



**OFFICE OF THE CONTROLLER**  
**CITY AND COUNTY OF SAN FRANCISCO**

Ben Rosenfield  
Controller  
Todd Rydstrom  
Deputy Controller  
Anna Van Degna  
Director of Public Finance

## MEMORANDUM

**TO:** Honorable Members, Board of Supervisors

**FROM:** Anna Van Degna, Director of the Controller's Office of Public Finance  
Bridget Katz, Controller's Office of Public Finance

**DATE:** December 10, 2021

**SUBJECT:** **Resolution Determining Annexation of Property to City and County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center) and Determining and Confirming Annexation Process**

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### Recommended Action

We respectfully request that the Board of Supervisors ("Board") consider for review and approval the resolution (the "Resolution") determining the annexation of the property located at 75 Howard Street to the Community Facilities District No. 2014-1 (Transbay Transit Center) (the "District") and confirming the annexation process for the District.

### Background

Pursuant to Resolution No. 350-14 (the "Resolution of Formation") and the Mello-Roos Community Facilities Act of 1982, as amended (Government Code Section 53311 et seq.) (the "Act"), the City and County of San Francisco (the "City") established the District and a future annexation area for the District ("Future Annexation Area").

Under the Act, upon a determination by the Board of Supervisors that a property in the Future Annexation Area is added to the District, the Clerk of the Board of Supervisors is required to record notice of the annexation. In the Resolution of Formation for the District, the Board of Supervisors resolved that parcels within the Future Annexation Area will be annexed to the District only with the unanimous approval (each, a "Unanimous Approval") of the owner of the annexing parcel, without any requirement for further public hearings or additional proceedings. The property owner of 75 Howard Street, which is located in the Future Annexation Area, executed and submitted a Unanimous Approval to the Office of Public Finance ("OPF") for the purpose of annexing into the District. The Unanimous Approval is attached for the file.

## 2 | Resolution Determining Annexation of Property to the Transbay CFD No. 2014-1 and Determining and Confirming Annexation Process

On June 29, 2020 the Clerk of the Board of Supervisors executed the *Amendment to Notice of Special Tax Lien – City & County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center)* (the “Notice”), and the Assessor-Recorder officially recorded the annexation of 75 Howard Street into the District on June 30, 2020. The Recorded Notice is attached for the file.

Recordation of the Notice gives notice to all persons that a lien to secure payment of special taxes has been imposed. The special taxes will be used to pay debt service on Special Tax Bonds issued by the City for the Transbay Transit Center CFD.

### Request to Confirm Annexation

In order to establish a clear legislative record of annexations prior to issuing bonds, OPF requests the Board’s consideration of the Resolution confirming the annexation of 75 Howard Street into the District. Current and future Transbay Transit Center CFD Special Tax Bonds are secured by the pledge of special tax revenues received by the City from taxable properties located in the District, which will include special taxes from the proposed annexed property located at 75 Howard Street. The special taxes will be levied for 30-years, which is anticipated to begin in Fiscal Year 2022-23.

Under the proposed resolution, the Board of Supervisors would confirm the ongoing process for annexing properties into the District:

- (a) the Office of Public Finance shall work with the City’s bond counsel and its special tax consultant to prepare the Unanimous Approval to be executed by property owners wishing to annex into the District;
- (b) upon delivery of the executed Unanimous Approval to the Office of Public Finance, the annexing property shall be added to and part of the District with full legal effect;
- (c) upon receipt of an executed Unanimous Approval, the Office of Public Finance shall work with the City’s bond counsel and its special tax consultant to prepare, and the Clerk of the Board of Supervisors shall execute and record in the office of the Assessor-Recorder for the City and County of San Francisco, a notice of special tax lien for the annexing property; and
- (d) no further public hearings or additional proceedings shall be required.

### Anticipated Legislative Timeline

The Resolution is expected to be introduced at the Board of Supervisors meeting on Tuesday, December 14, 2021.

#### Milestones

#### Dates\*

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| • Introduction of Resolution to the Board of Supervisors | December 14, 2021 |
| • Budget & Finance Committee Hearing                     | January 12, 2022  |
| • Board Considers Approval of Resolution                 | January 25, 2022  |

\*Please note that dates are estimated unless otherwise noted.

Your consideration of this matter is greatly appreciated. Please contact Anna Van Degna ([anna.vandegna@sfgov.org](mailto:anna.vandegna@sfgov.org)) at 415-554-5956 or Bridget Katz ([bridget.katz@sfgov.org](mailto:bridget.katz@sfgov.org)) at 415-554-6240 if you have any questions.

### 3 | Resolution Determining Annexation of Property to the Transbay CFD No. 2014-1 and Determining and Confirming Annexation Process

cc: Angela Calvillo, Clerk of the Board of Supervisors  
Andres Powers, Mayor's Office  
Ashley Groffenberger, Mayor's Budget Director  
Ben Rosenfield, Controller  
Carmen Chu, City Administrator  
Harvey Rose, Budget Analyst  
Severin Campbell, Budget Analyst  
Mark Blake, Deputy City Attorney  
Kenneth Roux, Deputy City Attorney

#### Attachments:

- Copy of Recorded *Amendment to Notice of Special Tax Lien – City & County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center)*
- Copy of 75 Howard Owner LP Unanimous Approval (executed)
- Copy of Resolution No. 350-14 Authorizing the Formation of the City & County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center)