Mission
15 Rock) and the Sub-Project Areas of Project Area I, were valid and in conformity with the IFD
16 Law and the Port IFD Guidelines.

17 (d) Port as Agent with respect to the Project Area I (Mission Rock) and the Sub-Project
18 Areas of Project Area I. The Board of Supervisors hereby appoints the Port Commission to
19 act as the agent of the IFD with respect to Project Area I (Mission Rock) and the Sub-Project
20 Areas of Project Area I, which agency shall include the authority to: (1) disburse tax increment
21 from the Project Area I (Mission Rock) and the Sub-Project Areas of Project Area I as
22 provided in Appendix I; (2) enter into one or more acquisition agreements that would establish
23 the terms and conditions under which the Port and other City agencies would acquire the
24 public facilities described in Appendix I; (3) determine in collaboration with the Office of Public
25 Finance whether and in what amounts the IFD will issue or incur indebtedness for the

1 purposes specified in Appendix I and enter into agreements related to such indebtedness;
2 (4) if the IFD issues or incurs indebtedness, direct the disbursement of the debt proceeds in
3 conformance with Appendix I; and (5) prepare the annual statement of indebtedness required
4 by the IFD Law for Project Area I (Mission Rock) and the Sub-Project Areas of Project Area I.

5 (e) Special Tax Districts. Consistent with the provisions of the DDA, the Board of
6 Supervisors hereby directs the Executive Director to bring, when the Executive Director
7 determines the time is appropriate, a request to the Board of Supervisors to form the Special
8 Tax Districts to help finance the construction, operation and maintenance of the public
9 facilities described in Appendix I.

10 (f) Severability. If any section, subsection, sentence, clause, phrase, or word of
11 this ordinance, or any application thereof to any person or circumstance, is held to be invalid
12 or unconstitutional by a decision of a court of competent jurisdiction, such decision shall not
13 affect the validity of the remaining portions or applications of the ordinance. The Board of
14 Supervisors hereby declares that it would have passed this ordinance and each and every
15 section, subsection, sentence, clause, phrase, and word not declared invalid or
16 unconstitutional without regard to whether any other portion of this ordinance or application
17 thereof would be subsequently declared invalid or unconstitutional.

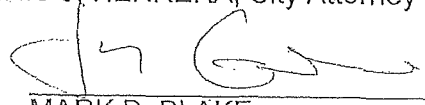
18 (g) Publication. The Clerk of the Board of Supervisors shall cause this Ordinance to
19 be published within 5 days of its passage and again within 15 days after its passage, in each
20 case at least once in a newspaper of general circulation published and circulated in the City.

21 (h) Effective Date. This ordinance shall become effective 30 days after enactment.
22 Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance
23 unsigned or does not sign the ordinance within 10 days of receiving it, or the Board of
24 Supervisors overrides the Mayor's veto of the ordinance.

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

By:



MARK D. BLAKE
Deputy City Attorney



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails
Ordinance

File Number: 171314

Date Passed: February 27, 2018

Ordinance establishing Project Area I (Mission Rock), and Sub-Project Areas I-1 through I-13 therein, of City and County of San Francisco Infrastructure Financing District No. 2 (Port of San Francisco); affirming the Planning Department's determination and making findings under the California Environmental Quality Act; and approving other matters in connection therewith.

January 23, 2018 Board of Supervisors - CONTINUED

Ayes: 11 - Breed, Cohen, Farrell, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Tang and Yee

February 13, 2018 Board of Supervisors - PASSED ON FIRST READING

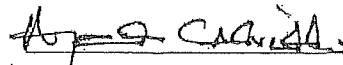
Ayes: 9 - Breed, Fewer, Kim, Peskin, Ronen, Sheehy, Stefani, Tang and Yee
Excused: 2 - Cohen and Safai

February 27, 2018 Board of Supervisors - FINALLY PASSED


Ayes: 10 - Breed, Cohen, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Stefani and Yee
Excused: 1 - Tang

File No. 171314

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 2/27/2018 by the Board of Supervisors of the City and County of San Francisco.



Angela Calvillo
Clerk of the Board



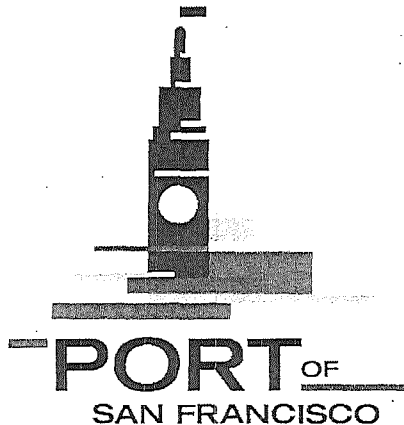
Mark E. Farrell
Mayor

3/16/18

Date Approved

File # 190293
190294
Received in Committee
4/3/19 *fn*

Reimbursement Resolutions – Pier 70 and Mission Rock



Request Recommendation

Budget and Finance Committee

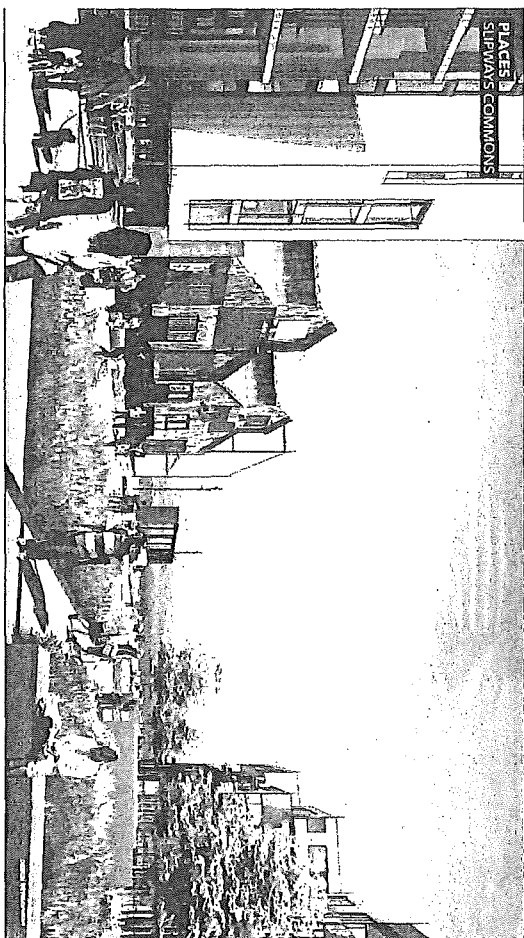
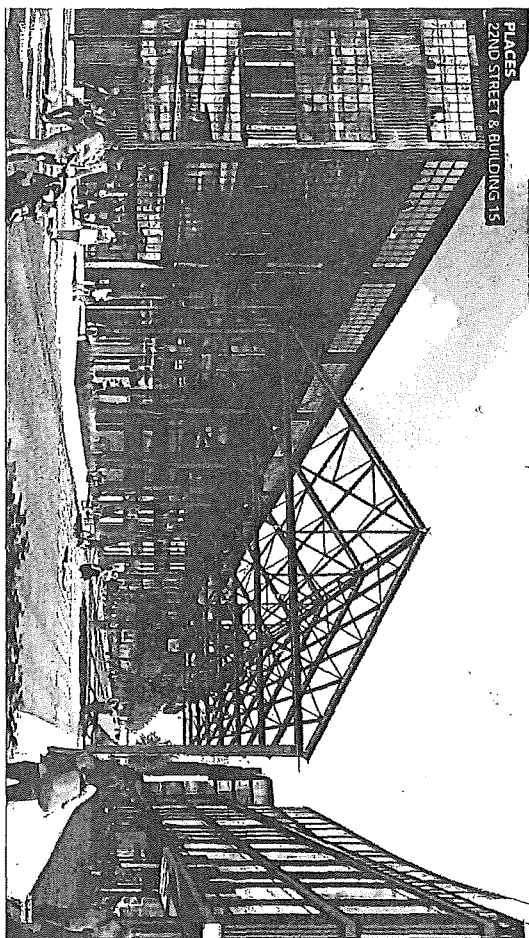
April 3, 2019

Pier 70 Project Summary

- Entitled Fall 2017
- 35 acres
- 1,645-3,025 residential units
- 1.1-1.75 million gsf commercial
- 9 acres open space

Public Benefits

- 30% onsite affordability
- First Source, Prevailing Wage, LBE
- TDM Program
- Historic Rehabilitation
- Sea Level Rise Protections
- 90,000 SF Arts Facility
- On-site Child Care

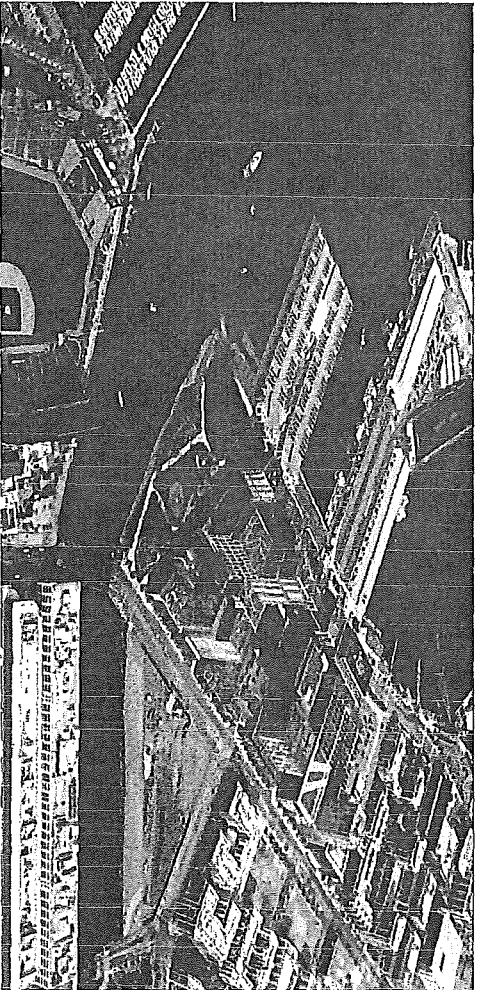
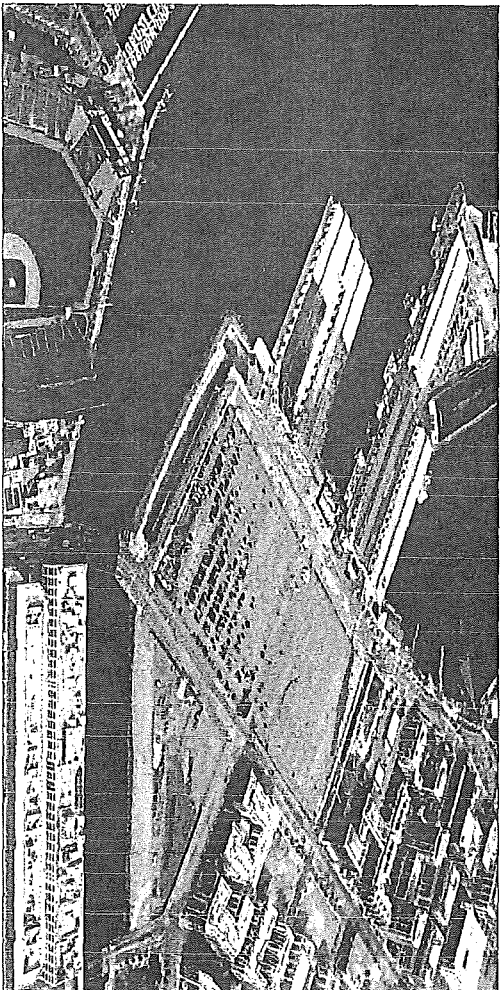


Mission Rock Project Summary

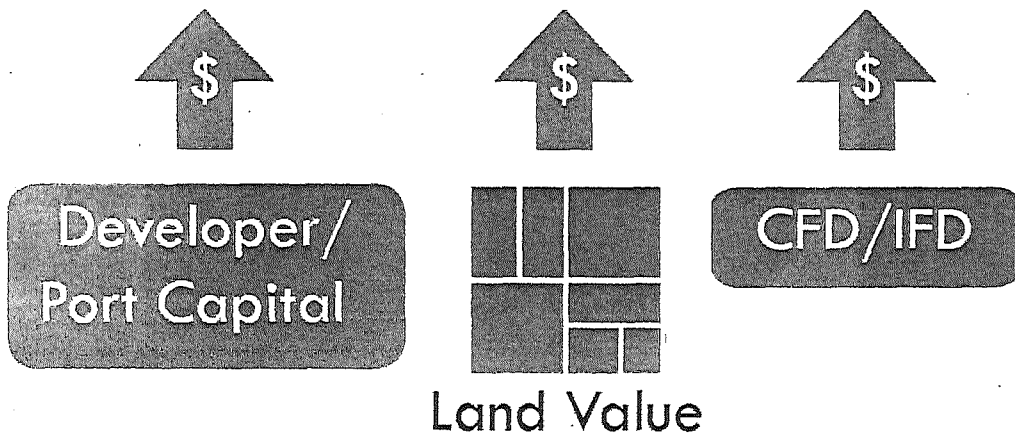
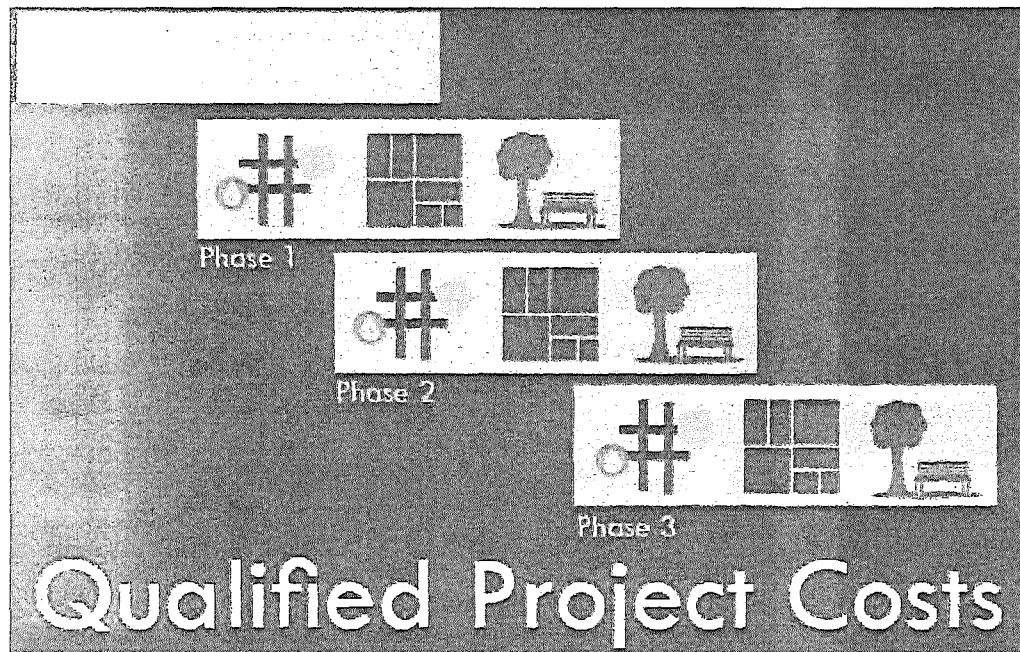
- Entitled early 2018
- 28 acres
- 11,400 – 1,900 residential units
- 970K – 1.4 million gsf commercial
- 8 acres open space

Project Benefits

- 40% onsite affordability for 45% - 150% AMI
- First Source, Prevailing Wage, LBE
- TDM Program
- Historic Rehabilitation
- Sea Level Rise Protections
- 15,000 SF Community Facility
- District Energy; District Blackwater
- On-site Child Care



Similar Financing Structures



- Possible sources to pay for qualified project costs:
 - Developer or Port Capital
 - Land Value
 - CFD/IFD
- Goal is to limit Developer Capital and accrual of Developer Return by:
 - Using CFD/IFD whenever possible
 - When CFD/IFD not available, advance land value proceeds or Port Capital

Reimbursement Resolutions

- Allow for reimbursement of land proceed advances and Port Capital with tax exempt bonds when available
- Required by federal tax law
- No budget impact
- Recommended by City Attorney's Office
- Consistent with prior approvals for both projects

