

1 [Authorizing Issuance of Special Tax Bonds - Community Facilities District No. 2014-1
2 (Transbay Transit Center) - Not to Exceed Aggregate Principal Amount of \$200,000,000;
3 Confirming Annexation of Properties into Community Facilities District No. 2014-1]

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4 **Resolution authorizing the issuance and sale of one or more series of Special Tax**
5 **Bonds for City and County of San Francisco Community Facilities District No. 2014-1**
6 **(Transbay Transit Center) in the aggregate principal amount not to exceed**
7 **\$200,000,000; approving related documents, including an Official Statement, First**
8 **Supplement to Fiscal Agent Agreement, Bond Purchase Agreement and Continuing**
9 **Disclosure Undertaking; confirming annexation of properties into City and County of**
10 **San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center); and**
11 **determining other matters in connection therewith, as defined herein.**

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14 WHEREAS, On September 23, 2009, the Board of Supervisors considered and
15 adopted "Local Goals and Policies for Community Facilities Districts and Special Tax Districts"
16 ("Goals and Policies"), which Goals and Policies, among other things, relate to the formation
17 of community facilities districts under the Mello-Roos Community Facilities Act of 1982, as
18 amended, constituting Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section
19 53311) of the California Government Code ("Mello-Roos Act"); and

20 WHEREAS, On September 23, 2014, the Board of Supervisors considered and
21 adopted Resolution No. 350-14, entitled "Resolution of formation of City and County of San
22 Francisco Community Facilities District No. 2014-1 (Transbay Transit Center) and determining
23 other matters in connection therewith" ("Resolution of Formation"), which Resolution of
24 Formation ordered the formation of the "City and County of San Francisco Community
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1 Facilities District No. 2014-1 (Transbay Transit Center)” (“CFD”) and the “City and County of
2 San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center) (Future
3 Annexation Area),” authorized the levy of special taxes upon the land within the CFD and
4 authorized the issuance of bonds and other debt (as defined in the Mello-Roos Act) secured
5 by said special taxes for the purpose of financing certain public improvements (“Facilities”), all
6 as described in those proceedings and all pursuant to the Mello-Roos Act; and

7 WHEREAS, Pursuant to Resolution No. 2-15, which was approved by the Board of
8 Supervisors on January 13, 2015, and signed by the Mayor on January 20, 2015, (“Original
9 Resolution of Issuance”), the Board of Supervisors authorized the issuance of up to
10 \$1,400,000,000 of bonded indebtedness and other debt on behalf of the CFD; and

11 WHEREAS, In the Original Resolution of Issuance, the Board of Supervisors approved
12 the form of a fiscal agent agreement and directed the Director of the Office of Public Finance
13 to return to the Board of Supervisors with a recommendation as to the method for selling one
14 or more series of the bonds, whether competitive or negotiated, and for approval of all related
15 sales documentation; and

16 WHEREAS, Pursuant to Resolution No. 247-17, which was approved by the Board of
17 Supervisors on June 13, 2017, and signed by the Mayor on June 22, 2017, (“First
18 Supplemental Resolution of Issuance”) and a Fiscal Agent Agreement, dated as of November
19 1, 2017, (“Master Fiscal Agent Agreement”), by and between the City and Zions Bank, a
20 Division of ZB, National Association (“Fiscal Agent”), the Board of Supervisors previously
21 issued the following special tax bonds on behalf of the CFD: City and County of San
22 Francisco Community Facilities District No. 2014-1 (Transbay Transit Center) Special Tax
23 Bonds, Series 2017A (Federally Taxable) (“2017A Bonds”) and City and County of San
24 Francisco Community Facilities District No. 2014-1 (Transbay Transit Center) Special Tax
25 Bonds, Series 2017B (Federally Taxable - Green Bonds) (“2017B Bonds”; together with the

1 2017A Bonds, “2017 Bonds”); and

2 WHEREAS, The Board of Supervisors now wishes to further supplement the Original
3 Resolution of Issuance to provide for the issuance of one or more additional series of special
4 tax bonds on a parity basis with the 2017 Bonds to finance a portion of the Facilities and
5 related costs and expenses; and

6 WHEREAS, There has been submitted to this Board of Supervisors a form of a First
7 Supplement to the Fiscal Agent Agreement between the City and the Fiscal Agent (“First
8 Supplement”; together with the Master Fiscal Agent Agreement, the “Fiscal Agent
9 Agreement”), which supplements the Master Fiscal Agent Agreement for the purposes of
10 issuing one or more additional series of special tax bonds, and this Board of Supervisors with
11 the aid of its staff has reviewed the First Supplement and found it to be in proper order; and

12 WHEREAS, There has also been submitted to this Board of Supervisors a form of
13 preliminary Official Statement in connection with the marketing of such bonds and this Board
14 of Supervisors, with the aid of its staff, has reviewed the preliminary Official Statement to
15 assure disclosure of all material facts relating to such bonds; and

16 WHEREAS, The Board of Supervisors has obtained and disclosed in the staff report for
17 this matter the information required to be disclosed by Government Code, Section 5852.1;
18 and

19 WHEREAS, All conditions, things and acts required to exist, to have happened and to
20 have been performed precedent to and in the issuance of the special tax bonds and the levy
21 of the special taxes as contemplated by this Resolution and the documents referred to herein
22 exist, have happened and have been performed in due time, form and manner as required by
23 the laws of the State of California, including the Mello-Roos Act; and

24 WHEREAS, In the Resolution of Formation, this Board of Supervisors resolved that
25 parcels within the Future Annexation Area shall be annexed to the CFD only with the

1 unanimous approval (each, a “Unanimous Approval”) of the owner or owners of each parcel or
2 parcels at the time that parcel or those parcels are annexed, without any requirement for
3 further public hearings or additional proceedings; and,

4 WHEREAS, This Board of Supervisors was previously provided with Unanimous
5 Approvals executed by the owners of certain property in the Future Annexation Area
6 (“Annexation Properties”) and this Board of Supervisors wishes to confirm the annexation of
7 such Annexation Properties; now, therefore, be it

8 RESOLVED, That the foregoing recitals are true and correct; and, be it

9 FURTHER RESOLVED, That pursuant to the Mello-Roos Act, this Resolution and the
10 Fiscal Agent Agreement, one or more series of special tax bonds, in an aggregate principal
11 amount not to exceed \$200,000,000 are hereby authorized to be issued (collectively,
12 “Bonds”); and, be it

13 FURTHER RESOLVED, That this Board of Supervisors hereby finds that the issuance
14 of the Bonds is in compliance with the Mello-Roos Act and applicable provisions of the Goals
15 and Policies. More specifically, this Board of Supervisors hereby makes the following
16 determinations:

17 (i) The rate and method of apportionment of special taxes for the District is in
18 compliance with the Goals and Policies;

19 (ii) Section 53345.8 of the Mello-Roos Act requires, with certain exceptions, that
20 the value of the real property subject to special taxes levied in the CFD must be at least three
21 times the principal amount of the Bonds and the principal amount of all other bonds that will
22 be outstanding following issuance of the Bonds that are secured by a special tax levied
23 pursuant to the Mello-Roos Act on property within the CFD or a special assessment levied on
24 property within the CFD, and this Board of Supervisors hereby determines that the assessed
25 value of the property within the CFD is at least three times (i) the maximum initial principal

1 amount of the Bonds authorized by this Resolution and (ii) the outstanding principal amount of
2 all other outstanding bonds that are secured by a special tax or special assessment levied on
3 property within the CFD; and, be it

4 FURTHER RESOLVED, That the Board of Supervisors hereby approves the form of
5 the First Supplement, in substantially the form on file with the Clerk of the Board of
6 Supervisors; and, be it

7 FURTHER RESOLVED, Each of the Mayor, the Controller and the Director of the
8 Office of Public Finance, or such other official of the City as may be designated by such
9 officials (each, an "Authorized Officer"), is hereby authorized and directed to execute and
10 deliver, and the Clerk of the Board of Supervisors is hereby authorized and directed to attest
11 to, the First Supplement in substantially the form on file with the Clerk of the Board of
12 Supervisors, together with such additions or changes as are approved by such Authorized
13 Officer upon consultation with the City Attorney and the City's bond counsel, including such
14 additions or changes as are necessary or advisable to permit the timely issuance, sale and
15 delivery of the Bonds; and, be it

16 FURTHER RESOLVED, The approval of such additions or changes shall be
17 conclusively evidenced by the execution and delivery by an Authorized Officer of the First
18 Supplement; and, be it

19 FURTHER RESOLVED, The proceeds of the Bonds shall be used as set forth in the
20 Fiscal Agent Agreement; and, be it

21 FURTHER RESOLVED, The terms and provisions of the First Supplement, as
22 executed, are incorporated herein by this reference as if fully set forth herein; and, be it

23 FURTHER RESOLVED, That this Board of Supervisors hereby approves the Official
24 Statement prepared in connection with the Bonds in the form on file with the Clerk of the
25 Board of Supervisors, together with any changes therein or additions thereto deemed

1 advisable by an Authorized Officer after consultation with the City’s disclosure counsel; and,
2 be it

3 FURTHER RESOLVED, The Board hereby approves and authorizes the distribution by
4 the Underwriter (defined below) of the Bonds of the preliminary Official Statement to
5 prospective purchasers of the Bonds, and authorizes and directs an Authorized Officer on
6 behalf of the City to deem the preliminary Official Statement “final” pursuant to Rule 15c2-12
7 under the Securities Exchange Act of 1934 (“Rule”) prior to its distribution to prospective
8 purchasers of the Bonds; and, be it

9 FURTHER RESOLVED, The execution of the final Official Statement, which shall
10 include then current financial information regarding the CFD and such other changes and
11 additions thereto deemed advisable by an Authorized Officer and such information permitted
12 to be excluded from the preliminary Official Statement pursuant to the Rule, shall be
13 conclusive evidence of the approval of the Official Statement by the City; and, be it

14 FURTHER RESOLVED, That this Board of Supervisors hereby approves the form of
15 the continuing disclosure undertaking (“Continuing Disclosure Undertaking”) with respect to
16 the Bonds in the form thereof attached to the Official Statement on file with the Clerk of the
17 Board of Supervisors; and, be it

18 FURTHER RESOLVED, An Authorized Officer is hereby authorized and directed to
19 complete and execute the Continuing Disclosure Undertaking on behalf of the City with such
20 changes, additions or deletions as may be approved by the Authorized Officer in consultation
21 with the City’s disclosure counsel; and, be it

22 FURTHER RESOLVED, That the form of the Bond Purchase Agreement ("Purchase
23 Contract") providing for the sale of the Bonds by the City to Stifel, Nicolaus & Company,
24 Incorporated and any other investment banking firms identified by the Director of the Office of
25 Public Finance, as underwriters (collectively, "Underwriter"), on file with the Clerk of the Board

1 is hereby approved and each of the Authorized Officers is hereby authorized to execute the
2 Purchase Contract in the form so approved, with such additions thereto and changes therein
3 as are necessary to conform the Purchase Contract to the dates, amounts and interest rates
4 applicable to the Bonds as of the sale date or as are approved by an Authorized Officer upon
5 consultation with the City Attorney and the City's bond counsel; provided that the interest rate
6 borne by each series of Bonds shall not exceed the maximum rate permitted by law and the
7 maximum amount of Underwriter's discount on the sale of each series of Bonds may not
8 exceed 1.0% of the par amount of such series of Bonds; and, be it

9 FURTHER RESOLVED, Approval of such additions and changes shall be conclusively
10 evidenced by the execution and delivery of the Purchase Contract by an Authorized Officer;
11 and, be it

12 FURTHER RESOLVED, This Board of Supervisors hereby finds that sale of the Bonds
13 to the Underwriter at a negotiated sale pursuant to the Purchase Contract will result in a lower
14 overall cost than would be achieved by selling the Bonds utilizing competitive bidding; and, be
15 it

16 FURTHER RESOLVED, That the Bonds shall be prepared, executed and delivered to
17 the Fiscal Agent for authentication, all in accordance with the terms of the Fiscal Agent
18 Agreement and the Purchase Contract; and, be it

19 FURTHER RESOLVED, The Fiscal Agent, an Authorized Officer and other responsible
20 officers of the City are hereby authorized and directed to take such actions as are required to
21 cause the delivery of the Bonds upon receipt of the purchase price thereof; and, be it

22 FURTHER RESOLVED, That the Director of the Office of Public Finance is hereby
23 authorized to determine, after consultation with the City's bond counsel, municipal advisors
24 and the Underwriter, (i) the name of the Bonds, (ii) whether all or a portion of one or more
25 series of Bonds shall be designated as "green bonds," (iii) the final principal amount of each

1 series of the Bonds and (iv) whether each series of the Bonds will be issued as tax-exempt or
2 taxable bonds; and, be it

3 FURTHER RESOLVED, That this Board of Supervisors hereby confirms that the
4 Annexation Properties, namely Assessor's Parcel Block No. 3718, Lot No. 012, were
5 previously annexed to the CFD and hereby acknowledges that the Clerk of the Board
6 previously caused to be recorded an amendment to the Notice of Special Tax Lien recorded
7 for the CFD in connection to the Annexation Properties; and, be it

8 FURTHER RESOLVED, That all actions heretofore taken by the officers and agents of
9 the City (including, but not limited to, the Authorized Officers) with respect to the
10 establishment of the CFD, the annexation of properties to the CFD, the levy of the special tax
11 and the issuance of the Bonds are hereby approved, confirmed and ratified, and the
12 appropriate officers of the City are hereby authorized and directed to do any and all things and
13 take any and all actions and execute any and all certificates, agreements and other
14 documents, which they, or any of them, may deem necessary or advisable in order to
15 accomplish the purposes of this Resolution and consummate the lawful issuance and delivery
16 of the Bonds in accordance with this Resolution, any determination authorized by this
17 Resolution, and any certificate, agreement, and other document described in the documents
18 herein approved; and, be it

19 FURTHER RESOLVED, All actions to be taken by an Authorized Officer, as defined
20 herein, may be taken by such Authorized Officer or any designee, with the same force and
21 effect as if taken by the Authorized Officer; and, be it

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

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

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5 By: _____

6 Mark D. Blake
7 Deputy City Attorney
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