

1 [Resolution of Formation - City and County of San Francisco Special Tax District No. 2022-1
2 (Power Station)]

3 **Resolution of formation of City and County of San Francisco Special Tax District No.**
4 **2022-1 (Power Station), Improvement Area No. 1 and a Future Annexation Area; and**
5 **determining other matters in connection therewith, as defined herein.**

6
7 WHEREAS, California Barrel Company LLC, a Delaware limited liability company
8 ("Developer"), owns approximately 21.0 acres of developed and undeveloped land located in
9 the City and County of San Francisco ("City") that is generally bound by 22nd Street to the
10 north, the San Francisco Bay to the east, 23rd Street to the south and Illinois Street to the
11 west ("Developer Property"); existing structures on the Developer Property consist primarily of
12 vacant buildings and facilities associated with the former power station use of the Developer
13 Property; and

14 WHEREAS, Pacific Gas & Electric Company, a California corporation ("PG&E"), owns
15 approximately 4.8 acres of land located in the City that is adjacent to the Developer Property
16 ("PG&E Sub-Area"); and

17 WHEREAS, The City, through the Port of San Francisco ("Port"), owns approximately
18 2.9 acres of land located in the City that is comprised of the following three noncontiguous
19 sites in the vicinity of the Developer Property (collectively, "Port Sub-Area"):

20 (i) approximately 1.5 acres of land located between the Developer Property and the
21 San Francisco Bay ("Port Open Space");

22 (ii) approximately 1.3 acres of land located along 23rd Street between the Developer
23 Property and Illinois Street ("Port 23rd St. Property"); and

24 (iii) less than 0.1 acres of land located near the northeast corner of the Developer
25 Property and adjacent to the San Francisco Bay ("Port Bay Property"); and

1 WHEREAS, Developer and the Port executed a Ground Lease, dated March 15, 2021,
2 a copy of which is in File No. 200217, for the Port Open Space and the Port Bay Property in
3 order to allow Developer to occupy and develop the Port Open Space and the Port Bay
4 Property and include the same in the Waterfront Park (as defined in the Development
5 Agreement, as defined herein), and the Port 23rd St. Property will be subject to a license
6 allowing Developer to construct Public Improvements; and

7 WHEREAS, The City also owns less than 0.1 acres of land located in the City that is
8 between the Developer Property and the Port 23rd Street Property ("City Sub-Area" and,
9 collectively with the Developer Property, the Port Sub-Area, and the PG&E Sub-Area, and,
10 upon the execution of a joinder in accordance with the Development Agreement PG&E or a
11 subsequent fee owner, "Project Site"); and

12 WHEREAS, The Developer and the City executed a Development Agreement dated
13 September 22, 2020, relating to the proposed development with a project known as the
14 Potrero Power Station ("Project"), which was approved by the Board of Supervisors pursuant
15 to Ordinance No. 62-20, which was adopted by the Board of Supervisors on April 21, 2020,
16 and signed by the Mayor on April 24, 2020, and a copy of which is in File No. 200040; and

17 WHEREAS, The Project is a phased, mixed use development on the Project Site that is
18 more particularly described in the Development Agreement; and

19 WHEREAS, On January 30, 2020, by Motion No. 20635, the Planning Commission,
20 certified as adequate, accurate and complete the Final Environmental Impact Report ("FEIR")
21 for the Project pursuant to the California Environmental Quality Act (California Public
22 Resources Code Section 21000 et seq.) ("CEQA"); a copy of Planning Commission Motion
23 No. 20635 is on file with the Clerk of the Board of Supervisors in File No. 200040; also, on
24 January 30, 2020, by Motion No. 20635, the Planning Commission adopted findings, including
25 a rejection of alternatives and a statement of overriding considerations ("CEQA Findings") and

1 a Mitigation Monitoring and Reporting Program ("MMRP"); these Motions are on file with the
2 Clerk of the Board of Supervisors in File No. 200040; in Ordinance No. 62-20, the Board of
3 Supervisors adopted as its own and incorporated by reference as though fully set forth therein
4 the CEQA Findings, including the statement of overriding considerations, and the MMRP; and

5 WHEREAS, No additional environmental review is required because there are no
6 substantial changes to the project analyzed in the FEIR, no change in circumstances under
7 which the project is being undertaken, and no new information of substantial importance
8 indicating that new significant impacts would occur, that the impacts identified in the FEIR as
9 significant impacts would be substantially more severe, or that mitigation or alternatives
10 previously found infeasible are now feasible; and

11 WHEREAS, Under Chapter 43, Article X of the San Francisco Administrative Code (as
12 it may be amended from time to time, "Code"), which Code incorporates by reference the
13 Mello-Roos Community Facilities Act of 1982, as amended ("Mello-Roos Act"), this Board of
14 Supervisors is authorized to establish a special tax district and to act as the legislative body
15 for a special tax district; and

16 WHEREAS, Pursuant to Mello-Roos Act, Section 53339.2, this Board of Supervisors is
17 further authorized to undertake proceedings to provide for future annexation of territory to a
18 special tax district; and

19 WHEREAS, On January 25, 2022, pursuant to the Code, this Board of Supervisors
20 adopted a Resolution entitled "Resolution of Intention to Establish City and County of San
21 Francisco Special Tax District No. 2022-1 (Power Station), Improvement Area No. 1 and a
22 Future Annexation Area, and determining other matters in connection therewith" ("Resolution
23 of Intention"), stating its intention to form (i) "City and County of San Francisco Special Tax
24 District No. 2022-1 (Power Station)" ("Special Tax District"), (ii) "Improvement Area No. 1 of
25 the City and County of San Francisco Special Tax District No. 2022-1 (Power Station)"

1 (“Improvement Area No. 1”) and (iii) “City and County of San Francisco Special Tax District
2 No. 2022-1 (Power Station) (Future Annexation Area)” (“Future Annexation Area”); and

3 WHEREAS, The Resolution of Intention, incorporating a map of the proposed
4 boundaries of the Special Tax District, Improvement Area No. 1 and the Future Annexation
5 Area and stating the facilities and the services to be provided (as set forth in the list attached
6 hereto as Exhibit A), the cost of providing such facilities and the services, and the rate and
7 method of apportionment of the special tax to be levied within the Special Tax District and
8 Improvement Area No. 1 to pay the principal and interest on bonds proposed to be issued with
9 respect to the Special Tax District and Improvement Area No. 1, the cost of the facilities and
10 the cost of the services, is on file with the Clerk of the Board of Supervisors and the provisions
11 thereof are incorporated herein by this reference as if fully set forth herein; and

12 WHEREAS, On this date, this Board of Supervisors held a noticed public hearing as
13 required by the Code and the Resolution of Intention relative to the proposed formation of the
14 Special Tax District, Improvement Area No. 1 and the Future Annexation Area; and

15 WHEREAS, At the hearing all interested persons desiring to be heard on all matters
16 pertaining to the formation and the extent of the Special Tax District, Improvement Area No. 1
17 and the Future Annexation Area, the facilities to be provided therein, the services to be
18 provided therein and the levy of said special tax were heard and a full and fair hearing was
19 held; and

20 WHEREAS, At the hearing evidence was presented to this Board of Supervisors on
21 said matters before it, including a report caused to be prepared by the Director of the Office of
22 Public Finance (“Report”) as to the facilities and the services to be provided through the
23 Special Tax District, Improvement Area No. 1 and the Future Annexation Area and the costs
24 thereof, a copy of which is on file with the Clerk of the Board of Supervisors, and this Board of
25 Supervisors at the conclusion of said hearing is fully advised in the premises; and

1 WHEREAS, The Director, Department of Elections has reported that there were no
2 registered voters in the boundaries of the proposed Special Tax District as of January 25,
3 2022; and

4 WHEREAS, Written protests with respect to the formation and the extent of the Special
5 Tax District and Improvement Area No. 1, the furnishing of specified types of facilities and
6 services and the rate and method of apportionment of the special taxes for Improvement Area
7 No. 1 have not been filed with the Clerk of the Board of Supervisors by fifty percent (50%) or
8 more of the registered voters or six registered voters, whichever is more, residing within the
9 territory of the Special Tax District and Improvement Area No. 1 or property owners of one-
10 half (1/2) or more of the area of land within the Special Tax District and Improvement Area No.
11 1 and not exempt from the proposed special tax; and

12 WHEREAS, The special tax proposed to be levied in Improvement Area No. 1 to pay
13 for the proposed facilities and services to be provided therein, as set forth in Exhibit B hereto,
14 has not been eliminated by protest by fifty percent (50%) or more of the registered voters, or
15 six registered voters, whichever is more, residing within the territory of Improvement Area No.
16 1 or the owners of one-half (1/2) or more of the area of land within Improvement Area No. 1
17 and not exempt from the special tax; and

18 WHEREAS, Prior to the time fixed for the hearing, written protests had not been filed
19 with the Clerk of the Board of Supervisors against the proposed annexation of the Future
20 Annexation Area to the Special Tax District by (i) 50% or more of the registered voters, or six
21 registered voters, whichever is more, residing in the proposed boundaries of the Special Tax
22 District, or (ii) 50% or more of the registered voters, or six registered voters, whichever is
23 more, residing in the Future Annexation Area, (iii) owners of one-half or more of the area of
24 land in the proposed Special Tax District and not exempt from the special tax or (iv) owners of
25

1 one-half or more of the area of land in the Future Annexation Area and not exempt from the
2 special tax; now, therefore, be it

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

4 FURTHER RESOLVED, That the proposed special tax to be levied within Improvement
5 Area No. 1 has not been precluded by majority protest pursuant to Section 53324 of the
6 Mello-Roos Act; and, be it

7 FURTHER RESOLVED, That all prior proceedings taken by this Board of Supervisors
8 in connection with the establishment of the Special Tax District, Improvement Area No. 1 and
9 the Future Annexation Area and the levy of the special tax have been duly considered and are
10 hereby found and determined to be valid and in conformity with the Code; and, be it

11 FURTHER RESOLVED, That the special tax district designated “City and County of
12 San Francisco Special Tax District No. 2022-1 (Power Station)” is hereby established
13 pursuant to the Code; and, be it

14 FURTHER RESOLVED, That the improvement area designated “Improvement Area
15 No. 1 of the City and County of San Francisco Special Tax District No. 2022-1 (Power
16 Station)” is hereby established pursuant to the Code; and, be it

17 FURTHER RESOLVED, That the future annexation area designated “City and County
18 of San Francisco Special Tax District No. 2022-1 (Power Station) (Future Annexation Area)” is
19 hereby established pursuant to the Code; and, be it

20 FURTHER RESOLVED, That the boundaries of the Special Tax District, Improvement
21 Area No. 1 and the Future Annexation Area, as set forth in the map of the Special Tax District
22 heretofore recorded in the Office of the Assessor-Recorder of the City and County of San
23 Francisco on February 10, 2022 at 2:39 p.m. in Book 1 at Pages 187-195, as Document
24 2022014965 of Maps of Assessment and Community Facilities Districts, are hereby approved,
25

1 are incorporated herein by reference and shall be the boundaries of the Special Tax District,
2 Improvement Area No. 1 and the Future Annexation Area; and, be it

3 FURTHER RESOLVED, That the Board of Supervisors has been informed by the
4 Developer that the property owners of Assessor's Parcel Numbers 4175-017 and 4175-018
5 have applied to the City for a lot line adjustment that, upon completion, will result in a transfer
6 of a portion of Assessor's Parcel Number 4175-018 ("Parcel D") to Assessor's Parcel Number
7 4175-017, and in order to document the addition of Parcel D to Improvement Area No. 1 as a
8 result of the addition of Parcel D to Assessor's Parcel Number 4175-017, the Developer will
9 execute a Unanimous Approval (as defined below) approving the annexation of Parcel D to
10 the Special Tax District and Improvement Area No. 1; and, be it

11 FURTHER RESOLVED, That the Board of Supervisors has been informed by the
12 Developer that the property labeled on the boundary map as "AREA TO BE REMOVED
13 FROM IMPROVEMENT AREA NO. 1" (totaling 0.06 acres) ("Excluded Property") shall be
14 excluded from the proposed Special Tax District and automatically become part of the Future
15 Annexation Area upon completion of the lot line adjustment referenced above without any
16 further action by this Board of Supervisors, and the Clerk of the Board of Supervisors is
17 hereby authorized, upon the direction of the Director of the Office of Public Finance or her
18 designee, to (y) record a Notice of Cessation of Special Tax with respect to the Excluded
19 Property that complies with the requirements of Section 53330.5 of the Mello-Roos Act with
20 respect to such parcel in the in the office of the Assessor-Recorder for the City and County of
21 San Francisco and (z) record a modified boundary map of the Special Tax District,
22 Improvement Area No. 1 and the Future Annexation Area showing the Excluded Property as
23 part of the Future Annexation Area; and, be it

24 FURTHER RESOLVED, That, from time to time, parcels within the Future Annexation
25 Area shall be annexed to the Special Tax District only with the unanimous approval (each, a

1 “Unanimous Approval”) of the owner or owners of each parcel or parcels at the time that
2 parcel(s) are annexed, and in accordance with the Annexation Approval Procedures
3 described herein; the Board of Supervisors hereby determines that any property for which the
4 owner or owners execute a Unanimous Approval that is annexed into the Special Tax District
5 in accordance with the Annexation Approval Procedures shall be added to the Special Tax
6 District with full legal effect and the Clerk of the Board of Supervisors shall record (i) an
7 amendment to the notice of special tax lien for the Special Tax District pursuant to Streets &
8 Highways Code, Section 3117.5 if the property is annexed to an existing improvement area or
9 (ii) a notice of special tax lien for the Special Tax District pursuant to Streets & Highways
10 Code, Section 3117.5 if the property annexed is designated as a new improvement area;
11 provided, however, the designation of property as Future Annexation Area and the ability to
12 annex property to the Special Tax District based on a Unanimous Approval shall not limit, in
13 any way, the annexation of property in the Future Annexation Area to the Special Tax District
14 pursuant to other provisions of the Code; and, be it

15 FURTHER RESOLVED, That the type of facilities proposed to be financed by the
16 Special Tax District, Improvement Area No. 1 and the Future Annexation Area (including any
17 area therein designated to be annexed as a separate improvement area) pursuant to the
18 Code shall consist of those items listed as facilities in Exhibit A hereto and by this reference
19 incorporated herein (“Facilities”); and, be it

20 FURTHER RESOLVED, That the type of services proposed to be financed by the
21 Special Tax District, Improvement Area No. 1 and the Future Annexation Area (including any
22 area therein designated to be annexed as a separate improvement area) pursuant to the
23 Code upon satisfaction of certain contingencies shall consist of those items shown in Exhibit A
24 hereto and by this reference incorporated herein (“Contingent Services”); the City intends to
25 provide the Contingent Services on an equal basis in the original territory of the Special Tax

1 District and Improvement Area No. 1 and, when it has been annexed to the Special Tax
2 District, the Future Annexation Area (including any area therein designated to be annexed as
3 a separate improvement area); and, be it

4 FURTHER RESOLVED, That:

5 a. Except to the extent that funds are otherwise available from Improvement Area
6 No. 1, the City will levy a special tax (“Improvement Area No. 1 Special Tax”) sufficient to pay
7 directly for the Facilities, including out of a special tax-funded capital reserve established for
8 the payment of Facilities, to pay the principal and interest on bonds and other debt (as defined
9 in the Code) of the City issued for Improvement Area No. 1 to finance the Facilities, and to
10 pay for the Contingent Services, and the Improvement Area No. 1 Special Tax will be secured
11 by the recordation of a continuing lien against all non-exempt real property in Improvement
12 Area No. 1, will be levied annually within Improvement Area No. 1, and will be collected in the
13 same manner as ordinary *ad valorem* property taxes or in such other manner as this Board of
14 Supervisors or its designee shall determine, including direct billing of the affected property
15 owners.

16 b. The proposed rate and method of apportionment of the Special Tax among the
17 parcels of real property within Improvement Area No. 1, in sufficient detail to allow each
18 landowner within Improvement Area No. 1 to estimate the maximum amount such owner will
19 have to pay, are shown in Exhibit B attached hereto and hereby incorporated herein
20 (“Improvement Area No. 1 Rate and Method”).

21 c. The Improvement Area No. 1 Special Tax shall not be levied in Improvement
22 Area No. 1 to finance Facilities after the fiscal year established therefor in the Improvement
23 Area No. 1 Rate and Method, except that an Improvement Area No. 1 Special Tax that was
24 lawfully levied in or before the final tax year and that remains delinquent may be collected in
25 subsequent years. Under no circumstances shall the Improvement Area No. 1 Special Tax

1 levied in any fiscal year for financing Facilities against any parcel in Improvement Area No. 1
2 used for private residential purposes be increased in that fiscal year as a consequence of
3 delinquency or default by the owner of any other parcel or parcels within Improvement Area
4 No. 1 by more than 10 percent.

5 d. A special tax to finance the costs of Facilities shall not be levied in one or more
6 future improvement areas formed to include territory that annexes into the Special Tax District
7 from the Future Annexation Area (each, a "Future Improvement Area" and together with
8 Improvement Area No. 1, the "Improvement Areas") after the fiscal year established therefor
9 in the rate and method of apportionment for the Future Improvement Area, except that a
10 special tax that was lawfully levied in or before the final tax year and that remains delinquent
11 may be collected in subsequent years. Under no circumstances shall the special tax levied in
12 any fiscal year for financing Facilities against any parcel in the Future Improvement Area for
13 private residential purposes be increased in that fiscal year as a consequence of delinquency
14 or default by the owner of any other parcel or parcels within the Future Improvement Area by
15 more than 10 percent.

16 e. For Future Improvement Areas, a different rate and method of apportionment
17 may be adopted for the annexed territory if the annexed territory is designated as a separate
18 improvement area. No supplements to the rate and method of apportionment for any of the
19 Future Improvement Areas and no new rate and method of apportionment shall cause the
20 maximum tax rate in the then-existing territory of the Special Tax District (including
21 Improvement Area No. 1) to increase. The designation as an Improvement Area of any
22 territory annexing to the Special Tax District, the maximum amount of bonded indebtedness
23 for such Improvement Area and the rate and method of apportionment of special tax for such
24 improvement area (including the conditions under which the obligation to pay the special tax
25 may be prepaid and permanently satisfied, if any), shall be identified and approved in the

1 Unanimous Approval executed by property owner(s) in connection with its annexation to the
2 Special Tax District in accordance with the Annexation Approval Procedures described herein.

3 f. Territory in the Future Annexation Area will be annexed into the Special Tax
4 District and a special tax will be levied on such territory only with the Unanimous Approval of
5 the owner or owners of each parcel or parcels at the time that parcel or those parcels are
6 annexed into the Special Tax District in accordance with the Annexation Approval Procedures
7 described herein. Except to the extent that funds are otherwise available to the Special Tax
8 District to pay for the Facilities, the Contingent Services and/or the principal and interest as it
9 becomes due on bonds of the Special Tax District issued to finance the Facilities, a Special
10 Tax sufficient to pay the costs thereof, secured by the recordation of a continuing lien against
11 all non-exempt real property in the Future Annexation Area, is intended to be levied annually
12 within the Future Annexation Area, and collected in the same manner as ordinary *ad valorem*
13 property taxes or in such other manner as may be prescribed by this Board of Supervisors.

14 g. As required by Mello-Roos Act, Section 53339.3(d), the Board of Supervisors
15 hereby determines that the Special Tax proposed to pay for one or more Facilities to be
16 supplied within the Future Annexation Area financed with bonds that have already been
17 issued and that are secured by previously-existing areas of the Special Tax District will be
18 equal to the Special Taxes levied to pay for the same Facilities in previously-existing areas of
19 the Special Tax District, except that (i) a higher Special Tax may be levied within the Future
20 Annexation Area to pay for the same Facilities to compensate for the interest and principal
21 previously paid from Special Taxes in the original area of the Special Tax District, less any
22 depreciation allocable to the financed Facilities and (ii) a higher Special Tax may be levied in
23 the Future Annexation Area to pay for new or additional Facilities, with or without bond
24 financing. As required by Mello-Roos Act, Section 53339.3(d), the Board of Supervisors
25 hereby further determines that the Special Tax proposed to pay for Contingent Services to be

1 supplied within the Future Annexation Area shall be equal to any Special Tax levied to pay for
2 the same Contingent Services in the existing Special Tax District, except that a higher or
3 lower tax may be levied within the Future Annexation Area to the extent that the actual cost of
4 providing the Contingent Services in the Future Annexation Area is higher or lower than the
5 cost of providing those Contingent Services in the existing Special Tax District. In so finding,
6 the Board of Supervisors does not intend to limit its ability to levy a Special Tax within the
7 Future Annexation Area to provide new or additional services beyond those supplied within
8 the existing Special Tax District and Improvement Area No. 1 or its ability to implement
9 changes pursuant to the Mello-Roos Act, Article 3, within one or more improvement areas;
10 and, be it

11 FURTHER RESOLVED, That the “Annexation Approval Procedures” governing
12 annexations of parcels in the Future Annexation Area into the Special Tax District shall
13 consist of the following sets of procedures (specified in (A) and (B) that follow):

14 (A) The annexation and related matters described in the Unanimous Approval shall
15 be implemented and completed without the need for the approval of the Board of Supervisors
16 as long as the following conditions are met:

17 (1) The annexation is to an existing improvement area and the property
18 proposed to be annexed shall be subject to the same rate and method of apportionment of
19 special tax and the same bonded indebtedness limits as such existing improvement area; or

20 (2) The annexation is to a new improvement area and the following
21 conditions apply:

22 (i) The rate and method of apportionment of special tax for the new
23 improvement area is prepared by a special tax consultant retained by the City and paid for by
24 the property owners submitting the Unanimous Approval.

25

1 (ii) The rate and method of apportionment of special tax for the new
2 improvement area is consistent with the Financing Plan of the Development Agreement.

3 (iii) The rate and method of apportionment of special tax for the new
4 improvement area does not establish a maximum special tax rate for the initial fiscal year in
5 which the special tax may be levied for any category of property subject to the special tax that
6 is greater than 120% of the maximum special tax rate established for the same category of
7 property subject to the special tax for the same fiscal year calculated pursuant to the
8 Improvement Area No. 1 Rate and Method.

9 (iv) The rate and method of apportionment of special tax for the new
10 improvement area does not contain a type of special tax that was not included in the
11 Improvement Area No. 1 Rate and Method (for example, a one-time special tax).

12 (v) The rate and method of apportionment of special tax for the new
13 improvement area contains the same terms for "Collection of Special Tax" (including with
14 respect to the term of the special tax) as the Improvement Area No. 1 Rate and Method.

15 (vi) If the rate and method of apportionment of special tax for the new
16 improvement area includes a provision allowing prepayment of the special tax, in whole or in
17 part, the Director of the Office of Public Finance, after consulting with the special tax
18 consultant retained by the City and the City Attorney, shall be satisfied that such prepayment
19 provision will not adversely impact the financing of authorized Facilities and Contingent
20 Services; *provided*, that if the prepayment formula set forth in such rate and method of
21 apportionment has previously been approved by this Board, then such prepayment formula
22 may be replicated in the rate and method of apportionment for such new improvement area
23 without meeting such test.

24 If the foregoing conditions ((1) or (2), as applicable), are satisfied, as determined by the
25 Director of the Office of Public Finance and set forth in a written acceptance by the Director of

1 the Office of Public Finance delivered to the property owner(s) that executed the Unanimous
2 Approval and the Clerk of the Board of Supervisors, the Unanimous Approval shall be
3 deemed accepted by the City and the Clerk of the Board of Supervisors shall record an
4 amendment to the notice of special tax lien or a new notice of special tax lien for the Special
5 Tax District pursuant to Streets & Highways Code, Section 3117.5.

6 (B) For any annexation and related matters described in the Unanimous Approval
7 that do not meet the requirements of Section (A) above, the following procedures shall apply
8 (provided, however, that nothing in the following procedures shall prevent the property owners
9 of property to be annexed into the Special Tax District from the Future Annexation Area from
10 annexing property to the Special Tax District (including into a new improvement area)
11 pursuant to Section (A) above and then instituting change proceedings pursuant to the Code,
12 to make additional changes to the rate and method of apportionment of special tax or other
13 authorized purposes):

14 *First*, the owners(s) of property to be annexed into the Special Tax District shall submit
15 a Unanimous Approval for each parcel or parcels to be annexed into the Special Tax District
16 to the Director of the Office of Public Finance, together with a statement as to whether the
17 Unanimous Approval is consistent with the Financing Plan of the Development Agreement
18 and, if not, the reasons for such inconsistency.

19 *Second*, the Director of the Office of Public Finance shall have 60 days to either (a)
20 submit the Unanimous Approval to the Board of Supervisors, accompanied by a written staff
21 report that includes a statement from the Director of the Office of Public Finance as to whether
22 the Unanimous Approval is consistent with the Financing Plan of the Development Agreement
23 and, if the Potrero Power Station Director concludes that it is not consistent with the Financing
24 Plan of the Development Agreement, a description of the inconsistencies, the reasons for
25 such inconsistencies given by the property owners or the Developer and the Director of the

1 Office of Public Finance's recommendation as to such inconsistencies or (b) notify the
2 property owners and the Developer that the Director of the Office of Public Finance shall not
3 submit the Unanimous Approval to the Board of Supervisors due to inconsistencies with the
4 Financing Plan of the Development Agreement.

5 *Third*, the Board of Supervisors shall, within 60 days of the receipt of any Unanimous
6 Approval by the Director of the Office of Public Finance pursuant to *Second* above, either (i)
7 adopt a Resolution accepting the Unanimous Approval or (ii) adopt a Resolution rejecting the
8 Unanimous Approval, with the sole basis for rejection being a detailed conclusion that the
9 Unanimous Approval is not consistent with the Financing Plan of the Development
10 Agreement.

11 *Fourth*, if the Board of Supervisors adopts a Resolution rejecting the Unanimous
12 Approval, the owner(s) of property to be annexed into the Special Tax District may revise the
13 Unanimous Approval and resubmit it to the Director of the Office of Public Finance, who shall
14 endeavor to submit the revised Unanimous Approval to the Board of Supervisors,
15 accompanied by a written staff report as outlined above under *Second*, at the next available
16 meeting of the Board of Supervisors, and the Board of Supervisors shall consider the revised
17 Unanimous Approval and either (i) adopt a Resolution accepting the revised Unanimous
18 Approval or (ii) adopt a Resolution rejecting the revised Unanimous Approval, with the sole
19 basis for rejection being a detailed conclusion that the revised Unanimous Approval is not
20 consistent with the Financing Plan of the Development Agreement, in which event the
21 owner(s) may further revise the Unanimous Approval and repeat the process described in this
22 clause *Fourth*.

23 *Fifth*, if the Board of Supervisors adopts a Resolution accepting the Unanimous
24 Approval, the Clerk of the Board of Supervisors shall record an amendment to the notice of
25 special tax lien for the Special Tax District pursuant to Streets & Highways Code, Section

1 3117.5 or a new notice of special tax lien for the Special Tax District pursuant to Streets &
2 Highways Code, Section 3117.5; and, be it

3 FURTHER RESOLVED, That it is hereby found and determined that the Facilities and
4 the Contingent Services are necessary to meet increased demands placed upon local
5 agencies as the result of development occurring in the Special Tax District, Improvement Area
6 No. 1 and the Future Annexation Area; and, be it

7 FURTHER RESOLVED, That the Director of the Office of Public Finance, 1 Dr. Carlton
8 B. Goodlett Place, San Francisco, CA 94102, (415) 554-5956, is the officer of the City who will
9 be responsible for preparing annually a current roll of special tax levy obligations by
10 assessor's parcel number and who will be responsible for estimating future special tax levies
11 pursuant to the Code; and, be it

12 FURTHER RESOLVED, That upon recordation of a notice of special tax lien pursuant
13 to Streets & Highways Code, Section 3114.5, a continuing lien to secure each levy of the
14 special tax shall attach to all nonexempt real property in the respective Improvement Areas
15 and this lien shall continue in force and effect until the special tax obligation is prepaid and
16 permanently satisfied and the lien canceled in accordance with law or until collection of the tax
17 by the City ceases; and, be it

18 FURTHER RESOLVED, That in accordance with the Mello-Roos Act, the annual
19 appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California
20 Constitution, of the Special Tax District is hereby preliminarily established at \$863,000,000,
21 and said appropriations limit shall be submitted to the voters of Improvement Area No. 1 as
22 hereafter provided; the proposition establishing said annual appropriations limit shall become
23 effective if approved by the qualified electors voting thereon and shall be adjusted in
24 accordance with the applicable provisions of the Code; and, be it

1 FURTHER RESOLVED, That pursuant to the provisions of the Code, the proposition of
2 the levy of the Improvement Area No. 1 Special Tax and the proposition of the establishment
3 of the appropriations limit specified above shall be submitted to the qualified electors of
4 Improvement Area No. 1 at an election; the time, place and conditions of the election shall be
5 as specified by a separate Resolution of the Board of Supervisors; and, be it

6 FURTHER RESOLVED, That Mello-Roos Act, Section 53314.9 provides that, either
7 before or after formation of the Special Tax District, the City may accept work in-kind from any
8 source, including, but not limited to, private persons or private entities, may provide, by
9 Resolution, for the use of that work in-kind for any authorized purpose and this Board of
10 Supervisors may enter into an agreement, by Resolution, with the person or entity advancing
11 the work in-kind, to reimburse the person or entity for the value, or cost, whichever is less, of
12 the work in-kind, as determined by this Board of Supervisors, with or without interest, under
13 the conditions specified in the Mello-Roos Act. Any work in-kind must be performed or
14 constructed as if the work had been performed or constructed under the direction and
15 supervision, or under the authority of, the City and, in furtherance of Mello-Roos Act, Sections
16 53314.9 and 53313.51, the Board of Supervisors hereby approves the execution and delivery
17 of an Acquisition and Reimbursement Agreement (“Acquisition Agreement”), between the City
18 and the Developer in substantially the form on file with the Clerk of the Board of Supervisors;
19 each of the Mayor, the Controller, the Director of Public Works and the Director of the Office
20 of Public Finance, or such other official of the City as may be designated by such officials
21 (each, an “Authorized Officer”), is hereby authorized and directed to execute and deliver, and
22 the Clerk of the Board of Supervisors is hereby authorized and directed to attest to, the
23 Acquisition Agreement, together with such additions or changes that do not increase the
24 financial liability of the City as are approved by such Authorized Officer upon consultation with
25 the City Attorney; and, be it

1 FURTHER RESOLVED, That this Board of Supervisors hereby finds that the provisions
2 of Mello-Roos Act, Sections 53313.6, 53313.7 and 53313.9 (relating to adjustments to ad
3 valorem property taxes and schools financed by a community facilities district) are
4 inapplicable to the proposed Special Tax District, Improvement Area No. 1 and the Future
5 Annexation Area; and, be it

6 FURTHER RESOLVED, That this Board of Supervisors reserves to itself the right and
7 authority set forth in Mello-Roos Act, Section 53344.1, subject to any limitations set forth in
8 any bond Resolution or trust indenture related to the issuance of bonds; and, be it

9 FURTHER RESOLVED, That the Board of Supervisors has reviewed and considered
10 the FEIR and finds that the FEIR is adequate for its use for the actions taken by this
11 Resolution and incorporates the FEIR and the CEQA findings contained in Ordinance No. 62-
12 20 by this reference; and, be it

13 FURTHER RESOLVED, That if any section, subsection, sentence, clause, phrase, or
14 word of this Resolution, or any application thereof to any person or circumstance, is held to be
15 invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision
16 shall not affect the validity of the remaining portions or applications of this Resolution, this
17 Board of Supervisors hereby declaring that it would have passed this Resolution and each
18 and every section, subsection, sentence, clause, phrase, and word not declared invalid or
19 unconstitutional without regard to whether any other portion of this Resolution or application
20 thereof would be subsequently declared invalid or unconstitutional; and, be it

21 FURTHER RESOLVED, That the Mayor, the Controller, the Director of the Office of
22 Public Finance, the Clerk of the Board of Supervisors and any and all other officers of the City
23 are hereby authorized, for and in the name of and on behalf of the City, to do any and all
24 things and take any and all actions, including execution and delivery of any and all
25 documents, assignments, certificates, requisitions, agreements, notices, consents,

1 instruments of conveyance, warrants and documents, which they, or any of them, may deem
2 necessary or advisable in order to effectuate the purposes of this Resolution; provided
3 however that any such actions be solely intended to further the purposes of this Resolution,
4 and are subject in all respects to the terms of the Resolution; and, be it

5 FURTHER RESOLVED, That all actions authorized and directed by this Resolution,
6 consistent with any documents presented herein, and heretofore taken are hereby ratified,
7 approved and confirmed by this Board of Supervisors; and, be it

8 FURTHER RESOLVED, That this Resolution shall take effect upon its enactment.
9 Enactment occurs when the Mayor signs the Resolution, the Mayor returns the Resolution
10 unsigned or does not sign the Resolution within ten days of receiving it, or the Board of
11 Supervisors overrides the Mayor's veto of the Resolution.

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14 APPROVED AS TO FORM:
15 DAVID CHIU, City Attorney

16

17 By: /s/ MARK D. BLAKE
18 MARK D. BLAKE
19 Deputy City Attorney

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- Parks and Open Space: All of the publicly-accessible open spaces developed in accordance with the Design for Development attached as Exhibit E to the Development Agreement.
- Public Improvements: The facilities, both on- and off-site, to be improved, constructed and dedicated by Developer and, upon Completion in accordance with the Development Agreement, accepted by the City. Public Improvements include the streets within the Project Site shown on Exhibit N of the Development Agreement, and all Infrastructure and public utilities within such streets (such as electricity, water and sewer lines but excluding any non-municipal utilities), including sidewalks, landscaping, bicycle lanes, bus boarding island, street furniture, and paths and intersection improvements (such as curbs, medians, signaling, traffic controls devices, signage, and striping). The Public Improvements also include the SFPUC Infrastructure, and the SFMTA Infrastructure. The Public Improvements do not include Privately-Owned Community Improvements or, if any, privately owned facilities or improvements in the public right of way.
- Privately-Owned Community Improvements: Those facilities and services that are privately-owned and privately-maintained, at no cost to the City (other than any public financing set forth in the Financing Plan), for the public benefit and not dedicated to the City, including any Infrastructure that is not a Public Improvement. The Privately-Owned Community Improvements are shown generally on Exhibit L-1 of the Development Agreement and further described in the Design for Development. Privately-Owned Community Improvements include certain pedestrian paths, alleys (such as Craig Lane) storm drainage facilities, open spaces, SFMTA employee restroom, Muni bus shelter, and community or recreation facilities to be built on land owned by Developer, or on land owned by the City if the Privately-Owned Community Improvements thereon are subject to an encroachment permit or other permit allowing their installation on such land.

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SERVICES

1 Special taxes collected in the Special Tax District (and each Improvement Area therein,
2 as originally designated and as designated in the future in conjunction with the annexation
3 of the Future Annexation Area) may finance, in whole or in part, the following services
4 (“services” shall have the meaning given that term in the Code). Capitalized terms used
5 herein but not defined herein have the meanings given them in the Development
6 Agreement.

- 7 • Maintenance, repair, replacement and operation of the following (i) Privately-
8 Owned Community Improvements, (ii) Infrastructure, (iii) Parks and Open
9 Space and (iv) Public Improvements, in each case, developed by Developer
10 or the Port Property Maintenance Party on the Port Lease Property
- 11 • Maintenance, repair, replacement and operation of Craig Lane

OTHER

12 The Special Tax District (and each Improvement Area therein, as originally designated
13 and as designated in the future in conjunction with the annexation of the Future
14 Annexation Area) may also finance any of the following:

15 1. Bond related expenses, including underwriters discount, reserve fund,
16 capitalized interest, letter of credit fees and expenses, bond and disclosure counsel fees
17 and expenses, bond remarketing costs, and all other incidental expenses.

18 2. Administrative fees of the City and the bond trustee or fiscal agent related to
19 the Special Tax District (and each Improvement Area therein, as originally designated
20 and as designated in the future in conjunction with the annexation of the Future
21 Annexation Area) and the Bonds.

22 3. Reimbursement of costs related to the formation of the Special Tax District
23 (and each Improvement Area therein, as originally designated and as designated in the
24 future in conjunction with the annexation of the Future Annexation Area) advanced by
25 the City, the landowner(s) in the Special Tax District (and each Improvement Area
therein, as originally designated and as designated in the future in conjunction with the
annexation of the Future Annexation Area), or any party related to any of the foregoing,
as well as reimbursement of any costs advanced by the City, the landowner(s) in the
Special Tax District (and each Improvement Area therein, as originally designated and
as designated in the future in conjunction with the annexation of the Future Annexation
Area) or any party related to any of the foregoing, for facilities, fees or other purposes or
costs of the Special Tax District (and each Improvement Area therein, as originally
designated and as designated in the future in conjunction with the annexation of the
Future Annexation Area).

1 EXHIBIT B

2 IMPROVEMENT AREA NO. 1 OF THE CITY AND COUNTY
3 OF SAN FRANCISCO SPECIAL TAX DISTRICT NO. 2022-1
4 (POWER STATION)

5 RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES

6 Special Taxes applicable to each Taxable Parcel in Improvement Area No. 1 of the City
7 and County of San Francisco Special Tax District No. 2022-1 (Power Station) shall be
8 levied and collected according to the tax liability determined by the Administrator through
9 the application of the appropriate amount or rate for Taxable Parcels, as described below.
10 All Taxable Parcels in Improvement Area No. 1 shall be taxed for the purposes, to the
11 extent, and in the manner herein provided, including property subsequently annexed to
12 Improvement Area No. 1.

11 A. **DEFINITIONS**

12 The terms hereinafter set forth have the following meanings:

13
14 “**Accessory Square Footage**” means, within a building on a Taxable Parcel, any square
15 footage that is not used directly as part of the residential, business or hotel operations,
16 including, but not limited to, walkways, elevator shafts, mezzanines, corridors, and
17 stairwells.

18 “**Act**” means the San Francisco Special Tax Financing Law (Admin. Code ch. 43, art. X),
19 which incorporates the Mello-Roos Community Facilities Act of 1982, being Chapter 2.5,
20 (commencing with Section 53311), Division 2 of Title 5 of the California Government Code,
21 as amended from time to time.

22 “**Adjusted Base Aggregate Facilities Special Tax Revenues**” means the reduced
23 amount of Base Aggregate Facilities Special Tax Revenues that will, in the Conversion
24 Year, be calculated pursuant to Section D.3 if it is determined that the PG&E Affected Area
25 will not be annexed into the STD.

“**Administrative Expenses**” means any or all of the following: the fees and expenses of
any fiscal agent or trustee (including any fees or expenses of its counsel) employed in
connection with any Bonds, and the expenses of the City carrying out duties with respect
to the STD and the Bonds, including, but not limited to, levying and collecting the Special
Taxes, the fees and expenses of legal counsel, charges levied by the City Controller’s
Office and/or the City Treasurer and Tax Collector’s Office, costs related to property owner
inquiries regarding the Special Taxes, costs associated with appeals or requests for
interpretation associated with the Special Taxes and this RMA, amounts needed to pay
rebate to the federal government with respect to the Bonds, costs associated with
complying with any continuing disclosure requirements for the City and any major property

1 owner, costs associated with foreclosure and collection of delinquent Special Taxes, and
2 all other costs and expenses of the City and Port in any way related to the establishment
or administration of the STD.

3 **“Administrator”** means the Director of the Office of Public Finance or his/her designee
4 who shall be responsible for administering the Special Taxes according to this RMA.

5 **“Affordable Housing Project”** means a residential or primarily residential project, as
6 determined by the Review Authority, within which 100% of the Residential Units are
Affordable Units.

7 **“Affordable Square Footage”** means (i) the entire square footage of an Affordable
8 Housing Project, (ii) any Welfare Exemption Square Footage, and (iii) the aggregate
9 Square Footage that is or is expected to be associated with Affordable Units within a
10 building on a Parcel of Developed Property. The Review Authority shall make the final
determination as to the amount of Affordable Square Footage within a building in the STD,
and such determination shall be conclusive and binding.

11 **“Affordable Unit”** means a Residential Unit for which a deed restriction has been recorded
12 that
13 (i) limits the rental rates or sales price for the unit or (ii) in any other way is intended to
restrict the current or future value of the unit, as determined by the Review Authority.

14 **“Aggregate Project Revenues”** means, at any point in time, the aggregate revenues that
15 could be generated from land uses expected within the Project as a whole if the Maximum
16 Facilities Special Taxes identified in Table 1 in Section C were applied to the actual and
17 expected Square Footage in the Project, including Square Footage in Improvement Area
18 No. 1. The Aggregate Project Revenues at the time of STD Formation are shown in
Attachment 3 hereto, and will be amended from time to time if there are changes to the
Square Footage or Land Use Categories in a Block. Such update shall be maintained
internally by the Administrator and will not require recordation of an amended RMA.

19 **“Airspace Parcel”** means a parcel with an assigned Assessor’s Parcel number that
20 constitutes vertical space of an underlying land parcel.

21 **“Assessor’s Parcel”** or **“Parcel”** means a lot or parcel, including an Airspace Parcel,
22 shown on an Assessor’s Parcel Map with an assigned Assessor’s Parcel number.

23 **“Assessor’s Parcel Map”** means an official map of the County Assessor designating
24 Parcels by Assessor’s Parcel number.

25 **“Association”** means a homeowners or property owners association, including any
master or sub-association, that provides services to, and collects dues, fees, or charges
from, property within the STD.

“Association Property” means any property within the boundaries of Improvement Area
No. 1 that is (i) owned in fee or by easement by an Association, not including any such
property that is located directly under a residential structure; and (ii) used for purposes of

1 the Association and not leased or otherwise used for purposes that are not part of the
2 operation of the Association.

3 **“Association Square Footage”** means Square Footage within a building that is (i)
4 leased to an Association, not including any such property that is located directly under a
5 residential structure; and (ii) used for purposes of the Association and not leased or
6 otherwise used for purposes that are not part of the operation of the Association.

7 **“Authorized Expenditures”** means those public facilities and public services authorized
8 to be funded by the STD as set forth in the documents adopted by the Board at STD
9 Formation, as may be amended from time to time.

10 **“Base Aggregate Facilities Special Tax Revenues”** means \$3.3 million in Fiscal Year
11 2019-20 dollars, which amount shall, beginning July 1, 2020 and each July 1 thereafter,
12 be increased by 2% of the amount in effect in the prior Fiscal Year.

13 **“Base Contingent Services Special Tax”** means, for any Land Use Category, the
14 Contingent Services Special Tax for Square Footage within such Land Use Category, as
15 identified in Table 2 in Section C herein.

16 **“Base Facilities Special Tax”** means, for any Land Use Category, the Facilities Special
17 Tax for Square Footage within such Land Use Category, as identified in Table 1 in Section
18 C herein.

19 **“Base Special Tax”** means, collectively, the Base Facilities Special Tax and Base
20 Contingent Services Special Tax.

21 **“Block”** means a specific geographic area within Improvement Area No. 1 for which
22 Expected Land Uses have been identified. The Blocks and Expected Land Uses within
23 Improvement Area No. 1 at the time of STD Formation are identified in Attachments 1 and
24 2 of this RMA and may be revised pursuant to Sections C, D, and E herein. Such update
25 shall be maintained internally by the Administrator and will not require recordation of an
amended RMA.

“Board” means the Board of Supervisors of the City, acting as the legislative body of the
STD.

“Bonds” means bonds or other debt (as defined in the Act), whether in one or more series,
that are issued or assumed by or for Improvement Area No. 1 to finance Authorized
Expenditures and are secured by the Facilities Special Tax.

“Building Permit” means the first permit, whether a site permit or building permit, issued
by the City that, immediately upon issuance or ultimately after addenda to the permit,
allows for vertical construction of a building or buildings.

1 **“Capitalized Interest”** means funds in any capitalized interest account available to pay
2 debt service on Bonds.

3 **“Certificate of Occupancy”** means the first certificate, including any temporary certificate
4 of occupancy, issued by the City to confirm that a building or a portion of a building has
5 met all of the building codes and can be occupied for residential or non-residential use.
6 For purposes of this RMA, “Certificate of Occupancy” shall not include any certificate of
7 occupancy that was issued prior to January 1, 2021 for a building within the STD;
8 however, any subsequent certificates of occupancy that are issued for new construction,
9 or expansion of a building shall be deemed a Certificate of Occupancy and the Special
10 Taxes shall apply to the associated Square Footage. A certificate of occupancy following
11 rehabilitation, relocation, or other work not constituting permanent new development under
12 the Development Agreement, as determined in the sole discretion of the Review Authority,
13 shall not be a Certificate of Occupancy for purposes of this RMA.

14 **“City”** means the City and County of San Francisco, California.

15 **“Community Facility Square Footage”** means Square Footage that occupies or is
16 expected to occupy one or more land uses that contribute to the general welfare of the
17 community and provide services that enhance the social, economic, religious, medical
18 and/or artistic well-being of residents and employees in the City. Such uses, which are set
19 forth in more detail in the Planning Code, include but are not limited to community and
20 neighborhood centers, licensed child care facilities, philanthropic organizations, job
21 training facilities, tax-exempt religious institutions, social service facilities, residential care
22 facilities providing licensed medical care, and spaces used for the production of art. The
23 Review Authority shall make the final determination as to the amount of Community Facility
24 Square Footage within a building in Improvement Area No. 1, and such determination shall
25 be conclusive and binding.

26 **“Contingent Services Special Tax”** means a special tax levied in any Fiscal Year after
27 the Contingent Trigger Event to pay the Contingent Services Special Tax Requirement.

28 **“Contingent Services Special Tax Requirement”** means the amount necessary in any
29 Fiscal Year after the Contingent Trigger Event to: (i) pay the costs of operations and
30 maintenance and other public services that are included as Authorized Expenditures; (ii)
31 cure delinquencies in the payment of Contingent Services Special Taxes in the prior Fiscal
32 Year; and (iii) pay Administrative Expenses that have not been factored into the calculation
33 of the Facilities Special Tax Requirement for the Fiscal Year.

34 **“Contingent Trigger Event”** is defined in the Financing Plan. The City shall make the
35 determination as to whether the Contingent Trigger Event has occurred, and such
36 determination shall be conclusive and binding. Upon such determination, the City shall
37 notify the Administrator that the Contingent Services Special Tax should be levied in the

1 following Fiscal Year and in all future Fiscal Years in which there is a Contingent Services
2 Special Tax Requirement to be paid from proceeds of the Contingent Services Special Tax
3 levy.

4 **“Conversion Date”** means, for Improvement Area No. 1, the earlier of (i) the date that all
5 Qualified Project Costs have been paid or reimbursed to the Developer for the Project as
6 a whole, and all Bonds issued for Improvement Area No. 1 to pay for such Qualified Project
7 Costs have been fully repaid; or (ii) the date that is forty-two (42) years after the First Bond
8 Sale for Improvement Area No. 1.

9 **“Conversion Year”** means the Fiscal Year following the Fiscal Year in which the
10 Conversion Date occurred.

11 **“Converted For-Sale Unit”** means, in any Fiscal Year, an individual Residential Unit
12 within a Converted Rental Residential Building for which an escrow has closed, on or prior
13 to June 30 of the preceding Fiscal Year, in a sale to an individual homeowner or investor,
14 as determined by the Administrator.

15 **“Converted Rental Residential Building”** means, in any Fiscal Year, a building: (i) that
16 had, in the prior Fiscal Year, been a Rental Residential Building, and (ii) within which one
17 or more Residential Units have been sold to individual homeowners or investors, which
18 investors shall not include parties involved in the sale of the building to a subsequent
19 landlord that intends to operate the building as a Rental Residential Building. In the first
20 Fiscal Year in which the Administrator identifies a building as a Converted Rental
21 Residential Building, the Administrator shall apply the Maximum Special Taxes for For-
22 Sale Residential Square Footage to Converted For-Sale Units in the building. Rental Units
23 in the Converted Rental Residential Building shall continue to be taxed as Rental Units
24 unless and until such units become Converted For-Sale Units.

25 **“County”** means the City and County of San Francisco, California.

“D4D” means the Potrero Power Station Design for Development dated February 26, 2020
and as amended from time to time.

“Developed Property” means, in any Fiscal Year, all Taxable Parcels that are not Taxable
Association Property or Taxable Public Property for which a Certificate of Occupancy was
issued prior to June 30 of the preceding Fiscal Year, but not prior to January 1, 2021.

“Developer” means (i) California Barrel Company LLC, a Delaware limited liability
company,
(ii) any transferee to the extent set forth in an Assignment and Assumption Agreement, and
(iii) any person or entity that obtains title to a Taxable Parcel (other than an Airspace
Parcel for an individual For-Sale Unit) as a result of foreclosure proceedings or

1 conveyance or other action in lieu thereof to the extent that such person or entity has
2 specifically assumed the prior landowner's obligations in accordance with the terms
hereof.

3 **“Development Agreement”** means the Development Agreement, including all exhibits
4 and attachments, executed by the City and California Barrel Company LLC, dated
September 22, 2020, and as amended from time to time.

5 **“Development Approval Documents”** means, collectively, the Development Agreement,
6 D4D, tentative subdivision map, Final Map, Review Authority approval, or other such
7 approved or recorded document or plan that identifies the type of structure(s), acreage,
Square Footage, and/or number of Residential Units approved for development on
8 Taxable Parcels.

9 **“Development Class”** means, individually, Developed Property, Undeveloped Property,
10 Taxable Association Property, and Taxable Public Property.

11 **“Development Project”** means a residential, non-residential, or mixed-use development
that includes one or more buildings that are planned and entitled in a single Building Permit.

12 **“Escalator”** means the lesser of the following: (i) the increase, if any, in the Consumer
13 Price Index (CPI) for All Urban Consumers in the San Francisco-Oakland-Hayward region
14 (base years 1982-1984=100) published by the Bureau of Labor Statistics of the United
States Department of Labor, or, if such index is no longer published, some other index
15 approved by the City and Developer, and (ii) five percent (5%).

16 **“Estimated Base Facilities Special Tax Revenues”** means, at any point in time, the
17 amount calculated by the Administrator by multiplying the Base Facilities Special Tax by
Square Footage within each Land Use Category proposed for development on a Parcel or
within a Block.

18 **“Excess Exempt Square Footage”** means, after the First Bond Sale, any Square
19 Footage in a building on a Parcel of Developed Property that is determined by the Review
20 Authority to exceed the amount of Exempt Square Footage for such building.

21 **“Exempt Square Footage”** means, prior to the First Bond Sale, any Square Footage in
22 or expected in a building on a Parcel of Developed Property that is determined by the
Review Authority to be used or reserved for an Exempt Use. After the First Bond Sale,
23 Exempt Square Footage for any building on a Parcel of Developed Property shall be the
sum of following, as determined by the Review Authority:

- 24 1. The Initial Exempt Square Footage for the building; and
- 25
-

- 1 2. Square Footage in or expected in the building that (i) exceeds the Initial Exempt
2 Square Footage, and (ii) if exempted from the Facilities Special Tax, would not
3 reduce coverage on outstanding Bonds below the Required Coverage.

4 **“Exempt Use”** means any of the following uses:

- 5 1) Affordable Square Footage
- 6 2) Association Square Footage
- 7 3) Accessory Square Footage
- 8 4) Community Facility Square Footage
- 9 5) Public Square Footage
- 10 6) Parking – areas reserved for automobile, motorcycle, or bicycle parking
- 11 7) Utilities – areas reserved for facilities associated with the treatment of water or
12 sewer, or the transmission or provision of gas and electricity, or the heating and
13 cooling of buildings.
- 14 8) Amenity Square Footage – areas reserved for sitewide amenities, such as a
15 welcome center, leasing office, sitewide management, or sitewide security.
- 16

17 **“Expected Land Uses”** means the total Square Footage in each Land Use Category
18 expected within each Block in Improvement Area No. 1. The Expected Land Uses at the
19 time of STD Formation are identified in Attachment 2 and may be revised pursuant to
20 Sections C, D, and E herein. Such update will be maintained internally by the Administrator
21 and will not require recordation of an amended RMA.

22 **“Expected Maximum Facilities Special Tax Revenues”** means the aggregate Facilities
23 Special Tax that can be levied based on application of the Base Facilities Special Tax to
24 the Expected Land Uses. The Expected Maximum Facilities Special Tax Revenues for
25 each Block at the time of STD Formation are shown in Attachment 2 and may be revised
 pursuant to Sections C, D, and E herein. Such update will be maintained internally by the
 Administrator and will not require recordation of an amended RMA.

1 **“Facilities Special Tax”** means a special tax levied in any Fiscal Year to pay the Facilities
Special Tax Requirement.

2 **“Facilities Special Tax Requirement”** means the amount necessary in any Fiscal Year
3 to: (i) pay principal and interest on Bonds that are due in the calendar year that begins in
4 such Fiscal Year; (ii) pay periodic costs on the Bonds, including but not limited to, credit
5 enhancement, liquidity support and rebate payments on the Bonds, (iii) replenish reserve
6 funds created for the Bonds under the Indenture to the extent such replenishment has not
7 been included in the computation of the Facilities Special Tax Requirement in a previous
8 Fiscal Year; (iv) cure any delinquencies in the payment of principal or interest on Bonds
9 which have occurred in the prior Fiscal Year; (v) pay Administrative Expenses; and (vi) pay
10 directly for Authorized Expenditures in the priority set forth in the Financing Plan, so long
11 as such levy under this clause (vi) does not increase the Facilities Special Tax levied on
12 Undeveloped Property. The amounts referred to in clauses (i) and (ii) of the definition of
Facilities Special Tax Requirement may be reduced in any Fiscal Year by: (a) interest
earnings on or surplus balances in funds and accounts for the Bonds to the extent that
such earnings or balances are available to apply against such costs pursuant to the
Indenture; (b) in the sole and absolute discretion of the City, proceeds received by the STD
from the collection of penalties associated with delinquent Facilities Special Taxes; and (c)
any other revenues available to pay such costs, each as determined in the sole discretion
of the Administrator.

13 **“Final Map”** means a final map, or portion thereof, recorded by the County pursuant to
14 the Subdivision Map Act (California Government Code Section 66410 *et seq.*) that creates
15 individual lots on which Building Permits for new construction may be issued without further
subdivision.

16 **“Financing Plan”** means the Financing Plan attached as Exhibit C to the Development
17 Agreement, as such plan may be amended or supplemented from time to time in
accordance with the terms of the Development Agreement.

18 **“First Bond Sale”** means issuance of the first series of Bonds secured, in whole or in part,
19 by Facilities Special Taxes levied and collected from Taxable Parcels in Improvement Area
20 No. 1.

21 **“Fiscal Year”** means the period starting July 1 and ending on the following June 30.

22 **“For-Sale Residential Square Footage”** means the Square Footage of a For-Sale Unit
23 or Hotel Condominium as (i) reflected on a condominium plan, site plan, Building Permit,
24 or Certificate of Occupancy; (ii) provided by the Developer or the City; or (iii) expected
25 pursuant to Development Approval Documents. For-Sale Residential Square Footage shall
not include Affordable Square Footage, although Affordable Square Footage may become
For-Sale Residential Square Footage, as provided by Section D.3 herein. The

1 Administrator, in conjunction with the Review Authority, shall make the final determination
2 as to the amount of For-Sale Residential Square Footage on a Taxable Parcel, and such
determination shall be conclusive and binding.

3 **“For-Sale Units”** means: (i) Market Rate Units that are available or, upon completion, will
4 be available for sale to individual homeowners or investors, (ii) Converted For-Sale Units,
5 and (iii) all Market Rate Units in a building within which one or more Residential Units are
6 available for sale to individual homeowners or investors, unless such building is a
7 Converted Rental Residential Building. The Administrator shall make the final
8 determination as to whether a Residential Unit is a For-Sale Unit, an Affordable Unit, or a
Rental Unit, and such determination shall be conclusive and binding. For purposes of
levying and collecting the Facilities Special Tax, after the First Bond Sale, a For-Sale Unit
shall never be subsequently categorized as a Rental Unit regardless of changes of use in
the building or a decision to permanently or temporarily rent the For-Sale Unit.

9 **“Future Annexation Area”** means that geographic area that, at the time of STD
10 Formation, was considered potential annexation area for the STD and which was,
11 therefore, identified as “future annexation area” on the recorded STD boundary map. Such
12 designation does not mean that any or all of the Future Annexation Area will annex into
13 Improvement Area No. 1, but should property designated as Future Annexation Area
choose to annex, the annexation may be processed pursuant to the annexation procedures
in the Act for territory included in a future annexation area, as well as the procedures
established by the Board.

14 **“Hotel”** means a structure or portion of a structure that constitutes a place of lodging,
15 providing temporary sleeping accommodations for travelers, which structure may include
16 one or more of the following: spa services, restaurants, gift shops, meeting and convention
17 facilities. Residential Units that are offered for rent to travelers (e.g., units offered through
Airbnb) shall not be categorized as Hotel.

18 **“Hotel Condominium”** means a For-Sale Unit within a Hotel Project.

19 **“Hotel Project”** means a Development Project within which a building proposed to be
20 constructed is either a Hotel or a residential or mixed-use building being developed in
21 conjunction with a Hotel that will share common area and amenities with the Hotel.
22 Notwithstanding the foregoing, if a Development Project includes multiple buildings, one
23 of which is a Hotel, and one or more other buildings in the Development Project do not
share common area or amenities with the Hotel and are not otherwise affiliated with the
Hotel, such other building(s) shall be considered a separate Development Project for
purposes of this RMA

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1 and the Residential Units within such Development Project shall be categorized as For-Sale Units or Rental Units based on the definitions set forth herein.

2 **“Hotel Square Footage”** means the Square Footage within a building that is, or is
3 expected to be, a Hotel, as reflected on a condominium plan, site plan, Building Permit, or
4 Certificate of Occupancy; as provided by the Developer or the City; or as expected
5 pursuant to Development Approval Documents. All Square Footage that is (i) not For-Sale
6 Residential Square Footage, Rental Residential Square Footage, Exempt Square
7 Footage, or Excess Exempt Square Footage and (ii) shares an Assessor’s Parcel number
8 within such a structure, including Square Footage of restaurants, meeting and convention
9 facilities, gift shops, spas, offices, and other related uses, shall be categorized as Hotel
10 Square Footage. Upon assignment of Assessor’s Parcel numbers to the Airspace Parcels
11 for any Hotel Condominiums, the Hotel Condominiums shall be assigned a Maximum
12 Special Tax based on application of the Base Special Tax for Rental Residential Square
13 Footage or For-Sale Residential Square Footage, as applicable. The Administrator, in
14 conjunction with the Review Authority, shall make the final determination as to the amount
15 of Hotel Square Footage within a building, and such determination shall be conclusive and
16 binding. Hotel Square Foot means a single square-foot unit of Hotel Square Footage. For
17 purposes of levying and collecting the Facilities Special Tax, after the First Bond Sale, a
18 Hotel Condominium shall never be subsequently categorized as a Rental Unit or as Hotel
19 Square Footage regardless of changes of use in the building or a decision to permanently
20 or temporarily rent the Hotel Condominium.

21 **“Improvement Area No. 1”** means Improvement Area No. 1 of the STD, as it existed at
22 STD Formation and as expanded with future annexations to Improvement Area No. 1 (if
23 any).

24 **“Indenture”** means any indenture, fiscal agent agreement, resolution, or other instrument
25 pursuant to which Bonds are issued, as modified, amended, and/or supplemented from
time to time, and any instrument replacing or supplementing the same.

“Initial Exempt Square Footage” means, for any building on a Parcel of Developed
Property, the Square Footage in or expected in the building that, at the time the Parcel
became Developed Property, was determined by the Review Authority to be reserved for
an Exempt Use.

“Land Use Category” means, individually, For-Sale Residential Square Footage, Rental
Residential Square Footage, Taxable Non-Residential Square Footage, and Excess
Exempt Square Footage.

“Land Use Change” means a change to the Expected Land Uses within Improvement
Area No. 1 after STD Formation.

1 **“Market Rate Square Footage”** means residential Square Footage that is not Affordable
Square Footage.

2 **“Market Rate Unit”** means a Residential Unit that is not an Affordable Unit.

3 **“Maximum Contingent Services Special Tax”** means the greatest amount of Contingent
4 Services Special Tax that can be levied on an Assessor’s Parcel in any Fiscal Year after
5 the Contingent Trigger Event, as determined in accordance with Section C herein.

6 **“Maximum Facilities Special Tax”** means the greatest amount of Facilities Special Tax
7 that can be levied on an Assessor’s Parcel in any Fiscal Year determined in accordance
with Sections C, D, and E herein.

8 **“Maximum IA1 Revenues”** means, at any point in time, the aggregate Maximum Facilities
9 Special Tax that can be levied on all Taxable Parcels.

10 **“Maximum Special Tax”** or **“Maximum Special Taxes”** means the Maximum Facilities
11 Special Tax and, in any Fiscal Year after the Contingent Trigger Event, the Maximum
Contingent Services Special Tax.

12 **“PDR Square Footage”** means Square Footage within a grouping of uses that includes,
13 but is not limited, to industrial and agricultural uses, ambulance services, animal hospital,
14 automotive service station, automotive repair, automotive wash, arts activities, business
15 services, cat boarding, catering service, commercial storage, kennel, motor vehicle tow
16 service, livery stable, parcel delivery service, public utilities yard, storage yard, trade office,
17 trade shop, wholesale sales, and wholesale storage, pursuant to Section 102 of the
Planning Code or successor sections. The Administrator, in conjunction with the Review
Authority, shall make the final determination as to the amount of PDR Square Footage
within a building, and such determination shall be conclusive and binding.

18 **“PG&E Affected Area”** is defined in the Development Agreement.

19 **“Planning Code”** means the Planning Code of the City and County of San Francisco, as
20 may be amended from time to time.

21 **“Port”** means the Port of San Francisco.

22 **“Project”** is defined in the Development Agreement.

23 **“Proportionately”** means that the ratio of the actual Special Tax levied in any Fiscal Year
24 to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all
25 Parcels or Square Footage taxed pursuant to each step in Section F herein.

1 **“Public Property”** means any property within the boundaries of the STD that is owned by
2 or leased to the federal government, State of California, City, or other public agency.
3 Parcels of Public Property, and/or leasehold interests in Public Property, that do not fall
4 within the definition of Exempt Square Footage shall be taxed as Developed Property or
5 Undeveloped Property, as determined by the Administrator pursuant to the definitions set
6 forth in this RMA.

7 **“Public Square Footage”** means Square Footage on a Taxable Parcel that is or is
8 expected to be owned or occupied by the federal government, the State of California, the
9 City, or any other public agency.

10 **“Qualified Project Costs”** has the meaning set forth in the Financing Plan and refers to
11 the Project as a whole.

12 **“Remainder Special Taxes”** means, as calculated between September 2st and
13 December 31st of any Fiscal Year, any Facilities Special Tax revenues that were collected
14 in the prior Fiscal Year and were not needed to: (i) pay debt service on the Bonds that was
15 due in the calendar year in which the Remainder Special Taxes are being calculated; (ii)
16 pay periodic costs on the Bonds, including but not limited to, credit enhancement, liquidity
17 support and rebate payments on the Bonds; (iii) replenish reserve funds created for the
18 Bonds under the Indenture; (iv) cure any delinquencies in the payment of principal or
19 interest on Bonds which have occurred in the prior Fiscal Year; or (v) pay Administrative
20 Expenses that have been incurred, or are expected to be incurred, by the City prior to the
21 receipt of additional Facilities Special Tax proceeds.

22 **“Rental Residential Building”** means a building within Improvement Area No. 1 for which
23 a Building Permit or use permit has been issued or is expected to be issued for construction
24 of a residential structure within which all Residential Units are offered for rent to the general
25 public, and cannot be purchased by individual homeowners or investors.

26 **“Rental Residential Square Footage”** means Square Footage that is or is expected to
27 be used for one or more of the following uses: (i) Rental Units, (ii) any type of group or
28 student housing which provides lodging for a week or more and may or may not have
29 individual cooking facilities, including but not limited to boarding houses, dormitories,
30 housing operated by medical institutions, and single room occupancy units, or (iii) a
31 residential care facility that is not staffed by licensed medical professionals. The
32 Administrator, in conjunction with the Review Authority, shall make the final determination
33 as to the amount of Rental Residential Square Footage within a building, and such
34 determination shall be conclusive and binding.

1 **“Rental Unit”** means (i) Residential Units within a Rental Residential Building, and (ii) all
2 Rental Units within a Converted Rental Residential Building that have yet to be sold to an
3 individual homeowner or investor. “Rental Unit” shall not include: (i) any Residential Unit
4 which has been purchased by a homeowner or investor and subsequently offered for rent
5 to the general public, or (ii) any Residential Units within a building that includes one or
6 more For-Sale Units unless such building is a Converted Rental Residential Building. The
7 Administrator shall make the final determination as to whether a Residential Unit is a For-
8 Sale Unit or a Rental Unit, and such determination shall be conclusive and binding.

9 **“Required Coverage”** means the amount by which the Maximum IA1 Revenues must
10 exceed the Bond debt service and priority Administrative Expenses (if any), as set forth
11 in the Indenture, Certificate of Special Tax Consultant, or other formation or bond
12 document that sets forth the minimum required debt service coverage.

13 **“Residential Unit”** means a room, or suite of two or more rooms, that is designed for
14 residential occupancy for 32 consecutive days or more, including provisions for sleeping,
15 eating and sanitation. “Residential Unit” will include, but not be limited to, an individual
16 townhome, condominium, flat, apartment, or loft unit, and individual units within a senior or
17 assisted living facility.

18 **“Review Authority”** means the City Planning Director or an alternate designee from the
19 City who is responsible for approvals and entitlements of a Development Project.

20 **“RMA”** means this Rate and Method of Apportionment of Special Taxes.

21 **“Special Tax”** or **“Special Taxes”** means, prior to the Contingent Trigger Event, the
22 Facilities Special Tax and, in and after the first Fiscal Year following the Contingent Trigger
23 Event, the Facilities Special Tax and the Contingent Services Special Tax.

24 **“Square Footage”** means the net saleable or net leasable square footage of each Land
25 Use Category within a building on a Taxable Parcel, as determined by the Review Authority
26 in conjunction with the Developer. If a Building Permit is issued that will increase Taxable
27 Square Footage on any Parcel, the Administrator shall, in any Fiscal Year after the final
28 Building Permit inspection has been conducted in association with such expansion, work
29 with the Review Authority to recalculate (i) the Taxable Square Footage on each Taxable
30 Parcel, and (ii) the Maximum Special Tax for each Taxable Parcel based on the increased
31 Taxable Square Footage. The final determination of Square Footage for each Land Use
32 Category on each Taxable Parcel shall be made by the Review Authority. Square Foot
33 means, within a particular Land Use Category, a single square-foot unit of the Square
34 Footage within that Land Use Category.

1 **“STD”** means the City and County of San Francisco Special Tax District No. 2022-1
(Power Station).

2 **“STD Formation”** means the date on which the Board approved documents to form the
3 STD.

4 **“Taxable Association Property”** means, in any Fiscal Year after the First Bond Sale, any
5 Parcel of Association Property that satisfies all three of the following conditions: (i) the
6 Parcel had not been Association Property on the date of the First Bond Sale; (ii) based on
7 reference to Attachments 1 and 2 (as may be updated pursuant to Section D below), the
8 Parcel was not anticipated to be Association Property as determined by the Administrator;
and (iii) if the Parcel were to be exempt from the Facilities Special Tax because it is
Association Property, the Expected Maximum Facilities Special Tax Revenues would be
reduced to a point at which Required Coverage could not be maintained.

9 **“Taxable Non-Residential Square Footage”** means the Square Footage within a
10 building that is or is expected to be: (i) Square Footage of a commercial establishment
11 that sells general merchandise, hard goods, food and beverage, personal services, and
12 other items directly to consumers, including but not limited to, museums, restaurants, bars,
13 entertainment venues, health clubs, spas, laundromats, dry cleaners, repair shops, storage
14 facilities, and parcel delivery shops;
15 (ii) Square Footage used for office or industrial business operations; (iii) Hotel Square
16 Footage;
17 (iv) PDR Square Footage; and (v) any other Square Footage in the building that does not
18 meet the definition of Rental Residential Square Footage, For-Sale Residential Square
19 Footage, Exempt Square Footage, or Excess Exempt Square Footage. Taxable Non-
20 Residential Square Footage shall be determined based on reference to the condominium
21 plan, site plan, Building Permit, Certificate of Occupancy, Development Approval
22 Documents, or as provided by the Developer or the City. The Administrator, in conjunction
23 with the Review Authority, shall make the final determination as to the amount of Taxable
24 Non-Residential Square Footage on any Taxable Parcel within Improvement Area No. 1,
25 and such determination shall be conclusive and binding. Incidental retail or commercial
uses in an otherwise exempt building (e.g., a snack bar in a recreation center on
Association Property) shall not constitute Taxable Non-Residential Square Footage.

“Taxable Parcel” means any Parcel within Improvement Area No. 1 that is not exempt
from the Special Tax pursuant to law or Section H herein.

1 **“Taxable Public Property”** means in any Fiscal Year after the First Bond Sale, any Parcel
2 of Public Property that satisfies all three of the following conditions: (i) the Parcel had not
3 been Public Property on the date of the First Bond Sale; (ii) based on reference to
4 Attachments 1 and 2 (as may be updated pursuant to Section D below), the Parcel was
5 not anticipated to be Public Property as determined by the Administrator; and (iii) if the
6 Parcel were to be exempt from the Facilities Special Tax because it is Public Property, the
7 Expected Maximum Facilities Special Tax Revenues would be reduced to a point at which
8 Required Coverage could not be maintained.

9 **“Taxable Square Footage”** means, collectively, For-Sale Residential Square Footage,
10 Rental Residential Square Footage, Taxable Non-Residential Square Footage, and
11 Excess Exempt Square Footage.

12 **“Undeveloped Property”** means, in any Fiscal Year, all Taxable Parcels that are not
13 Developed Property, Taxable Association Property, or Taxable Public Property.

14 **“Welfare Exemption Square Footage”** means, in any Fiscal Year, any Square Footage
15 in the STD that has received a welfare exemption under subdivision (g) of Section 214 of
16 the Revenue and Taxation Code and for which such welfare exemption is still in place.

17
18
19 **B. DATA FOR STD ADMINISTRATION**

20 On or about July 1 of each Fiscal Year, the Administrator shall identify the current
21 Assessor’s Parcel numbers for all Taxable Parcels. The Administrator shall also determine:
22 (i) whether each Taxable Parcel is Developed Property, Undeveloped Property, Taxable
23 Association Property, or Taxable Public Property (ii) within which Block each Assessor’s
24 Parcel is located, (iii) for Developed Property, the For-Sale Residential Square Footage,
25 Rental Residential Square Footage, Taxable Non-Residential Square Footage, and
Excess Exempt Square Footage on each Parcel, (iv) whether the Conversion Date or the
Contingent Trigger Event occurred in any prior Fiscal Year, and (v) the Facilities Special
Tax Requirement and, if the Contingent Trigger Event occurred in any prior Fiscal Year,
the Contingent Services Special Tax Requirement for the Fiscal Year.

 The Administrator shall review Development Approval Documents and coordinate with the
City and the Developer to identify Affordable Square Footage within each building. If there
are transfers of Affordable Square Footage and For-Sale Residential Square Footage or
Rental Residential Square Footage, as applicable, the Administrator shall refer to Section
D.4 to determine the Maximum Special Taxes for each Taxable Parcel after such transfer.
If, at any

1 time after the First Bond Sale, it is determined that a proposed increase in Affordable
2 Square Footage will decrease Maximum IA1 Revenues to a point at which Required
3 Coverage cannot be maintained, then some or all of the Affordable Square Footage that
4 was not originally part of the Expected Land Uses shall be designated as Excess Exempt
5 Square Footage and will be subject to the levy of the Facilities Special Tax pursuant to
6 Section F herein. In such a case, the Administrator shall determine how much of the
7 Affordable Square Footage must be subject to the Facilities Special Tax in order to
8 maintain Required Coverage, and the City shall determine which Affordable Square
9 Footage will be deemed Excess Exempt Square Footage. Based on the determination, the
10 Administrator shall update Attachments 2 and 3 accordingly. Such update shall be
11 maintained internally by the Administrator and will not require recordation of an amended
12 RMA.

13 When a Taxable Parcel becomes Developed Property, the Administrator and Review
14 Authority shall also identify and document the Initial Exempt Square Footage for the
15 building or buildings on or expected on the Taxable Parcel. The Administrator shall keep a
16 record of the Initial Exempt Square Footage broken down by Exempt Use. After the First
17 Bond Sale, as Square Footage within a building is designated for Exempt Uses, the
18 Administrator shall compare the actual Square Footage used for each Exempt Use to the
19 Initial Exempt Square Footage by Exempt Use. If, at any point in time, there is determined
20 to be Excess Exempt Square Footage within a building, the Administrator and Review
21 Authority shall use this comparison to determine which Square Footage should be
22 designated Excess Exempt Square Footage. In addition, the Administrator shall determine
23 whether the Excess Exempt Square Footage resulted in a reduction in For-Sale
24 Residential Square Footage, Rental Residential Square Footage, or Taxable Non-
25 Residential Square Footage expected in the building and, based on this determination,
identify the applicable Maximum Special Taxes for the Excess Exempt Square Footage
pursuant to the tables in Section C herein.

17 Prior to the First Bond Sale, the Administrator, City, and Developer shall coordinate to
18 review the Expected Land Uses and determine if changes should be made to reflect more
19 current estimates for land uses on any Blocks within the Project. Based on this review, the
20 Administrator shall update Attachments 2 and 3 with the then-current Expected Land Uses,
21 Expected Maximum Facilities Special Tax Revenues, and Aggregate Project Revenues.
22 The adjusted Expected Maximum Facilities Special Tax Revenues, escalated pursuant to
23 Section D.1, will thereafter be the amount used to size Bond sales unless and until there
24 are additional updates of Attachment 2. Such update shall be maintained internally by the
25 Administrator and will not require recordation of an amended RMA.

1 If a Certificate of Occupancy has been issued for a structure, and additional structures are
2 anticipated to be built within the Block, as shown in Attachment 2 and the Development
3 Approval Documents, the Administrator shall, regardless of the definitions set forth herein,
4 categorize the building(s) for which the Certificate of Occupancy was issued as Developed
5 Property and any remaining buildings for which Certificates of Occupancy have not yet
6 been issued as Undeveloped Property for purposes of levying the Special Taxes. If the
7 buildings share an Assessor's Parcel, the Administrator shall take the sum of the Special
8 Taxes determined for each building after application of the steps in Section F to determine
9 the Special Tax levies for the Parcel.

10 In any Fiscal Year, if it is determined that (i) a parcel map or condominium plan was
11 recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor
12 will not incorporate the newly-created parcels into the then current tax roll), (ii) because of
13 the date the map or plan was recorded, the Assessor does not yet recognize the newly-
14 created parcels, and
15 (iii) one or more of the newly-created parcels meets the definition of Developed Property,
16 the Administrator shall calculate the Special Tax for the property affected by recordation of
17 the map or plan by determining the Special Tax that applies separately to each newly-
18 created parcel, then applying the sum of the individual Special Taxes to the Assessor's
19 Parcel that was subdivided by recordation of the parcel map or condominium plan.

20 In addition to the tasks set forth above, on an ongoing basis, the Administrator will review
21 the Development Approval Documents for property in Improvement Area No. 1 and
22 communicate with the Developer regarding proposed Land Use Changes. The
23 Administrator will, upon review of each Certificate of Occupancy, and upon any proposed
24 Land Use Change that is made known to the Administrator, update Attachments 2 and 3
25 to reflect (i) the then-current Expected Land Uses for each Block, (ii) the Expected
Maximum Facilities Special Tax Revenues, and (iii) the Aggregate Project Revenues. Such
updates shall be maintained internally by the Administrator and shall not require
recordation of an amended RMA.

19 **C. MAXIMUM SPECIAL TAX**

20 **1. *Undeveloped Property***

21 **1a. **Facilities Special Tax****

1 The Maximum Facilities Special Tax for Undeveloped Property in Improvement Area No.
2 1 shall be the Expected Maximum Facilities Special Tax Revenues shown in Attachment
3 2 of this RMA, as it may be amended as set forth herein. If, in any Fiscal Year, separate
4 Assessor's Parcels have not yet been created for property within each Block, the
5 Administrator shall sum the Expected Maximum Facilities Special Tax Revenues for all
6 Blocks within an Assessor's Parcel to determine the Maximum Facilities Special Tax that
7 shall apply to the Parcel in such Fiscal Year.

8 If an Assessor's Parcel contains a portion of one or more Blocks, or if a Block contains a
9 portion of one or more Assessor's Parcels, the Administrator will coordinate with the
10 Review Authority to estimate the Expected Land Uses that will occur on each Taxable
11 Parcel in order to allocate the Expected Maximum Facilities Special Tax Revenues among
12 the Taxable Parcels that are in effect for the Fiscal Year, and such allocation shall be
13 conclusive and binding. If it is unclear as to where the Expected Land Uses will be located
14 on the Taxable Parcels, the Expected Maximum Facilities Special Tax Revenues may be
15 allocated based on the acreage of the Taxable Parcels. The Maximum IA1 Revenues after
16 such allocation shall not be less than the Maximum IA1 Revenues prior to this allocation.

17 **1b. Contingent Services Special Tax**

18 No Contingent Services Special Tax shall be levied on Parcels of Undeveloped Property
19 within Improvement Area No. 1.

20 **2. Developed Property**

21 **2a. Facilities Special Tax**

22 When a Taxable Parcel becomes Developed Property, the Administrator shall use the
23 Base Facilities Special Taxes shown in Table 1 below and apply the steps set forth in this
24 Section 2a to determine the Maximum Facilities Special Tax for the Taxable Parcel. If
25 property annexes into Improvement Area No. 1, such property shall also be subject to the
Maximum Facilities Special Taxes set forth in Table 1.

Table 1 Base Facilities Special Tax	
Land Use Category	Base Facilities Special Tax (FY
For-Sale Residential Square Footage	\$3.75 per Square Foot
Rental Residential Square Footage	\$1.00 per Square Foot
Taxable Non-Residential Square	\$1.50 per Square Foot
Excess Exempt Square Footage	\$3.75 per Square Foot if For-Sale Residential Square Footage was reduced, \$1.00 per Square Foot if Rental Residential Square Footage was reduced, or \$1.50 per Square Foot if

*** The Base Facilities Special Taxes shown above shall be escalated as set forth in Section D.1.**

Step 1. Identify the For-Sale Residential Square Footage, Rental Residential Square Footage, Taxable Non-Residential Square Footage, and/or Excess Exempt Square Footage in the building(s) on the Taxable Parcel.

Step 2. Multiply the applicable Base Facilities Special Tax from Table 1 by the actual and/or expected For-Sale Residential Square Footage, Rental Residential Square Footage, and Taxable Non-Residential Square Footage on the Taxable Parcel. Prior to the First Bond Sale, the Maximum Facilities Special Tax for the Taxable Parcel shall be the sum of the amounts calculated for For-Sale Residential Square Footage, Rental Residential Square Footage, and Taxable Non-Residential Square Footage, and Step 3 below shall not apply.

After the First Bond Sale, the Administrator shall apply Step 3 to determine the Maximum Facilities Special Tax for the Taxable Parcel.

1 Step 3. Compare the Estimated Base Facilities Special Tax Revenues from Step 2 to the
2 Expected Maximum Facilities Special Tax Revenues, and, apply one of the following, as
3 applicable:

- 4 ▪ *If the Estimated Base Facilities Special Tax Revenues are: (i) greater than or equal to the Expected Maximum Facilities Special
5 Tax Revenues or (ii) less than the Expected Maximum Facilities
6 Special Tax Revenues, but the Estimated Base Facilities Special
7 Tax Revenues are still sufficient to provide Required Coverage, then
8 the Maximum Facilities Special Tax for the Taxable Parcel shall be
9 determined by multiplying the applicable Base Facilities Special
10 Taxes by the actual and/or expected For-Sale Residential Square
11 Footage, Rental Residential Square Footage, and Taxable Non-
12 Residential Square Footage on the Taxable Parcel. The
13 Administrator shall update Attachments 2 and 3 to reflect the
14 change in the Expected Maximum Facilities Special Tax Revenues
15 and Aggregate Project Revenues.*

 - 16 ▪ *If the Estimated Base Facilities Special Tax Revenues are less than
17 the Expected Maximum Facilities Special Tax Revenues, and the
18 Estimated Base Facilities Special Tax Revenues are insufficient to
19 provide Required Coverage, then the Administrator and Review
20 Authority shall coordinate with the Developer, and the Review
21 Authority shall determine which of the following shall occur:*
 - 22 (i) the Base Facilities Special Taxes that were applied to For-
23 Sale Residential Square Footage, Rental Residential Square
24 Footage, and Taxable Non-Residential Square Footage on
25 the Taxable Parcel in Step 2 shall be increased
proportionately until the amount that can be levied on the
Taxable Parcel, combined with the Expected Maximum
Facilities Special Tax Revenues from all other Taxable
Parcels in the STD, is sufficient to maintain Required
Coverage, **or**
 - (ii) if the Estimated Base Facilities Special Tax Revenues are
less than the Expected Maximum Facilities Special Tax
Revenues due to Excess Exempt Square Footage, then the
Base Facilities Special Tax for Excess Exempt Square
Footage shall be levied against all Excess Exempt Square
Footage included on the Taxable Parcel.
-

1 If, pursuant to (i) above, the Base Facilities Special Taxes are proportionately increased to
2 maintain Required Coverage, the Administrator shall use the adjusted per-square-foot
3 rates to calculate the Maximum Facilities Special Tax for each building on the Taxable
4 Parcel. The Administrator shall revise Attachments 2 and 3 to reflect any changes to the
5 Expected Land Uses (including the addition of Excess Exempt Square Footage), the
6 Expected Maximum Facilities Special Tax Revenues, and the Aggregate Project
7 Revenues.

8 Pursuant to this Section C.2a, the Administrator may from time to time update Attachments
9 2 and 3 to reflect revised Expected Maximum Facilities Special Tax Revenues and
10 Aggregate Project Revenues. Such updates shall be maintained internally by the
11 Administrator and shall not require recordation of an amended RMA.

12 **2b. Contingent Services Special Tax**

13 In the first Fiscal Year after the Fiscal Year in which the Contingent Trigger Event occurs,
14 and in each Fiscal Year thereafter, when a Taxable Parcel becomes Developed Property,
15 the Administrator shall use the Base Contingent Services Special Taxes shown in Table 2
16 below and apply the steps set forth in this Section 2b to determine the Maximum
17 Contingent Services Special Tax for the Taxable Parcel.

18

Table 2	
Base Contingent Services Special Tax	
Land Use Category	Base Contingent Services Special Tax
For-Sale Residential Square	\$0.29 per Square Foot
Rental Residential Square Footage	\$0.29 per Square Foot
Taxable Non-Residential Square	\$0.29 per Square Foot
Excess Exempt Square Footage	\$0.29 per Square Foot

19

20 *** The Base Contingent Services Special Taxes shown above shall be
21 escalated as set forth in Section D.2.**

22 *Step 1.* Identify the For-Sale Residential Square Footage, Rental Residential Square
23 Footage, Taxable Non-Residential Square Footage, and/or Excess Exempt Square
24 Footage on the Taxable Parcel.
25

1 *Step 2.* Multiply the applicable Base Contingent Services Special Tax from Table 2 by the
2 actual and/or expected For-Sale Residential Square Footage, Rental Residential Square
3 Footage, Taxable Non-Residential Square Footage, and/or Excess Exempt Square
4 Footage on the Taxable Parcel. The Maximum Contingent Services Special Tax for the
5 Taxable Parcel shall be the sum of the amounts calculated for each Land Use Category
6 on the Taxable Parcel.

7 If additional structures are anticipated to be built on the Taxable Parcel as shown in the
8 Development Approval Documents, the Administrator shall, regardless of the definitions
9 set forth herein, categorize each building for which a Certificate of Occupancy has been
10 issued as Developed Property, and any remaining buildings for which Certificates of
11 Occupancy have not yet been issued shall not be subject to a Contingent Services Special
12 Tax until a Certificate of Occupancy is issued for such remaining buildings. To determine
13 the Contingent Services Special Tax for any such Taxable Parcel, the Administrator shall
14 take the sum of the Contingent Services Special Taxes determined for each building.

15 **3. Taxable Association Property and Taxable Public Property**

16 **3a. Facilities Special Tax**

17 If, in any Fiscal Year, the Administrator determines that there is Taxable Association
18 Property and/or Taxable Public Property, the Administrator will, for each such Parcel,
19 determine the Expected Land Uses and Expected Maximum Facilities Special Tax
20 Revenues that had applied to the Parcel before it became Association Property or Public
21 Property. The Expected Maximum Facilities Special Tax Revenues for the Parcel shall
22 continue to be the Expected Maximum Facilities Special Tax that will apply to the Parcel,
23 as well as the Maximum Facilities Special Tax that will apply for purposes of levying the
24 Facilities Special Tax pursuant to Section F herein. The Maximum Facilities Special Tax
25 assigned to the Parcel shall be adjusted pursuant to Section D.1.

3b. Contingent Services Special Tax

No Contingent Services Special Tax shall apply to Taxable Association Property or
Taxable Public Property.

D. CHANGES TO THE MAXIMUM SPECIAL TAXES

1. Annual Escalation of Facilities Special Tax

1 Beginning July 1, 2022 and each July 1 thereafter, the Base Facilities Special Taxes in
2 Table 1, the Expected Maximum Facilities Special Tax Revenues in Attachment 2, the
3 Aggregate Project Revenues in Attachment 3, and the Maximum Facilities Special Tax
4 assigned to each Taxable Parcel in Improvement Area No. 1 shall be increased by 2% of
5 the amount in effect in the prior Fiscal Year.

6 **2. Annual Escalation of Contingent Services Special Tax**

7 Beginning July 1, 2022 and each July 1 thereafter, the Base Contingent Services Special
8 Taxes in Table 2 and the Maximum Contingent Services Special Tax assigned to each
9 Taxable Parcel shall be adjusted by the Escalator.

10 **3. Adjustment of Maximum Facilities Special Tax in the Conversion Year**

11 In the Conversion Year, the Administrator shall apply the following steps to calculate a
12 reduced amount of Expected Maximum Facilities Special Tax Revenues for Improvement
13 Area No. 1 and a corresponding reduction in the Maximum Facilities Special Tax for all
14 Taxable Parcels in Improvement Area No. 1:

15 *Step 1.* Coordinate with the Review Authority to confirm the current expected land uses
16 within the Project, including Square Footage expected within the PG&E Affected Area.

17 *Step 2.* Based on the information collected in Step 1, (i) update Attachment 3 and calculate
18 the current Aggregate Project Revenues; and (ii) update the Expected Maximum Facilities
19 Special Tax Revenues for Improvement Area No. 1 in Attachment 2. For purposes of this
20 Section D.3, the updated Expected Maximum Facilities Special Tax Revenues shall be
21 deemed the “**Original Maximum Revenues**”.

22 *Step 3.* If the PG&E Affected Area has annexed or is still expected to annex into the STD,
23 identify the Base Aggregate Facilities Special Tax Revenues for the current Fiscal Year. If
24 the PG&E Affected Area is no longer expected to annex into the STD, calculate the
25 Adjusted Base Aggregate Facilities Special Tax Revenues, as follows:

3a. Using the information from Step 2, divide the Original Maximum Revenues by the
Aggregate Project Revenues.

3b. Multiply the quotient from Step 3a. by the Base Aggregate Facilities Special Tax
Revenues to calculate the Adjusted Base Aggregate Facilities Special Tax Revenues,
which shall also be the new Expected Maximum Facilities Special Tax Revenues for
Improvement Area No. 1. This amount shall, beginning July 1 of the following Fiscal Year,
be adjusted pursuant to Section D.1.

1 *Step 4.* If the PG&E Affected Area has annexed or is still expected to annex into the STD,
2 divide the Base Aggregate Facilities Special Tax Revenues for the current Fiscal Year by
3 the Original Maximum Revenues. If the PG&E Affected Area is no longer expected to
annex into the STD, divide the Adjusted Base Aggregate Facilities Special Tax Revenues
calculated in Step 3b by the Original Maximum Revenues from Step 2.

4 *Step 5.* Multiply the quotient calculated in Step 4 by the Maximum Facilities Special Tax
5 assigned to all Taxable Parcels in Improvement Area No. 1 to calculate a reduced
6 Maximum Facilities Special Tax that will (i) apply to each Parcel in the Conversion Year,
and (ii) escalate on July 1 each Fiscal Year thereafter pursuant to Section D.1.

7 *Step 6.* Multiply the quotient calculated in Step 4 by the Base Facilities Special Tax for
8 each Land Use Category, as determined pursuant to Section C.2a herein. The reduced
9 Base Facilities Special Taxes shall, beginning in the Conversion Year, be the effective
10 Base Facilities Special Taxes for purposes of this RMA and will continue to increase each
11 subsequent Fiscal Year pursuant to Section D.1.

12 *Step 7.* Update Attachment 2 to reflect the reduced Expected Maximum Facilities Special
13 Tax Revenues determined pursuant to the steps above. Attachment 2 may be further
14 revised pursuant to Sections C, D, and E herein. Such updates will be maintained internally
15 by the Administrator and will not require recordation of an amended RMA.

16 Attachment 4 to this RMA provides a sample calculation of the adjustment to the Maximum
17 Facilities Special Tax in the Conversion Year pursuant to this Section D.3. This sample is
18 based on assumptions that are likely to change before the Conversion Year and is intended
19 simply to provide an illustrative example of how the steps set forth above will be applied.

16 **4. Adjustments to Affordable Square Footage**

17 If, in any Fiscal Year after the First Bond Sale, the Administrator determines that Square
18 Footage that had previously been designated as Affordable Square Footage no longer
19 qualifies as such, the Maximum Facilities Special Taxes on such Square Footage shall be
20 increased to the Maximum Facilities Special Taxes that would be levied on Market Rate
21 Square Footage within the same Land Use Category. If, after the First Bond Sale, Market
22 Rate Square Footage becomes Affordable Square Footage and, by exempting the
23 Affordable Square Footage, the Administrator determines that Maximum IA1 Revenues
24 would be reduced to a point at which Required Coverage cannot be maintained, then the
25 Affordable Square Footage shall be designated as Excess Exempt Square Footage and
shall be subject to the levy of the Facilities Special Tax pursuant to Section C herein.

1 **5. Changes in Land Use Category on a Parcel of Developed Property**

2 If the Square Footage on any Parcel that had been taxed as Developed Property in a prior
3 Fiscal Year is rezoned or otherwise changes Land Use Category, the Administrator shall
4 multiply the Base Facilities Special Tax by the Square Footage within each of the new
5 Land Use Category(ies); if the First Bond Sale has not occurred, this amount shall be the
6 Maximum Facilities Special Tax for the Parcel. If the First Bond Sale has taken place, the
7 Administrator shall apply the remainder of this Section D.5.

8 If the amount determined is greater than the Maximum Facilities Special Tax that applied
9 to the Taxable Parcel prior to the Land Use Change, the Administrator shall increase the
10 Maximum Facilities Special Tax for the Parcel to the amount calculated for the new Land
11 Use Category(ies). If the amount determined is less than the Maximum Facilities Special
12 Tax that applied prior to the Land Use Change, there will be no change to the Maximum
13 Facilities Special Tax for the Parcel. Except as otherwise provided in this RMA, under no
14 circumstances shall the Maximum Facilities Special Tax on any Parcel of Developed
15 Property be reduced, regardless of changes in Land Use Category or Square Footage on
16 the Parcel, including reductions in Square Footage that may occur due to demolition, fire,
17 water damage, or acts of God.

18 **6. Reduction in Maximum Facilities Special Tax Prior to First Bond Sale**

19 As set forth in, and subject to the requirements of, Section 2.3(m) of the Financing Plan,
20 the Maximum Facilities Special Taxes assigned to Taxable Parcels in Improvement Area
21 No. 1 may be proportionately or disproportionately reduced prior to the First Bond Sale.
22 Such reduction shall be made administratively without Board action or a vote of the
23 qualified STD electors following: (i) initiation by written request to the City, and (ii)
24 consultation with the City regarding such request. The reduction shall be codified by
25 recordation of an amended Notice of Special Tax Lien against all Taxable Parcels within
26 Improvement Area No. 1.

27 **7. Converted Rental Residential Building**

28 If a Rental Residential Building in the STD becomes a Converted Rental Residential
29 Building, the Administrator will rely on information from the County Assessor, site visits to
30 the sales office, data provided by the entity that is selling Residential Units within the
31 building, and any other available source of information to track sales of Residential Units.
32 In the first Fiscal Year in which there is a Converted For-Sale Unit within the building, the
33 Administrator shall apply the Base Special Tax for For-Sale Residential Square Footage
34 to calculate the Maximum Special Taxes for all Converted For-Sale Units in the building in
35 that Fiscal Year. In addition, the Base Special Tax for For-Sale Residential Square
36 Footage, escalated as set forth in Section D.1 or, as applicable, D.2 above, shall be used

1 to calculate the Maximum Special Taxes for all future Converted For-Sale Units within the
2 building. Rental Units within the Converted Rental Residential Building shall continue to be
3 subject to the Maximum Special Taxes for Rental Units until such time as the units become
4 Converted For-Sale Units. The Maximum Special Taxes for all Residential Units within the
5 building shall escalate each Fiscal Year as set forth in Section
6 D.1 or, as applicable, D.2 above.

7
8 **E. ANNEXATIONS**

9 If, in any Fiscal Year, a property owner within the Future Annexation Area wants to annex
10 property into Improvement Area No. 1, the Administrator shall apply the following steps as
11 part of the annexation proceedings:

12 **Step 1.** Working with City staff and the landowner, the Administrator shall determine the
13 Expected Land Uses for the area to be annexed.

14 **Step 2.** The Administrator shall prepare and keep on file updated Attachments 1, 2, and
15 3 to reflect the annexed property and identify the revised Expected Land Uses and
16 Expected Maximum Facilities Special Tax Revenues. After the annexation is complete, the
17 application of Sections C, D and F of this RMA shall be based on the adjusted Expected
18 Land Uses, Expected Maximum Facilities Special Tax Revenues, and Maximum IA1
19 Revenues including the newly annexed property.

20 **Step 3.** The Administrator shall ensure that a Notice of Special Tax Lien is recorded against
21 all Parcels that are annexed to the STD.

22
23 **F. METHOD OF LEVY OF THE SPECIAL TAXES**

24 ***I. Facilities Special Tax***

25 Each Fiscal Year, the Facilities Special Tax shall be levied according to the steps outlined
below:

Step 1. In all Fiscal Years prior to and including the earlier of (i) the Fiscal Year in which
the City makes a finding that all Qualified Project Costs have been funded pursuant to the
Financing Plan, or (ii) 42 years after the First Bond Sale for Improvement Area No. 1, the
Maximum Facilities Special Tax shall be levied on the For-Sale Residential Square
Footage, Rental Residential Square Footage, and Taxable Non-Residential Square
Footage on all Parcels of Developed Property regardless of debt service on Bonds (if
any), and any Remainder Special Taxes collected shall be applied as set forth in the
Financing Plan.

1 In all Fiscal Years after the earlier of: (i) the Fiscal Year in which the City makes a finding
2 that all Qualified Project Costs have been funded pursuant to the Financing Plan, or (ii)
3 42 years after the First Bond Sale for Improvement Area No. 1, the Special Tax shall be
4 levied Proportionately on For-Sale Residential Square Footage, Rental Residential
5 Square Footage, and Taxable Non-Residential Square Footage on each Parcel of
6 Developed Property, up to 100% of the Maximum Facilities Special Tax until the amount
7 levied is equal to the Facilities Special Tax Requirement.

8 *Step 2.* If additional revenue is needed after Step 1 in order to meet the Facilities Special
9 Tax Requirement after Capitalized Interest has been applied to reduce the Facilities
10 Special Tax Requirement, the Facilities Special Tax shall be levied Proportionately on each
11 Parcel of Undeveloped Property, up to 100% of the Maximum Facilities Special Tax for
12 each Parcel of Undeveloped Property for such Fiscal Year.

13 *Step 3.* If additional revenue is needed after Step 2, the Facilities Special Tax shall be
14 levied Proportionately on (i) each Parcel of Taxable Association Property, up to 100% of
15 the Maximum Facilities Special Tax for each Parcel of Taxable Association Property, (ii)
16 each Parcel of Taxable Public Property, up to 100% of the Maximum Facilities Special Tax
17 for each Parcel of Taxable Public Property, and (iii) all Excess Exempt Square Footage,
18 up to 100% of the Maximum Facilities Special Tax for Excess Exempt Square Footage.

19 **2. Contingent Services Special Tax**

20 Each Fiscal Year after the Fiscal Year in which the Contingent Trigger Event occurs, the
21 Administrator shall coordinate with the City to determine the Contingent Services Special
22 Tax Requirement for the Fiscal Year. The Contingent Services Special Tax shall then be
23 levied Proportionately on each Parcel of Developed Property, in an amount up to
24 100% of the Maximum Contingent Services Special Tax for each Parcel of Developed
25 Property for such Fiscal Year until the amount levied is equal to the Contingent Services
Special Tax Requirement. The Contingent Services Special Tax shall not be levied on
Undeveloped Property, Taxable Association Property, or Taxable Public Property.

G. COLLECTION OF SPECIAL TAXES

The Special Taxes shall be collected in the same manner and at the same time as ordinary
ad valorem property taxes, provided, however, that the City may directly bill the Special
Taxes, may collect Special Taxes at a different time or in a different manner, and may
collect delinquent Special Taxes through foreclosure or other available methods.

1 The Facilities Special Tax shall be levied and collected until the earlier of (i) the Fiscal Year
2 in which the City determines that all Qualified Project Costs have been funded pursuant to
3 the Financing Plan and all other Authorized Expenditures that will be funded by the STD
4 have been funded, and (ii) Fiscal Year 2131-32. The Contingent Services Special Tax shall
5 be levied in the Fiscal Year following the Contingent Trigger Event and in perpetuity
6 thereafter. Pursuant to Government Code Section 53321(d) (to the extent incorporated in
7 the Act), the Facilities Special Tax levied against a Parcel used for private residential
8 purposes shall under no circumstances increase more than ten percent (10%) as a
9 consequence of delinquency or default by the owner of any other Parcel or Parcels and
10 shall, in no event, exceed the Maximum Facilities Special Tax in effect for the Fiscal Year
11 in which the Facilities Special Tax is being levied.

12 **H. EXEMPTIONS**

13 Notwithstanding any other provision of this RMA, no Special Taxes shall be levied on (i)
14 Exempt Square Footage other than Excess Exempt Square Footage, or (ii) Public Property
15 or Association Property, except Taxable Public Property or Taxable Association Property.

16 **I. INTERPRETATION OF SPECIAL TAX FORMULA**

17 The City may interpret, clarify, and revise this RMA to correct any inconsistency,
18 vagueness, or ambiguity, by resolution and/or ordinance, as long as such interpretation,
19 clarification, or revision does not materially affect the levy and collection of Special Taxes
20 and security for any Bonds.

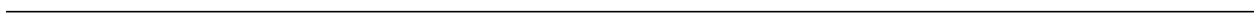
21 **J. SPECIAL TAX APPEALS**

22 Any taxpayer who wishes to challenge the accuracy of computation of Special Taxes in
23 any Fiscal Year may file an application with the Administrator. The Administrator, in
24 consultation with the City Attorney, shall promptly review the taxpayer's application. If the
25 Administrator concludes that the computation of a Special Tax was not correct, the
Administrator shall correct the Special Tax levy and, if applicable in any case, a refund
shall be granted. If the Administrator concludes that the computation of the Special
Tax was correct, then such determination shall be final and conclusive, and the
taxpayer shall have no appeal to the Board from the decision of the Administrator.

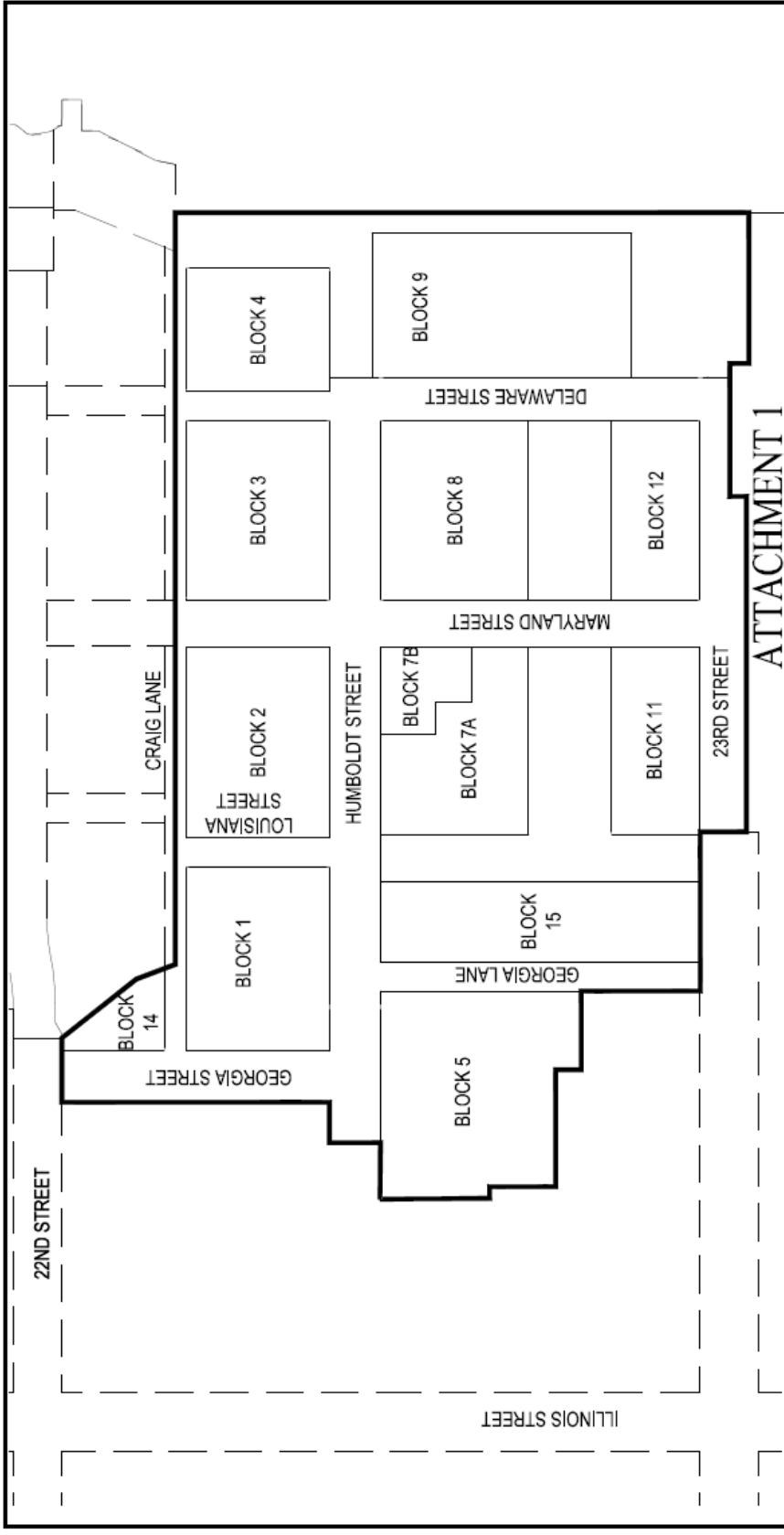
The filing of an application or an appeal shall not relieve the taxpayer of the obligation to
pay Special Taxes when due.

Nothing in this Section J shall be interpreted to allow a taxpayer to bring a claim that would otherwise be barred by applicable statutes of limitation set forth in the Act or elsewhere in applicable law.

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ATTACHMENT 1
CITY AND COUNTY OF SAN FRANCISCO SPECIAL TAX DISTRICT
NO. 2022-1 (POWER STATION)
IDENTIFICATION OF BLOCKS

LEGEND

 BOUNDARIES OF SPECIAL TAX DISTRICT AND IMPROVEMENT
 AREA NO. 1 (POWER STATION)

CITY AND COUNTY OF SAN FRANCISCO CALIFORNIA
 DATE: DECEMBER 2021 SCALE: 1"=200'



SAN RAMON (925) 866-0322
 ROSEVILLE (916) 789-4456
 WWW.CBANDG.COM
 CIVIL ENGINEERS ■ SURVEYORS ■ PLANNERS

ATTACHMENT 2

Improvement Area No. 1 of the City and County of San Francisco Special Tax District No. 2022-1 (Power Station)

Expected Land Uses and Expected Maximum Facilities Special Tax Revenues by Block

Block/	Expected Land Use	Expected Square Footage	Base Facilities Special Tax	Expected Maximum Facilities Special Tax Revenues
1	Rental Residential Square Footage Taxable Non-	288,841	\$1.00 per Square Foot	\$288,841
2	Taxable Non-Residential	290,491	\$1.50 per Square Foot	\$435,737
3	Taxable Non-Residential	294,701	\$1.50 per Square Foot	\$442,052
4	For-Sale Residential Square Footage Taxable Non-	130,400	\$3.75 per Square Foot	\$489,000
7A	For-Sale Residential Square Footage Taxable Non-	314,919	\$3.75 per Square Foot	\$1,180,946
8	Rental Residential Square Footage Taxable Non-	292,854	\$1.00 per Square Foot	\$292,854
9	For-Sale Residential Square Footage Taxable Non-	140,000	\$3.75 per Square Foot	\$525,000
11	Taxable Non-Residential	200,101	\$1.50 per Square Foot	\$300,152
12	Taxable Non-Residential	202,726	\$1.50 per Square Foot	\$304,089
15	Taxable Non-Residential	404,818	\$1.50 per Square Foot	\$607,227
Total Expected Square Footage		2,601,051	N/A	N/A
Expected Maximum Facilities Special Tax Revenues (Fiscal Year 2021-22 \$)				\$4,927,698

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1. See Attachment 1 for the geographic area associated with each Block.
2. The Expected Square Footage in Block 1 assumes that a lot line adjustment for parcels that are part of the PG&E Affected Area has occurred. If such lot line adjustment does not occur, the Expected Square Footage for Block 1 will be reduced to zero.
3. Beginning July 1, 2022 and each July 1 thereafter, the dollar amounts shown above shall be escalated as set forth in Section D.1.

ATTACHMENT 3

Improvement Area No. 1 of the City and County of San Francisco Special Tax District No. 2022-1 (Power Station)

Aggregate Project Revenues

Area	Expected Land Use	Expected Square Footage	Base Special Tax (FY 2021-22)	Estimated Maximum Facilities Tax (FY 2021-22)
Improvement Area No. 1	Rental Residential Square Footage	581,695	\$1.00 per Square Foot	\$581,695
	Footage For-Sale	585,319		\$2,194,946
	Residential Square Footage	1,134,037		\$2,151,056
PG&E Affected	Rental Residential Square Footage Taxable Non-	379,353 5,495	\$1.00 per Square Foot	\$379,353 \$8,243
Total Aggregate Project Revenues (Fiscal Year 2021-22 \$)				\$5,315,293

1. The Expected Square Footage in Block 1 assumes that a lot line adjustment for parcels that are part of the PG&E Affected Area has occurred. If such lot line adjustment does not occur, the Expected Square Footage for Block 1 will be reduced to zero.
2. Beginning July 1, 2022 and each July 1 thereafter, the dollar amounts shown above shall be escalated as set forth in Section D.1.

1 ATTACHMENT 4

2 City and County of San Francisco
3 Community Facilities District No.
4 (Power Station)

5 Sample Calculation For Reduction in Conversion Year (RMA)
6 Example Assumes PG&E Affected Area Annexes Into
7 Improvement Area No. 1

8 Assumptions

	<u>Square Feet</u>	<u>Expected Revenues</u>
Original IA No. 1 Boundaries	2,601,051	\$4,927,697
PG&E Affected Area (Block 13)	384,84	8 \$387,596
Total	2,985,899	\$5,315,293
<u>Base Aggregate Facilities Special Tax Revenues</u>		
FY 2019-20 \$		\$3,300,000
FY 2021-22 \$		\$3,433,320

13 Adjustment of Maximum Facilities Special Tax in Conversion Year

		<u>PG&E Included</u>	<u>PG&E Excluded</u>
1			
2	Step 1: Expected Land Uses for Project (Sq. Ft.)	2,985,899	2,601,051
3	Step 2: Aggregate Project Revenues (APR)	\$5,315,293	\$5,315,293
	Original Maximum Revenues (OMR)	\$5,315,293	\$4,927,697
4	Step 3: Base Aggregate Facilities Revenues	\$3,433,320	n/a
5	Step 3a: OMR as a % of the APR	n/a	92.7%
	Step 3b: Adjusted Base Aggregate Facilities Revenues	n/a	\$3,182,959
6	Step 4: Divide Base or Adjusted Base by OMR	64.6%	64.6%
7	Step 5: Multiply Step 4 by Maximum Facilities Special Tax		
8	Original IA No. 1 Boundaries	\$3,182,959	\$3,182,959
9	PG&E Affected Area (Block 13)	<u>\$250,361</u>	<u>n/a</u>
		\$3,433,320	\$3,182,959
10	Step 6: Determine Reduced Base Fac. Special Tax Rates	<u>FY 2021-22 \$</u>	
	For-Sale Residential SF	\$2.42 per sf	\$2.42 per sf
11	Rental Residential SF	\$0.65 per sf	\$0.65 per sf
	Taxable Non-Residential SF	\$0.97 per sf	\$0.97 per sf
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