

1 [Resolution to Establish - Dogpatch & Northwest Potrero Hill Green Benefit District]

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3 **Resolution to establish the property-based business improvement district known as**
4 **the “Dogpatch & Northwest Potrero Hill Green Benefit District”;** ordering the levy and
5 **collection of assessments against property located in that district for ten years**
6 **commencing with FY2015-2016, subject to conditions as specified herein; and making**
7 **environmental findings.**

8

9 WHEREAS, Pursuant to the Property and Business Improvement Law of 1994,
10 California Streets and Highways Code, Sections 36600, et seq. ("1994 Act"), as augmented
11 by Article 15A of the San Francisco Business and Tax Regulations Code ("Article 15A"),
12 collectively, the "Business Assessment Law," the Board of Supervisors adopted Resolution
13 No. 198-15, entitled "Resolution declaring the intention of the Board of Supervisors to
14 establish a property-based business improvement district to be known as the 'Dogpatch &
15 Northwest Potrero Hill Green Benefit District' and levy a multi-year assessment on identified
16 parcels in the district; approving the management district plan and engineer's report and
17 proposed boundaries map for the district; ordering and setting a time and place for a public
18 hearing thereon; approving the form of the Notice of Public Hearing and Assessment Ballots
19 Proceeding, and Assessment Ballot; directing environmental findings; and directing the Clerk
20 of the Board of Supervisors to give notice of the public hearing and balloting as required by
21 law" (the "Resolution of Intention," Board of Supervisors File No. 150535); and

22 WHEREAS, The Resolution of Intention to form the Dogpatch & Potrero Hill Green
23 Benefit District (the "Dogpatch and Northwest Potrero Hill GBD" or "District"), among other
24 things, approved the Dogpatch & Northwest Potrero Hill GBD Management District Plan (the
25 "District Management Plan"), the detailed District Assessment Engineer's Report, the

1 Boundaries Map, and the form of the Notice of Public Hearing and Assessment Ballot
2 Proceeding, that are all on file with Clerk of the Board of Supervisors in File No. 150535; and

3 WHEREAS, The Board of Supervisors caused notice of a public hearing concerning
4 the proposed formation of the Dogpatch & Northwest Potrero Hill GBD, and the proposed levy
5 of assessments against property located within the District for a period of 10 years, for fiscal
6 years 2015-2016 through 2024-2025; and

7 WHEREAS, The Board of Supervisors has caused ballots to be mailed to the record
8 owner of each parcel proposed to be assessed within the District, as required by law; and

9 WHEREAS, A Management District Plan was filed with the Board on May 19, 2015,
10 containing information about the proposed district and assessments as required by Section
11 36622 of the California Streets and Highways Code; and

12 WHEREAS, A detailed Engineer's Report dated March 27, 2015, was filed with the
13 Clerk of the Board on May 19, 2015, as prepared by Terrance E. Lowell, California Registered
14 Professional Engineer No. 13398, titled "Dogpatch & Northwest Potrero Hill Green Benefit
15 District Engineer's Report," supporting the assessments within the proposed district; and

16 WHEREAS, A Proposed Boundaries Map was submitted to the Clerk of the Board of
17 Supervisors pursuant to California Streets and Highways Code, Section 3110 on June 17,
18 2015; and

19 WHEREAS, A public hearing concerning the proposed formation of the Dogpatch &
20 Northwest Potrero Hill GBD and the proposed levy of assessments within such District was
21 held on July 28, 2015, at 3:00 p.m., in the Board's Legislative Chamber located on the Second
22 Floor of City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, California; and

23 WHEREAS, At the public hearing, the testimony of all interested persons for or against
24 the proposed formation of the District, the levy of assessments on property within the District,
25 the extent of the District, and the furnishing of specified types of improvements, services and

1 activities within the District, was heard and considered, and a full, fair and complete meeting
2 and hearing was held; and

3 WHEREAS, The Board of Supervisors heard and considered all objections or protests
4 to the proposed assessments and the Director of the Department of Elections tabulated the
5 assessment ballots submitted and not withdrawn, in support of or in opposition to the
6 proposed assessments, and the Clerk of the Board determined that a majority of the ballots
7 cast (weighted according to the proportional financial obligations of the property) by the
8 owners of record of the property located within the proposed District did not oppose
9 establishing the proposed District; and

10 WHEREAS, The public interest, convenience and necessity require the establishment
11 of the proposed Dogpatch & Northwest Potrero Hill GBD; and

12 WHEREAS, In the opinion of the Board of Supervisors, the property within the District
13 will be specially benefited by the improvements, services and activities funded by the
14 assessments; and no assessment has been imposed on any parcel which exceeds the
15 reasonable cost of the proportional special benefit conferred on that parcel; now, therefore, be
16 it

17 RESOLVED, That the Board of Supervisors declares as follows:

18 **Section 1. MANAGEMENT DISTRICT PLAN, DISTRICT ASSESSMENT**

19 **ENGINEER'S REPORT, AND BOUNDARIES MAP.** The Board hereby approves the
20 Management District Plan and District Assessment Engineer's Report, including the estimates
21 of the costs of the property-related services, activities and improvements set forth in the plan,
22 and the assessment of said costs on the properties that will specially benefit from such
23 services, activities and improvements. The Board also hereby approves the Boundaries,
24 showing the exterior boundaries of the District, and ratifies and approves the Assessment
25 Ballot and the City's use of such ballot, which Assessment Ballot is on file with the Clerk of the

1 Board of Supervisors in File No. 150535 and is hereby declared to be a part of the Resolution
2 as if set forth fully herein. A copy of the Management District Plan, the District Assessment
3 Engineer's Report, and the Boundaries Map are on file with the Clerk of the Board of
4 Supervisors in File No. 198-15, which is hereby declared to be a part of this Resolution as if
5 set forth fully herein.

6 **Section 2. FINDING OF NO MAJORITY PROTEST.** The Board of Supervisors
7 hereby finds that a majority protest does not exist as defined in Section 4(e) of Article XIID of
8 the California Constitution and Section 53753 of the California Government Code with respect
9 to the formation of the Dogpatch & Northwest Potrero Hill Green Benefit District. All
10 objections or protests both written and oral, are hereby duly overruled.

11 **Section 3. ESTABLISHMENT OF DISTRICT.** Pursuant to the 1994 Act and Article
12 15A, the property-based business improvement district designated as the "Dogpatch &
13 Northwest Potrero Hill Green Benefit District" is hereby established.

14 **Section 4. DESCRIPTION OF DISTRICT.** The Dogpatch & Northwest Potrero Hill
15 Green Benefit District shall include all parcels of real property within the district. The proposed
16 District contains two zones, Zone I and Zone II.

17 Zone I of the proposed District contains approximately 1,126 identified parcels, located
18 on approximately 53 whole or partial blocks lying approximately between the following
19 intersections: Mariposa Street and Illinois Street, Mariposa Street and Iowa Street, Illinois
20 Street and 27th Street, and Pennsylvania Street and 27th Street.

21 Specifically, the exterior boundaries of Zone I are:

- 22 • Mariposa Street from Iowa Street to Illinois Street (south side only)
- 23 • Illinois Street from Mariposa Street to Cesar Chavez Street (west side only)
- 24 • Cesar Chavez Street from Illinois Street to Pennsylvania Street (north side only)

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- 1 • Pennsylvania Street from Cesar Chavez Street from Mariposa Street (east side
- 2 only)
- 3 • 22nd Street from Pennsylvania to Iowa Street (north side only)
- 4 • (6) Iowa Street from 22nd Street to Mariposa Street (east side only).

5 Zone II of the proposed District contains approximately 256 identified parcels, located
6 on approximately 16 whole or partial blocks lying approximately between the following
7 intersections: Potrero Avenue and 19th Street, 19th Street and Kansas Street, Kansas Street
8 and 16th Street, and 16th Street and Potrero Avenue.

9 Specifically, the exterior boundaries of Zone II are:

- 10 • 16th Street from Potrero Avenue to Kansas Street (south side only) (completely
- 11 encompassing parcel 3958-006)
- 12 • Kansas Street from the northeast corner of parcel 3958-006 traveling south
- 13 along the eastern perimeter of the parcel for 100 feet, then traveling west along
- 14 the southern perimeter of the parcel for 100 feet, then traveling south to the
- 15 southeast corner of parcel 4029-022
- 16 • 19th Street from southeast corner of parcel 4029-022 to Potrero Avenue (north
- 17 side only); and (4) Potrero Avenue from 19th Street to 16th Street (east side
- 18 only)

19 Reference should be made to the detailed maps and the lists of parcels identified by
20 Assessor Parcel Number that are contained in the Management District Plan, in order to
21 determine which specific parcels are included in the Dogpatch & Northwest Potrero Hill Green
22 Benenefit District.

23 **Section 5. FINDING OF BENEFIT.** The Board of Supervisors hereby finds that the
24 property within the District will be benefited by the improvements and activities funded by the
25 assessments proposed to be levied.

Section 6. SYSTEM OF ASSESSMENTS.

(a) Annual assessments will be levied to pay for the activities to be provided within the District, commencing with fiscal year 2015-2016, and continuing for 10 years, ending with fiscal year 2024-2025. For purposes of levying and collecting assessments within the District, a fiscal year shall commence on each July 1st and end on the following June 30th.

(b) The amount of the proposed assessments to be levied and collected for fiscal year (FY) 2015-2016 shall be a maximum of \$492,859 (as shown in the Management District Plan and Engineer's Report dated March 27, 2015). The amount of assessments to be levied and collected in fiscal years two through 10 may be increased annually by the Board of Directors of the Owners' Association for the Dogpatch & Northwest Potrero Hill Green Benefit District by an amount not to exceed the change in the Consumer Price Index for All Urban Consumers in the San Francisco-Oakland-San Jose Consolidated Metropolitan Statistical Area, or three percent (3%), whichever is less. However, the maximum assessment that may be collected for years two through 10 may be increased to twice the amount stated above in this subsection (b) to account for assessments to be collected from potential future development in the District.

(c) The method and basis of levying and collecting the assessment shall be as set forth in the Management District Plan.

(1) The levy of the assessments shall commence with FY 2015-2016. Each year the assessment shall be due and payable in two equal installments. The first installment shall be due on November 1 of each fiscal year during the life of the District, and shall become delinquent on December 10 of that fiscal year. The second installment shall be due on February 1 of each fiscal year during the life of the District, and shall become delinquent on April 10 of that fiscal year.

1 (2) Nonpayment of the assessment shall have the same lien priority and delinquent
2 payment penalties and be subject to the same enforcement procedures and remedies as the
3 ad valorem property tax. All delinquent payment of assessments shall be subject to interest
4 and penalties. The City Treasurer and Tax Collector will enforce imposition of interest and
5 penalties and collection of delinquent assessments pursuant to the Business Assessment Law
6 and City Business and Tax Regulations Code Article 6, as each may be amended from time to
7 time.

8 **Section 7. USE OF REVENUES.** The proposed property-related services,
9 improvements and activities for the District include Maintenance, Capital Improvements,
10 Accountability, Transparency & Citizen Services, and Operations & Contingency/Reserves:

11 **Maintenance:** Maintenance includes, but is not limited to, maintenance care for new
12 and existing street trees, the maintenance and repair of irrigation systems, graffiti abatement
13 patrol officers to patrol graffiti hotspots, responses to requests for the removal of trash and
14 debris, pruning of shrubs, weed removal and fertilization, and the setting aside for the first
15 year only assessment funds to improve the maintenance of specific spaces.

16 **Capital Improvements:** Capital Improvements includes, but is not limited to: (1)
17 improvements to existing public realm areas, such as providing new playground equipment,
18 new trash and recycling receptacles, new park benches, and new irrigation systems; (2) the
19 development of new public realm areas, such as new parks, parklets, and plazas, planting
20 new trees and related bulb-outs, installing street furniture, and constructing traffic-calming
21 round-about, green spaces, at wide street intersections; and (3) developing green
22 infrastructure, such as providing new recycled water collection and distribution systems, new
23 storm water capture systems, new rainwater/storm water cisterns, and the installation of
24 energy generation and distribution systems.

1 **Accountability, Transparency, & Citizen Services:** Accountability, Transparency, &
2 Citizen Services includes, but is not limited to: (1) management of District affairs, such as the
3 finances and contracts for services, management of the relationship with the City, and
4 management of volunteer staff for the District; (2) performing marketing and communications
5 for the District, including, without limitations, the management of public relations and media
6 relations; (3) development of public communication and accountability, including, without
7 limitation, designing and updating the District’s website, designing and updating the District’s
8 smart phone application, and the development an outreach campaign to the City and the
9 media to ensure understanding of the purpose, work, and accomplishments of the District;
10 and (4) strategic planning, including, without limitation, updates to the District’s “Green Vision
11 Plan,” to convey the values, mission, goals and accomplishments of the District.

12 **Operations & Contingency/Reserves:** Operations & Contingency/Reserves,
13 includes, but is not limited to, the acquisition of insurance for operations and services,
14 providing for the expense of audit or financial reviews, and providing for potential cost
15 overruns for maintenance and improvement services up to 10%.

16 **Section 8. AUTHORITY TO CONTRACT.** The Board of Supervisors may contract
17 with a separate private entity to administer the improvements, services and activities set forth
18 in Section 7, as provided in Section 36612 of the California Streets and Highways Code. Any
19 such entity shall hold the funds it receives from the City and County of San Francisco ("City")
20 in trust for the improvements, services and activities set forth in Section 7. Any such entity
21 that holds funds in trust for purposes related to the contract shall deliver, at no expense to the
22 City, a balance sheet and the related statement of income and cash flows for each fiscal year,
23 all in reasonable detail acceptable to City, reviewed by a Certified Public Accountant (CPA);
24 this review shall include a statement of negative assurance from the CPA. In addition, or
25 alternatively, the Controller in his or her discretion or the Office of Economic and Workforce

1 Development in its discretion, may require the private entity to deliver, at no expense to the
2 City, an annual independent audit report by a Certified Public Accountant of all such funds.
3 The CPA review and/or audit may be funded from assessment proceeds as part of the
4 general administration of the District. At all times the Board of Supervisors shall reserve full
5 rights of accounting of these funds. The Department of Public Works shall be the City agency
6 responsible for coordination between the City and the District.

7 **Section 9. AMENDMENTS.** The properties in the District established by this
8 Resolution shall be subject to any amendments to the 1994 Act, and City Business and Tax
9 Regulations Code Article 6 and Article 15A.

10 **Section 10. RECORDATION OF NOTICE AND DIAGRAM.** The County Clerk is
11 hereby authorized and directed to record a notice and an assessment diagram pursuant to
12 Section 36627 of the California Streets and Highways Code, following adoption of this
13 Resolution.

14 **Section 11. LEVY OF ASSESSMENT.** The adoption of this Resolution and
15 recordation of the notice and assessment diagram pursuant to Section 36627 of the California
16 Streets and Highways Code constitutes the levy of an assessment in each of the fiscal years
17 referred to in the District Management Plan. Each year, the Assessor shall enter on the
18 County Assessment Roll opposite each lot or parcel of land the amount of the assessment
19 and such assessment shall be collected in the same manner as the County property taxes are
20 collected.

21 **Section 12. BASELINE SERVICES.** To ensure that assessment revenues from the
22 District are used to enhance the current level of services provided by the City within the
23 District, the establishment of the District will not affect the City's policy to continue to provide
24 the same level of service to the areas encompassed by the District as it provides to other
25 similar areas of the City for the duration of the District, provided, however, that in the event of

1 a significant downturn in citywide revenues, the Board of Supervisors may reduce the level of
2 municipal services citywide, including within the District.

3 **Section 13. ENVIRONMENTAL FINDINGS.** The Planning Department has
4 determined that the actions contemplated in this Resolution are in compliance with the
5 California Environmental Quality Act (California Public Resources Code Sections 21000 et
6 seq.). Said determination is on file with the Clerk of the Board of Supervisors in File No.
7 150795, which is hereby declared to be a part of this Resolution as if set forth fully herein.

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