

File No. 161125

Committee Item No. \_\_\_\_\_

Board Item No. 50.

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: \_\_\_\_\_

Date: \_\_\_\_\_

Board of Supervisors Meeting

Date: January 24, 2017

#### Cmte Board

- |                          |                                     |  |
|--------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/>            | Motion                                       |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution                                   |
| <input type="checkbox"/> | <input type="checkbox"/>            | Ordinance                                    |
| <input type="checkbox"/> | <input type="checkbox"/>            | Legislative Digest                           |
| <input type="checkbox"/> | <input type="checkbox"/>            | Budget and Legislative Analyst Report        |
| <input type="checkbox"/> | <input type="checkbox"/>            | Youth Commission Report                      |
| <input type="checkbox"/> | <input type="checkbox"/>            | Introduction Form                            |
| <input type="checkbox"/> | <input type="checkbox"/>            | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/>            | MOU  |
| <input type="checkbox"/> | <input type="checkbox"/>            | Grant Information Form                       |
| <input type="checkbox"/> | <input type="checkbox"/>            | Grant Budget                                 |
| <input type="checkbox"/> | <input type="checkbox"/>            | Subcontract Budget                           |
| <input type="checkbox"/> | <input type="checkbox"/>            | Contract/Agreement                           |
| <input type="checkbox"/> | <input type="checkbox"/>            | Form 126 – Ethics Commission                 |
| <input type="checkbox"/> | <input type="checkbox"/>            | Award Letter                                 |
| <input type="checkbox"/> | <input type="checkbox"/>            | Application                                  |
| <input type="checkbox"/> | <input type="checkbox"/>            | Public Correspondence                        |

#### OTHER

(Click the text below for a direct link to the document)

- |                          |                                     |  |
|--------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Resolution Exhibit A</u>                            |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Controller letter - November 14, 2016</u>           |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Petition Waivers</u>                                |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>CFD Ballot Mailing - January 11, 2017</u>           |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Director of Elections letter - January 13, 2017</u> |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Hearing notice - printed December 25, 2016</u>      |
| <input type="checkbox"/> | <input type="checkbox"/>            | _____  |
|                          |                                     | _____  |

Prepared by: John Carroll

Date: January 19, 2017

Prepared by: \_\_\_\_\_

Date: \_\_\_\_\_

1 [Declaring Results of Special Election - Community Facilities District No. 2016-1 (Treasure  
2 Island)]

3 **Resolution declaring results of a special election and directing recording of notice of**  
4 **special tax lien for the City and County of San Francisco Community Facilities District**  
5 **No. 2016-1 (Treasure Island); and determining other matters in connection therewith.**  
6

7 WHEREAS, Pursuant to the Mello-Roos Community Facilities Act of 1982, constituting  
8 Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California  
9 Government Code ("Mello-Roos Act"), this Board of Supervisors ("Board of Supervisors") of  
10 the City and County of San Francisco ("City"), State of California, has adopted a resolution  
11 entitled "Resolution of formation of City and County of San Francisco Community Facilities  
12 District No. 2016-1 (Treasure Island), Improvement Area No. 1 and a Future Annexation Area,  
13 and determining other matters in connection therewith" ("Resolution of Formation"), on file  
14 with the Clerk of the Board of Supervisors in File No. 161122, ordering (i) the formation of (A)  
15 "City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)"  
16 ("CFD"), (B) "Improvement Area No. 1 of the City and County of San Francisco Community  
17 Facilities District No. 2016-1 (Treasure Island)" ("Improvement Area No. 1") and (C) a future  
18 annexation area for the CFD ("Future Annexation Area"); and (ii) authorizing the levy of a  
19 special tax on property within Improvement Area No. 1 and preliminarily establishing an  
20 appropriations limit for Improvement Area No. 1; and

21 WHEREAS, This Board of Supervisors has also adopted a resolution entitled "Resolution  
22 determining necessity to incur bonded indebtedness and other debt in an amount not to exceed \$5.0  
23 billion for the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure  
24 Island) and determining other matters in connection therewith" ("Resolution of Necessity"), on file with  
25 the Clerk of the Board of Supervisors in File No. 161123, determining (i) the necessity to incur bonded

1 indebtedness and other debt (as defined in the Mello-Roos Act) in the maximum aggregate principal  
2 amount of \$250 million for Improvement Area No. 1 upon the security of the special tax to be levied  
3 within Improvement Area No. 1 pursuant to the Mello-Roos Act and (ii) the necessity to incur bonded  
4 indebtedness and other debt (as defined in the Mello-Roos Act) in the maximum aggregate principal  
5 amount of \$4.75 billion for the territory in the CFD that is not in Improvement Area No. 1 ("Non-  
6 Improvement Area No. 1 Indebtedness") upon the security of the special tax to be levied in such  
7 territory pursuant to the Mello-Roos Act; and

8 WHEREAS, Under the provisions of the Resolution of Formation and the Resolution Necessity  
9 and pursuant to a "Resolution calling special election in City and County of San Francisco Community  
10 Facilities District No. 2016-1 (Treasure Island) and determining other matters in connection therewith"  
11 ("Election Resolution"), on file with the Clerk of the Board of Supervisors in File No. 161124, adopted  
12 by this Board of Supervisors, the propositions of the levy of the special tax, the establishment of the  
13 appropriations limit and the incurring of the bonded indebtedness and other debt for Improvement Area  
14 No. 1 were submitted to the qualified electors of Improvement Area No. 1 as required by the provisions  
15 of the Mello-Roos Act; and

16 WHEREAS, Pursuant to the terms of the Election Resolution, which are by this  
17 reference incorporated herein, the special election has been held and the Director of Elections  
18 of the City and County of San Francisco has on file a Canvass and Statement of Results of  
19 Election ("Canvass"), a copy of which is attached hereto as Exhibit A; and

20 WHEREAS, This Board of Supervisors has reviewed the Canvass, finds it appropriate  
21 and wishes to complete its proceedings for Improvement Area No. 1; now, therefore, be it

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

23 FURTHER RESOLVED, That the issues presented at the special election were the levy  
24 of a special tax within Improvement Area No. 1, the incurring of a bonded indebtedness and  
25 other debt (as defined in the Mello-Roos Act) for Improvement Area No. 1, and the approval of

1 an annual appropriations limit for Improvement Area No. 1, all pursuant to the Resolution of  
2 Formation and the Resolution of Necessity; and, be it

3 FURTHER RESOLVED, That the Board of Supervisors hereby approves the Canvass  
4 and finds that it shall be a permanent part of the record of its proceedings for Improvement  
5 Area No. 1, and pursuant to the Canvass, the issues presented at the special election were  
6 approved by the qualified electors of Improvement Area No. 1 by more than two-thirds (2/3) of  
7 the votes cast at the special election; and, be it

8 FURTHER RESOLVED, That pursuant to the voter approval, Improvement Area No. 1  
9 is hereby declared to be fully formed with the authority to levy the special taxes, to incur the  
10 approved bonded indebtedness and other debt (as defined in the Mello-Roos Act) and to have  
11 the established appropriations limit, all as heretofore provided in these proceedings and in the  
12 Mello-Roos Act, and it is hereby found that all prior proceedings and actions taken by this  
13 Board of Supervisors with respect to the CFD, Improvement Area No. 1 and the Future  
14 Annexation Area were valid and in conformity with the Mello-Roos Act; and, be it

15 FURTHER RESOLVED, That the Clerk of the Board of Supervisors is hereby directed  
16 to complete, execute and cause to be recorded in the office of the Assessor-Recorder of the  
17 City and County of San Francisco a notice of special tax lien in the form required by the Mello-  
18 Roos Act, such recording to occur no later than fifteen (15) days following adoption by the  
19 Board of Supervisors of this Resolution; and, be it

20 FURTHER RESOLVED, That if any section, subsection, sentence, clause, phrase, or  
21 word of this resolution, or any application thereof to any person or circumstance, is held to be  
22 invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision  
23 shall not affect the validity of the remaining portions or applications of this resolution, this  
24 Board of Supervisors hereby declaring that it would have passed this resolution and each and  
25 every section, subsection, sentence, clause, phrase, and word not declared invalid or



1 unconstitutional without regard to whether any other portion of this resolution or application  
2 thereof would be subsequently declared invalid or unconstitutional; and, be it

3 FURTHER RESOLVED, That the Mayor, the Controller, the Director of the Office of  
4 Public Finance, the Clerk of the Board of Supervisors and any and all other officers of the City  
5 are hereby authorized, for and in the name of and on behalf of the City, to do any and all  
6 things and take any and all actions, including execution and delivery of any and all  
7 documents, assignments, certificates, requisitions, agreements, notices, consents,  
8 instruments of conveyance, warrants and documents, which they, or any of them, may deem  
9 necessary or advisable in order to effectuate the purposes of this Resolution; provided  
10 however that any such actions be solely intended to further the purposes of this Resolution,  
11 and are subject in all respects to the terms of the Resolution; and, be it

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

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

19  
20 APPROVED AS TO FORM:  
21 DENNIS J. HERRERA, City Attorney

22  
23 By: 

24 Mark D. Blake  
25 Deputy City Attorney

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EXHIBIT A

CANVASS AND STATEMENT OF RESULT OF ELECTION

CITY AND COUNTY OF SAN FRANCISCO  
Community Facilities District No. 2016-1  
(Treasure Island)

Improvement Area No. 1

I hereby certify that on \_\_\_\_\_, 2016 I canvassed the returns of the election held on \_\_\_\_\_, 2016 in Improvement Area No. 1 of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island) and the total number of ballots cast in said Improvement Area and the total number of votes cast for and against the measure are as follows and the totals as shown for and against the measure are full, true and correct:

	Qualified Landowner <u>Votes</u>	Votes <u>Cast</u>	<u>YES</u>	<u>NO</u>
City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island), Special Tax Election, _____, 2016	17	_____	_____	_____

Shall the City and County of San Francisco ("City") levy a special tax solely on lands within Improvement Area No. 1 of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island) ("Improvement Area") in accordance with the rate and method contained in Resolution No. \_\_\_\_\_ of the Board of Supervisors ("Formation Resolution"), commencing in the City's fiscal year 2017-18, to pay for the public facilities and the public services specified in the Formation Resolution and to pay the costs of the City in administering the Improvement Area; shall the annual appropriations limit of the Improvement Area be established in the amount of \$90 million; and shall the City issue bonds and incur other debt ("bonds") for the Improvement Area in one or more series in the maximum aggregate principal amount of \$250 million with interest at a rate or rates not to exceed the maximum interest rate permitted by law at the time of sale of such bonds on behalf of the Improvement Area, the

proceeds of which bonds will be used to acquire and/or construct certain facilities and pay for the costs of issuing the bonds and related expenses?

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND this \_\_\_\_ day of \_\_\_\_, 2016.

By: \_\_\_\_\_  
John Arntz  
Director of Elections



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



**Ben Rosenfield**  
**Controller**

**Todd Rydstrom**  
**Deputy Controller**

**Nadia Sesay**  
**Director**  
**Office of Public Finance**

**MEMORANDUM**

**TO:** Honorable Mayor Edwin M. Lee  
Honorable Members, Board of Supervisors

**FROM:** Nadia Sesay, Public Finance Director   
Robert Beck, Treasure Island Director 

**SUBJECT:** Treasure Island/Yerba Buena Island: Affordable Housing Funding Plan

**DATE:** Monday, November 14, 2016

This memorandum identifies strategies to address the affordable housing funding gap in the Treasure Island Program as they relate to legislative actions pending at the Board of Supervisors.

**Executive Summary**

- In 2011, the Board of Supervisors adopted a series of resolutions to approve numerous entitlement and transaction documents relating to Treasure Island/Yerba Buena Island Development Project.
- The Project includes the development of 8,000 new homes (including 2,173 or 27.2% affordable units), 300 acres of parks and open space, roughly 550,000 square feet of commercial and retail space, and up to 500 hotel rooms.
- Treasure Island Community Development ("TICD") is required to deliver a wide range of public improvements, including geotechnically stabilizing the project site; constructing new roadways, utilities, and other public infrastructure to support the Project; and constructing new ferry facilities, a new police/fire public safety building, and other community facilities.
- The City, in partnership with Treasure Island Homeless Development Initiative ("TIHDI"), is required to develop the affordable housing units.
- The City is obligated under the Disposition and Development Agreement dated June 7, 2011 ("DDA") to establish the required public financing mechanisms as development commences.
- The first five of seventeen resolutions and ordinance required to form the Infrastructure Financing and Revitalization District ("IRFD") and Community Facilities District ("CFD") are pending at the Board of Supervisors. If adopted the resolutions are adopted, the formation of the districts would be considered by the Board of Supervisors in January following Public Hearings on the districts.
- The IRFD will allow Treasure Island Development Authority ("TIDA") to capture property tax increment for affordable housing and to reimburse Treasure Island Community Development ("TICD") for eligible public infrastructure expenses.

- The CFD will place a supplemental assessment on development parcels which will reimburse eligible TICD public infrastructure expenses and will fund future sea level rise adaptation strategies and park & open space maintenance, but which cannot finance affordable housing.
- The 2011 agreements allowed for 1,684 affordable units with the option to develop up to 1,866 affordable units without compensation to the developer, TICD, although it was not determined at the time how the City might finance these additional units.
- Since the adoption of the DDA in 2011 revised projections have identified a gap of \$382 million across a total cost of \$968 million to construct the 1,864 units.
- The gap includes funding an additional 184 affordable housing units, increased construction cost, and lost contributions from State and Federal funding programs which no longer exist. Most notable is the loss due to dissolution of redevelopment of the Educational Revenue Augmentation Fund (“ERAF”) which represent 25.3% of the 1% ad valorem property tax.
- Potential solutions to close the affordable housing funding gap will be available in near-, mid-, and long-term, over the life of the development and will entail future Board actions and change in State law.
- The City is projected to deliver 720 TIDA/TIHDI affordable units over 7 parcels between 2018 – when the first parcel will be available – and 2026 with funding in the near-term from MOHCD.
- The committed and project-generated sources funds 1,429 units (including the 720 units above) or 65% of the affordable housing obligation, including inclusionary units, over the life of the development.
- To the extent that we are able to further realize the potential funding sources identified in this memo, 1,967 units or 90% of the affordable housing obligation including inclusionary units can be delivered over the life of the development.
- Although the City has rights to develop over 20 parcels, the City projects it can construct the 1,864 units on only 17 parcels. Therefore, the City has 3 parcels available for future affordable housing development beyond the 8,000 units and outside of the scope of the development.

### **Affordable Housing Program**

Table 1 below, summarizes some of the key characteristics of the affordable housing program and costs in 2011 compared to 2016.

**Table 1: Affordable Housing Program – 2011 and 2016**

	<b>2011</b>	<b>2016</b>
Total Affordable Housing Units	2,000	2,173
TIDA/TIHDI Units	1,684	1,864
Inclusionary Units	316	309
Total Cost of TIDA/TIHDI Units	\$600 million	\$968 million
Estimated Funding Gap	\$144+ million*	\$382 million

\* – Includes expired Federal and State sources, TIHDI financing obligation, and construction of Tax Credit ineligible market rate units.

With the elimination of redevelopment, the Project was limited to the share of ad valorem property taxes allocated to San Francisco as a City and County which are 64.7% of the total revenues. State law authorizing the formation of Infrastructure Financing Districts ("IFDs") allowed the City to leverage these revenues in a manner similar to redevelopment law. In the Finance Plan and Housing Plan as revised following the dissolution of redevelopment, the City dedicated 56.7% of the ad valorem tax revenues to the financing of the public improvements, with 82.5% of that amount committed to the reimbursement of TICD for the provision of infrastructure improvements and 17.5% of that amount set aside to finance affordable housing to be constructed by TIDA and TIHDI. The resultant financing structure is reflected in Table 2.

**Table 2: Available Tax Increment Under Redevelopment Law vs Treasure Island Post-Redevelopment Finance Plan**

	RDA*	IFD**	Notes
General Fund Subtotal	13%	8%	8% of local Tax Increment to GF; 56.7 to project implementation
SF School District	6.5%	7.7%	Not available under IFD
ERAF	-	25.3%	Not available under IFD
Other Districts	0.5%	2.3%	Not available under IFD
Affordable Housing	20%	9.92%	=17.5% of 56.7%
Available for Infrastructure	60%	46.78%	=82.5% of 56.7%
Total	100%	100%	

- \* – Under Redevelopment Law, the State committed the ERAF share of property tax increment derived from the project area to the Redevelopment Agency ("RDA") for the financing of public improvements and affordable housing within the project area.
- \*\* – Per the Treasure Island Finance Plan, local Tax Increment is to be leveraged through an Infrastructure and Revitalization Financing District ("IFD")

### Addressing the Funding Gap

As illustrated in Table 3, the \$382 million funding gap considers only funding contributions from affordable housing tax credits, TICD's affordable housing subsidy payment, and tax increment to be leveraged through the IRFD. The committed and project-generated sources funds 1,429 units or 65% of affordable housing obligation, which includes inclusionary units. It does not factor in potential contributions from potential state and local revenues. There are several other avenues that we can pursue to close the funding gap, but the pursuit of these revenues will, by necessity, unfold over time. It is difficult to currently predict with certainty the timing of sources and amounts available to contribute to the final funding program. If these potential funding sources are realized, 1,967 units or 90% of the affordable housing obligation including inclusionary units will be delivered over the life of the development.

The City is exploring a number of alternative funding sources to close the funding gap. The funding source with the potential greatest impact is the restoration of the State ERAF share that was lost when the State dissolved redevelopment in 2011. The restoration of the ERAF Share is one of several of the funding strategies which would require State legislation. The Infrastructure Financing Plan before the Board provides that any additional revenues arising from changes in IRFD law including the reinstatement of ERAF and/or the pledge of MVLF would be used exclusively to finance affordable housing.

**Table 3: Net Funding Need (\$ in Millions)**

	<b>Amount</b>
Estimated Cost of Construction	(968)
Committed Non-Project Sources (Tax Credits)	449
Project Generated Sources (Net Increment, Other)	138
<b>Affordable Housing Need</b>	<b>(382)</b>
Short-Term MOHCD Funding	30
State Legislative Changes:	
ERAF Share: 25.3% (Bond Proceeds)	206
IRFD Extension	38
<b>Net Funding Need Gap</b>	<b>(108)</b>
<b>Future Local Shares</b>	
GF Share: 8%	65
Leverage Island Revenue	TBD
Future MOHCD Funding	TBD

It is also useful to understand when potential sources may be available to support the housing program. Table 4, below, illustrates which sources may be available in the near-, mid-, and long-term.

**Table 4: Affordable Housing Funding Sources**

	<b>Near-Term</b>	<b>Mid-Term</b>	<b>Long-Term</b>
<b>Local Project Generated Sources</b>			
GF Share: 8%		X	X
Leverage Island Revenue	X	X	X
<b>Grants</b>			
AHSC	X	X	
No Place Like Home		X	
<b>Legislative Changes</b>			
State ERAF Share		X	X
IRFD Extension			X
<b>MOHCD Funding</b>	X	X	X

## Conclusion

TIDA and TIHDI have been working with the MOHCD to develop a funding strategy with an emphasis on projects deliverable over the next 10 years. It is very difficult to predict with any certainty what local revenues will be available beyond 10 years and what other projects will be competing for those resources. Based on our efforts, we project that we will be able to deliver 720 TIDA/TIHDI affordable units between 2018 – when the first parcel will be available – and 2026 with approximately \$30 million in support from MOHCD. These projections do not assume external grants or the legislative changes described above which could make more funds available. To the extent that we are able to realize the potential funding sources identified above, 1,967 units or 90% of the affordable housing obligation including inclusionary units will be delivered over the life of the development.

To date, TICD has demolished structures on Yerba Buena Island and, in August, began demolition on Treasure Island. TICD has taken bids for the initial infrastructure contracts on Yerba Buena Island – for new water storage reservoirs and for new roadways and utility infrastructure – and those contractors are poised to mobilize and begin construction in the coming weeks.

For this work to continue moving forward, it is essential that the City and TIDA commence formation of the initial IRFD and CFD to demonstrate the capacity to reimburse TICD – and, by extension, their lenders – for eligible work as it is completed. A delay in the formation of the IRFD and CDF would slow the release of funds and progress to implement the Program would stall.

The administration of the IRFD and CFD will require TIDA and the Office of Public Finance to appear regularly before the Board of Supervisors to authorize future bond sales and take other actions. We would update the Board of the progress in funding individual affordable housing projects and narrowing the overall funding gap as a regular part of every report.

Your consideration of this matter is greatly appreciated. Please contact Nadia Sesay at 415-554-554-5956 or Bob Beck at 415-274-0646 if you have any questions.

CC: Angela Calvillo, Clerk of the Board of Supervisors  
Ben Rosenfield, Controller  
Naomi Kelly, City Administrator  
Nicole Elliott, Director of Legislative & Government Affairs  
Mawuli Tugbenyoh, Mayor's Liaison to the Board of Supervisors  
Melissa Whitehouse, Mayor's Budget Director  
Olson Lee, Mayor's Office of Housing and Community Development  
Kate Hartley, Mayor's Office of Housing and Community Development  
Harvey Rose, Budget Analyst



**PETITION  
TO CREATE A  
COMMUNITY FACILITIES DISTRICT  
(Including Waivers)**

December 1, 2016

Board of Supervisors of the  
City and County of San Francisco  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102

Members of the Board of Supervisors:

This Petition to Create a Community Facilities District (including Waivers) (this "Petition") is submitted pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Sections 53311 and following of the California Government Code) (the "Mello-Roos Act").

1. Property Owner. This Petition is submitted to the City and County of San Francisco (the "City") by the owner (the "Property Owner") of the fee simple interest in the parcels of land identified by Assessor Parcel Numbers below (the "Property"). The undersigned Property Owner warrants to the City that it is authorized to execute this Petition and that the Property Owner's submission of this Petition and participation in the City's proceedings under the Mello-Roos Act will not constitute a violation or event of default under any existing financing arrangement to which the Property Owner is a party or in any way otherwise affect the Property Owner's ownership of such Property, including but not limited to any "due-on-encumbrance" clauses under any existing deeds of trust secured by the Property.

2. Request to Institute Proceedings. The Property Owner hereby petitions the City to undertake the following proceedings under the Mello-Roos Act:

(a) the creation of a community facilities district to be designated "City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)" (the "CFD"), an improvement area within the CFD to be designated "Improvement Area No. 1 of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)" ("Improvement Area No. 1") and a future annexation area for the CFD to be designated "City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island) (Future Annexation Area)," with the proposed boundary shown in the proposed map attached as Exhibit B hereto and incorporated herein by reference;

(b) the levy of special taxes in Improvement Area No. 1 pursuant to a Rate and Method of Apportionment of Special Tax (the "Rate and Method") to be prepared by the City, subject to the two-thirds vote of the owners of the taxable property in Improvement Area No. 1; and

(c) the issuance of special tax bonds and other debt (as defined in the Mello-Roos Act) for the CFD and Improvement Area No. 1 in an amount to be determined during the formation proceedings.

3. Boundaries of CFD. The Property Owner hereby asks that the proposed boundaries of the CFD and Improvement Area No. 1 be as shown in Exhibit B. The proposed boundaries of the CFD and Improvement Area No. 1 include the single parcel owned by the Property Owner listed below.

4. Purpose of CFD. The Property Owner hereby asks that the CFD, Improvement Area No. 1 and any improvement area created in the future from the property in the Future Annexation Area (a "Future Improvement Area") be created for the purpose of financing the public facilities (the "Facilities") and the public services described in Exhibit A attached hereto and incorporated herein by reference. Within Improvement Area No. 1 and each Future Improvement Area, the Property Owner will request from time to time that the Board of Supervisors issue special tax bonds in one or more series to finance the Facilities and the related incidental expenses of the proceedings and bond financing.

5. Elections. The Property Owner hereby consents to a special landowner election being held under the Mello-Roos Act to authorize the special taxes and the issuance of the bonds and other debt (as defined in the Mello-Roos Act) and to establish an appropriations limit for Improvement Area No. 1, to the consolidation of the matters into a single election and to the election being conducted by the City and its officials, using mailed or hand-delivered ballots, with such ballots being opened and canvassed and the results certified at the same meeting of the Board of Supervisors as the public hearings on the CFD, Improvement Area No. 1 and the Future Annexation Area under the Mello-Roos Act or as soon thereafter as possible.

6. Waivers. To expedite the completion of the proceedings for the CFD, Improvement Area No. 1 and the Future Annexation Area, all notices of hearings and all notices of election, applicable waiting periods under the Mello-Roos Act for the election and all ballot analyses and arguments for the election are hereby waived. The Property Owner also waives any requirement as to the specific form of the ballot to be used for the election, whether under the Mello-Roos Act, the California Elections Code or otherwise.

This Petition may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

By executing this Petition, the persons below agree to all of the above.

The property that is the subject of  
this Petition is identified as City  
and County of San Francisco  
Assessor Parcel No.: 8949-001

Total Acreage: 2.61 acres

Mailing Address:

Robert P. Beck  
Treasure Island Director  
Treasure Island Development  
Authority  
One Avenue of the Palms, Suite  
241  
Treasure Island  
San Francisco, CA 94130

The name of the owner of record of such property  
and the petitioner and its mailing address is:

TREASURE ISLAND DEVELOPMENT  
AUTHORITY,  
a California non-profit public benefit corporation

By:   
Name: Robert P. Beck  
Title: Treasure Island Director



## EXHIBIT A

### CITY AND COUNTY OF SAN FRANCISCO Community Facilities District No. 2016-1 (Treasure Island)

#### DESCRIPTION OF FACILITIES AND SERVICES TO BE FINANCED BY THE CFD AND EACH CURRENT AND FUTURE IMPROVEMENT AREA THEREIN

#### FACILITIES

It is intended that the CFD, Improvement Area No. 1, and each Future Improvement Area will be authorized to finance all or a portion of the costs of the acquisition, construction and improvement of any of the following types of facilities:

- A. Facilities to be Acquired from Third Parties
  1. Acquisition - includes acquisition of land for public improvements.
  2. Abatement - includes abatement of hazardous materials and disposal of waste.
  3. Demolition - removal of below-grade, at-grade, and above-grade facilities, and recycling or disposal of waste.
  4. Supplemental Fire Water Supply System - including, but not limited to, main pipe, laterals, valves, fire hydrants, cathodic protection, manifolds, air-gap back flow preventer, wharf fire hydrants, portable water pumper, and tie-ins for onsite water supply network that is unique to San Francisco intended for fire suppression.
  5. Low Pressure Water - including, but not limited to, main pipe, pressure reducing stations, laterals, water meters, water meter boxes, back flow preventers, gate valves, air valves, blowoffs, fire hydrants, cathodic protection, and tie-ins for onsite and offsite low pressure water supply network intended for domestic use.
  6. Water Tank Facilities - including, but not limited to, storage tanks, pumps, and other facilities associated with water storage.
  7. Recycled Water - including, but not limited to, main pipe, laterals, water meters, water meter boxes, back flow preventers, gate valves, air valves, blowoffs, cathodic protection, and tie-ins for recycled water supply network intended to provide treated wastewater for use in irrigation of parks and landscaping as well as graywater uses within buildings.
  8. Storm Drainage System - including, but not limited to, main pipe, laterals, manholes, catch basins, air vents, stormwater treatment facilities, connections to existing systems, headwalls, outfalls, and lift stations for a network intended to convey onsite and offsite separated storm water.
  9. Separated Sanitary Sewer - including, but not limited to, main pipe, laterals, manholes, traps, air vents, connections to existing systems, force main pipe and associated valves and cleanouts, and pump and lift stations for a network intended to convey separated sanitary sewage.
  10. Joint Trench - including, but not limited to, the electrical substation, installation of primary and secondary conduits, overhead poles, pull boxes, vaults, subsurface enclosures, and anodes, for dry utilities including but not limited to electrical and information systems.
  11. Earthwork - including, but not limited to, importation of clean fill materials, clearing and grubbing, slope stabilization, ground improvement, installation of geogrid, surcharging, wick drains, excavation, rock fragmentation, placement of fill, compaction, grading, erosion control, deep vibratory soil compaction, cement deep soil mix (CDSM) columns and panels, stone columns, and post-construction stabilization such as hydroseeding.



12. Retaining Walls – including, but not limited to, excavation, foundations, construction of retaining walls, subdrainage, and backfilling.

13. Highway Ramps, Roadways, Pathways, Curb, and Gutter – including, but not limited to, road subgrade preparation, aggregate base, concrete roadway base, asphalt wearing surface, concrete curb, concrete gutter, medians, colored asphalt and concrete, speed tables, class 1 and 2 bike facilities (e.g., cycle tracks), sawcutting, grinding, conform paving, resurfacing, for onsite and offsite roadways.

14. Traffic – including, but not limited to, transit stops, transit facilities, transit buses and ferries, bridge structures, permanent pavement marking and striping, traffic control signage, traffic light signals, pedestrian traffic lighting, and contributions for offsite traffic improvements.

15. Streetscape – including, but not limited to, subgrade preparation, aggregate base, sidewalks, pavers, ADA curb ramps with detectable tiles, streetlights, light pole foundations, landscaping, irrigation, street furniture, waste receptacles, newspaper stands, and public art.

16. Shoreline Improvements – including, but not limited to, demolition, excavation, installation of revetment, structural improvements of shoreline and revetment, and structural repair for replacement or retrofit of shoreline structures.

17. Parks – including, but not limited to, ground improvement, subgrade preparation, landscaping and trees, aggregate base, sidewalks, pavers, decomposed granite, lighting, irrigation, furniture, decks, fountains, and restrooms.

18. Ferry Terminal – including, but not limited to, foundations, ferry shelter building, signs, electronic toll collection system, breakwaters, pier, gangway, float, restroom, bike storage

19. Hazardous Soil Removal – removal and disposal of contaminated soil.

20. Community Facilities – including, but not limited to, costs of police station, fire station, community center spaces for uses including reading room/library, senior/adult services, teen/youth center, outdoor performance and gathering spaces, community gardens, public school, childcare centers, public recreational facilities including ballfields, playing fields and sports centers, and publicly-owned parking garages.

21. Any other amounts specifically identified in the DDA as a Qualified Project Cost.

22. Hard Costs, Soft Costs and Pre-Development Costs, as defined in the Conveyance Agreement, associated with the design, procurement, development and construction of all Facilities listed herein.

B. Authorized Payments

1. Contribution to the City and other public agencies for costs related to open space improvements, transportation and transit facilities, and design and construction of ramps and access roads.

C. Facilities Constructed by the City or TIDA

1. Sea Level Rise Adaptations – including, but not limited to, demolition, excavation, and installation of revetment; structural improvements of shoreline and revetment; construction, improvement or relocation of shoreline structures, seawalls, stormwater pump stations and outfalls; earthwork, grading and landscaping; and the development of intertidal zones or wetlands.

2. Facility Capital Improvements – upgrade, reconstruction, or replacement of publicly-owned assets on Treasure Island and Yerba Buena Island, including, but not limited to, buildings, hangars, school facilities, living quarters, parks, improvements for sea-level rise, piers, and the Facilities to be Acquired from Third Parties described in Section A of this Exhibit A.

NOTE: The categories of facilities labeled “Facilities Acquired from Third Parties” and “Facilities Constructed by the City or TIDA” reflect current assumptions of the City and TIDA. The CFD shall

be authorized to finance the listed facilities whether they are acquired from third parties or constructed by the City or TIDA.

### SERVICES

Special taxes collected in the CFD, Improvement Area No. 1, and each Future Improvement Area will finance, in whole or in part, the following services ("services" shall have the meaning given that term in the Mello-Roos Community Facilities Act of 1982):

- The costs of operating and maintaining Improvements constructed pursuant to the Parks and Open Space Plan within the Project Site, including installing landscaping, all personnel or third-party maintenance costs, costs of maintaining irrigation systems and other equipment directly related to maintenance, maintenance or replacement as needed of landscape areas, water features, bathrooms, trash receptacles, park benches, planting containers, picnic tables, and other equipment or fixtures installed in areas to be maintained, insurance costs, and any other related overhead costs, along with TIDA personnel, administrative, and overhead costs related to maintenance or to contracting for and managing third-party maintenance. The terms used in this paragraph have the meaning given them in the Financing Plan.
- Operating and maintaining TIDA owned structures and facilities within the Project Site, including but not limited to Building 1, Hangers 2 & 3, Pier 1, the Historic Officers' Quarters, Quarters 10 & 62, the Torpedo Building, Chapel, gymnasium, roadways, paths and walkways. Costs include but are not limited to all personnel or third-party maintenance costs, costs of maintaining systems and other equipment directly related to maintenance, as needed, of building systems, roofs, building envelope, and interiors, insurance costs, and any other related overhead costs, along with TIDA personnel, administrative, and overhead costs related to maintenance or to contracting for and managing third-party maintenance. The terms used in this paragraph have the meaning given them in the Financing Plan.

### OTHER

The CFD, Improvement Area No. 1, and each Future Improvement Area may also finance any of the following:

1. Bond related expenses, including underwriters discount, reserve fund, capitalized interest, letter of credit fees and expenses, bond and disclosure counsel fees and expenses, bond remarketing costs, and all other incidental expenses.
2. Administrative fees of the City and the bond trustee or fiscal agent related to the CFD, Improvement Area No. 1, and each Future Improvement Area and the Bonds.
3. Reimbursement of costs related to the formation of the CFD, Improvement Area No. 1, and each Future Improvement Area advanced by the City, the landowner(s) in the CFD,



Improvement Area No. 1, and each Future Improvement 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 CFD, Improvement Area No. 1, and each Future Improvement Area or any party related to any of the foregoing, for facilities, fees or other purposes or costs of the CFD, Improvement Area No. 1, and each Future Improvement Area.

4. Funding a capital reserve fund to finance the Facilities described in this Exhibit A.

EXHIBIT B

CITY AND COUNTY OF SAN FRANCISCO  
Community Facilities District No. 2016-1  
(Treasure Island)

BOUNDARY MAP



PROPOSED BOUNDARIES OF  
CITY AND COUNTY OF SAN FRANCISCO  
COMMUNITY FACILITIES DISTRICT NO. 2016-1  
(TREASURE ISLAND)  
COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA

(1) Filed in the office of the Clerk of the Board of Supervisors of the City and County of San Francisco this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

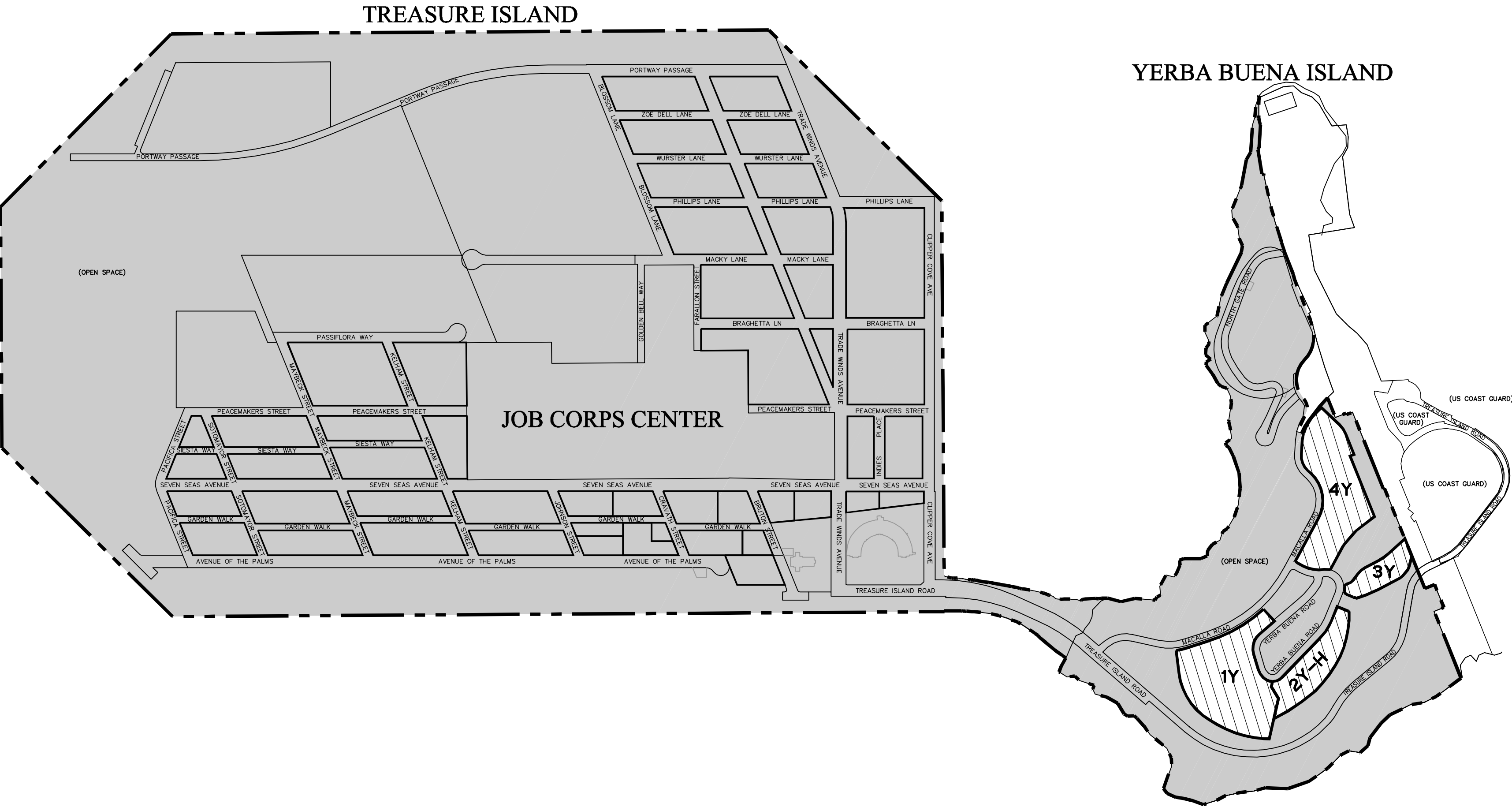
(Clerk of the Board of Supervisors)

(2) I hereby certify that the within map showing proposed boundaries of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island), City and County of San Francisco, State of California, was approved by the Board of Supervisors of the City and County of San Francisco, at a regular meeting thereof, held on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by its Resolution No. \_\_\_\_\_.

(Clerk of the Board of Supervisors)

(3) Filed this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, at the hour of \_\_ o'clock \_\_.m., in Book \_\_\_\_\_ of Maps of Assessment and Community Facilities Districts at page \_\_\_\_\_, in the office of the Assessor-Recorder in the City and County of San Francisco, State of California.

(Assessor-Recorder of the City and County of San Francisco)



LEGEND

- Boundaries of Community Facilities District No. 2016-1 (Improvement Area No. 1)
- Future Annexation Area

Assessor's Parcel Number of Property in Improvement Area No. 1	
Developable Parcel	Assessor's Parcel Number(s)
1Y	8948/001
2Y-H	8949/001
3Y	8952/001
4Y	8954/001

Reference is hereby made to the maps maintained by the Office of the Assessor-Recorded of the City and County of San Francisco for an exact description of the lines and dimensions of each lot and parcel.

Prepared by:  
BkF Engineers

**PETITION  
TO CREATE A  
COMMUNITY FACILITIES DISTRICT  
(Including Waivers)**

December 1, 2016

Board of Supervisors of the  
City and County of San Francisco  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102

Members of the Board of Supervisors:

This Petition to Create a Community Facilities District (including Waivers) (this "Petition") is submitted pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Sections 53311 and following of the California Government Code) (the "Mello-Roos Act").

1. Property Owner. This Petition is submitted to the City and County of San Francisco (the "City") by the owner (the "Property Owner") of the fee simple interest in the parcels of land identified by Assessor Parcel Numbers below (the "Property"). The undersigned Property Owner warrants to the City that it is authorized to execute this Petition and that the Property Owner's submission of this Petition and participation in the City's proceedings under the Mello-Roos Act will not constitute a violation or event of default under any existing financing arrangement to which the Property Owner is a party or in any way otherwise affect the Property Owner's ownership of such Property, including but not limited to any "due-on-encumbrance" clauses under any existing deeds of trust secured by the Property.

2. Request to Institute Proceedings. The Property Owner hereby petitions the City to undertake the following proceedings under the Mello-Roos Act:

(a) the creation of a community facilities district to be designated "City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)" (the "CFD"), an improvement area within the CFD to be designated "Improvement Area No. 1 of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)" ("Improvement Area No. 1") and a future annexation area for the CFD to be designated "City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island) (Future Annexation Area)," with the proposed boundary shown in the proposed map attached as Exhibit B hereto and incorporated herein by reference;

(b) the levy of special taxes in Improvement Area No. 1 pursuant to a Rate and Method of Apportionment of Special Tax (the "Rate and Method") to be prepared by the City, subject to the two-thirds vote of the owners of the taxable property in Improvement Area No. 1; and

(c) the issuance of special tax bonds and other debt (as defined in the Mello-Roos Act) for the CFD and Improvement Area No. 1 in an amount to be determined during the formation proceedings.

3. Boundaries of CFD. The Property Owner hereby asks that the proposed boundaries of the CFD and Improvement Area No. 1 be as shown in Exhibit B. The proposed boundaries of the CFD and Improvement Area No. 1 include all of the Property owned by the Property Owner and one parcel owned by the Treasure Island Development Authority.

4. Purpose of CFD. The Property Owner hereby asks that the CFD, Improvement Area No. 1 and any improvement area created in the future from the property in the Future Annexation Area (a "Future Improvement Area") be created for the purpose of financing the public facilities (the "Facilities") and the public services described in Exhibit A attached hereto and incorporated herein by reference. Within Improvement Area No. 1 and each Future Improvement Area, the Property Owner will request from time to time that the Board of Supervisors issue special tax bonds in one or more series to finance the Facilities and the related incidental expenses of the proceedings and bond financing.

5. Elections. The Property Owner hereby consents to a special landowner election being held under the Mello-Roos Act to authorize the special taxes and the issuance of the bonds and other debt (as defined in the Mello-Roos Act) and to establish an appropriations limit for Improvement Area No. 1, to the consolidation of the matters into a single election and to the election being conducted by the City and its officials, using mailed or hand-delivered ballots, with such ballots being opened and canvassed and the results certified at the same meeting of the Board of Supervisors as the public hearings on the CFD, improvement Area No. 1 and the Future Annexation Area under the Mello-Roos Act or as soon thereafter as possible.

6. Waivers. To expedite the completion of the proceedings for the CFD, Improvement Area No. 1 and the Future Annexation Area, all notices of hearings and all notices of election, applicable waiting periods under the Mello-Roos Act for the election and all ballot analyses and arguments for the election are hereby waived. The Property Owner also waives any requirement as to the specific form of the ballot to be used for the election, whether under the Mello-Roos Act, the California Elections Code or otherwise.

7. Deposits. Compliance with the provisions of subsection (d) of Section 53318 of the Mello-Roos Act has been accomplished by a deposit of funds by the Property Owner with the City, made not later than the date of submission of this Petition to the Clerk of the Board of Supervisors, pursuant to an agreement between the City and the Property Owner to pay the estimated costs to be incurred by the City in conducting proceedings for establishment of the CFD.

This Petition may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

By executing this Petition, the persons below agree to all of the above.

The property that is the subject of this Petition is identified as City and County of San Francisco Assessor Parcel Nos.: 8948-001; 8952-001; 8954-001

Total Acreage: 13.26 acres

Mailing Address:

Treasure Island Project Manager  
Treasure Island Series 1, LLC  
One Sansome Street, Suite 3200  
San Francisco, CA 94104

Treasure Island Project Manager  
Treasure Island Series 1, LLC  
4 Embarcadero Center  
Suite 3300  
San Francisco, CA 94111

The name of the owner of record of such property and the petitioner and its mailing address is:

TREASURE ISLAND SERIES 1, LLC,  
a Delaware limited liability company

By:   
Name: Jonathan M. Jaffe  
Its: Vice President

By: \_\_\_\_\_  
Name: Christopher Meany  
Title: Authorized Signatory

By executing this Petition, the persons below agree to all of the above.

The property that is the subject of this Petition is identified as City and County of San Francisco Assessor Parcel Nos.: 8948-001; 8952-001; 8954-001

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San Francisco, CA 94104

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4 Embarcadero Center  
Suite 3300  
San Francisco, CA 94111

The name of the owner of record of such property and the petitioner and its mailing address is:

TREASURE ISLAND SERIES 1, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
Name: Jonathan M. Jaffe  
Its: Vice President

By:   
Name: Christopher Meany  
Title: Authorized Signatory

## EXHIBIT A

### CITY AND COUNTY OF SAN FRANCISCO Community Facilities District No. 2016-1 (Treasure Island)

#### DESCRIPTION OF FACILITIES AND SERVICES TO BE FINANCED BY THE CFD AND EACH CURRENT AND FUTURE IMPROVEMENT AREA THEREIN

#### FACILITIES

It is intended that the CFD, Improvement Area No. 1, and each Future Improvement Area will be authorized to finance all or a portion of the costs of the acquisition, construction and improvement of any of the following types of facilities:

- A. Facilities to be Acquired from Third Parties
  - 1. Acquisition - includes acquisition of land for public improvements.
  - 2. Abatement - includes abatement of hazardous materials and disposal of waste.
  - 3. Demolition - removal of below-grade, at-grade, and above-grade facilities, and recycling or disposal of waste.
  - 4. Supplemental Fire Water Supply System - including, but not limited to, main pipe, laterals, valves, fire hydrants, cathodic protection, manifolds, air-gap back flow preventer, wharf fire hydrants, portable water pumper, and tie-ins for onsite water supply network that is unique to San Francisco intended for fire suppression.
  - 5. Low Pressure Water - including, but not limited to, main pipe, pressure reducing stations, laterals, water meters, water meter boxes, back flow preventers, gate valves, air valves, blowoffs, fire hydrants, cathodic protection, and tie-ins for onsite and offsite low pressure water supply network intended for domestic use.
  - 6. Water Tank Facilities - including, but not limited to, storage tanks, pumps, and other facilities associated with water storage.
  - 7. Recycled Water - including, but not limited to, main pipe, laterals, water meters, water meter boxes, back flow preventers, gate valves, air valves, blowoffs, cathodic protection, and tie-ins for recycled water supply network intended to provide treated wastewater for use in irrigation of parks and landscaping as well as graywater uses within buildings.
  - 8. Storm Drainage System - including, but not limited to, main pipe, laterals, manholes, catch basins, air vents, stormwater treatment facilities, connections to existing systems, headwalls, outfalls, and lift stations for a network intended to convey onsite and offsite separated storm water.
  - 9. Separated Sanitary Sewer - including, but not limited to, main pipe, laterals, manholes, traps, air vents, connections to existing systems, force main pipe and associated valves and cleanouts, and pump and lift stations for a network intended to convey separated sanitary sewage.
  - 10. Joint Trench - including, but not limited to, the electrical substation, installation of primary and secondary conduits, overhead poles, pull boxes, vaults, subsurface enclosures, and anodes, for dry utilities including but not limited to electrical and information systems.
  - 11. Earthwork - including, but not limited to, importation of clean fill materials, clearing and grubbing, slope stabilization, ground improvement, installation of geogrid, surcharging, wick drains, excavation, rock fragmentation, placement of fill, compaction, grading, erosion control, deep vibratory soil compaction, cement deep soil mix (CDSM) columns and panels, stone columns, and post-construction stabilization such as hydroseeding.



12. Retaining Walls – including, but not limited to, excavation, foundations, construction of retaining walls, subdrainage, and backfilling.

13. Highway Ramps, Roadways, Pathways, Curb, and Gutter – including, but not limited to, road subgrade preparation, aggregate base, concrete roadway base, asphalt wearing surface, concrete curb, concrete gutter, medians, colored asphalt and concrete, speed tables, class 1 and 2 bike facilities (e.g., cycle tracks), sawcutting, grinding, conform paving, resurfacing, for onsite and offsite roadways.

14. Traffic – including, but not limited to, transit stops, transit facilities, transit buses and ferries, bridge structures, permanent pavement marking and striping, traffic control signage, traffic light signals, pedestrian traffic lighting, and contributions for offsite traffic improvements.

15. Streetscape – including, but not limited to, subgrade preparation, aggregate base, sidewalks, pavers, ADA curb ramps with detectable tiles, streetlights, light pole foundations, landscaping, irrigation, street furniture, waste receptacles, newspaper stands, and public art.

16. Shoreline Improvements – including, but not limited to, demolition, excavation, installation of revetment, structural improvements of shoreline and revetment, and structural repair for replacement or retrofit of shoreline structures.

17. Parks – including, but not limited to, ground improvement, subgrade preparation, landscaping and trees, aggregate base, sidewalks, pavers, decomposed granite, lighting, irrigation, furniture, decks, fountains, and restrooms.

18. Ferry Terminal – including, but not limited to, foundations, ferry shelter building, signs, electronic toll collection system, breakwaters, pier, gangway, float, restroom, bike storage

19. Hazardous Soil Removal – removal and disposal of contaminated soil.

20. Community Facilities – including, but not limited to, costs of police station, fire station, community center spaces for uses including reading room/library, senior/adult services, teen/youth center, outdoor performance and gathering spaces, community gardens, public school, childcare centers, public recreational facilities including ballfields, playing fields and sports centers, and publicly-owned parking garages.

21. Any other amounts specifically identified in the DDA as a Qualified Project Cost.

22. Hard Costs, Soft Costs and Pre-Development Costs, as defined in the Conveyance Agreement, associated with the design, procurement, development and construction of all Facilities listed herein.

#### B. Authorized Payments

1. Contribution to the City and other public agencies for costs related to open space improvements, transportation and transit facilities, and design and construction of ramps and access roads.

#### C. Facilities Constructed by the City or TIDA

1. Sea Level Rise Adaptations – including, but not limited to, demolition, excavation, and installation of revetment; structural improvements of shoreline and revetment; construction, improvement or relocation of shoreline structures, seawalls, stormwater pump stations and outfalls; earthwork, grading and landscaping; and the development of intertidal zones or wetlands.

2. Facility Capital Improvements – upgrade, reconstruction, or replacement of publicly-owned assets on Treasure Island and Yerba Buena Island, including, but not limited to, buildings, hangars, school facilities, living quarters, parks, improvements for sea-level rise, piers, and the Facilities to be Acquired from Third Parties described in Section A of this Exhibit A.

NOTE: The categories of facilities labeled “Facilities Acquired from Third Parties” and “Facilities Constructed by the City or TIDA” reflect current assumptions of the City and TIDA. The CFD shall

be authorized to finance the listed facilities whether they are acquired from third parties or constructed by the City or TIDA.

### SERVICES

Special taxes collected in the CFD, Improvement Area No. 1, and each Future Improvement Area will finance, in whole or in part, the following services ("services" shall have the meaning given that term in the Mello-Roos Community Facilities Act of 1982):

- The costs of operating and maintaining Improvements constructed pursuant to the Parks and Open Space Plan within the Project Site, including installing landscaping, all personnel or third-party maintenance costs, costs of maintaining irrigation systems and other equipment directly related to maintenance, maintenance or replacement as needed of landscape areas, water features, bathrooms, trash receptacles, park benches, planting containers, picnic tables, and other equipment or fixtures installed in areas to be maintained, insurance costs, and any other related overhead costs, along with TIDA personnel, administrative, and overhead costs related to maintenance or to contracting for and managing third-party maintenance. The terms used in this paragraph have the meaning given them in the Financing Plan.
- Operating and maintaining TIDA owned structures and facilities within the Project Site, including but not limited to Building 1, Hangers 2 & 3, Pier 1, the Historic Officers' Quarters, Quarters 10 & 62, the Torpedo Building, Chapel, gymnasium, roadways, paths and walkways. Costs include but are not limited to all personnel or third-party maintenance costs, costs of maintaining systems and other equipment directly related to maintenance, as needed, of building systems, roofs, building envelope, and interiors, insurance costs, and any other related overhead costs, along with TIDA personnel, administrative, and overhead costs related to maintenance or to contracting for and managing third-party maintenance. The terms used in this paragraph have the meaning given them in the Financing Plan.

### OTHER

The CFD, Improvement Area No. 1, and each Future Improvement Area may also finance any of the following:

1. Bond related expenses, including underwriters discount, reserve fund, capitalized interest, letter of credit fees and expenses, bond and disclosure counsel fees and expenses, bond remarketing costs, and all other incidental expenses.
2. Administrative fees of the City and the bond trustee or fiscal agent related to the CFD, Improvement Area No. 1, and each Future Improvement Area and the Bonds.
3. Reimbursement of costs related to the formation of the CFD, Improvement Area No. 1, and each Future Improvement Area advanced by the City, the landowner(s) in the CFD,



Improvement Area No. 1, and each Future Improvement 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 CFD, Improvement Area No. 1, and each Future Improvement Area or any party related to any of the foregoing, for facilities, fees or other purposes or costs of the CFD, Improvement Area No. 1, and each Future Improvement Area.

4. Funding a capital reserve fund to finance the Facilities described in this Exhibit A.

EXHIBIT B

CITY AND COUNTY OF SAN FRANCISCO  
Community Facilities District No. 2016-1  
(Treasure Island)

BOUNDARY MAP

PROPOSED BOUNDARIES OF  
CITY AND COUNTY OF SAN FRANCISCO  
COMMUNITY FACILITIES DISTRICT NO. 2016-1  
(TREASURE ISLAND)  
COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA

(1) Filed in the office of the Clerk of the Board of Supervisors of the City and County of San Francisco this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

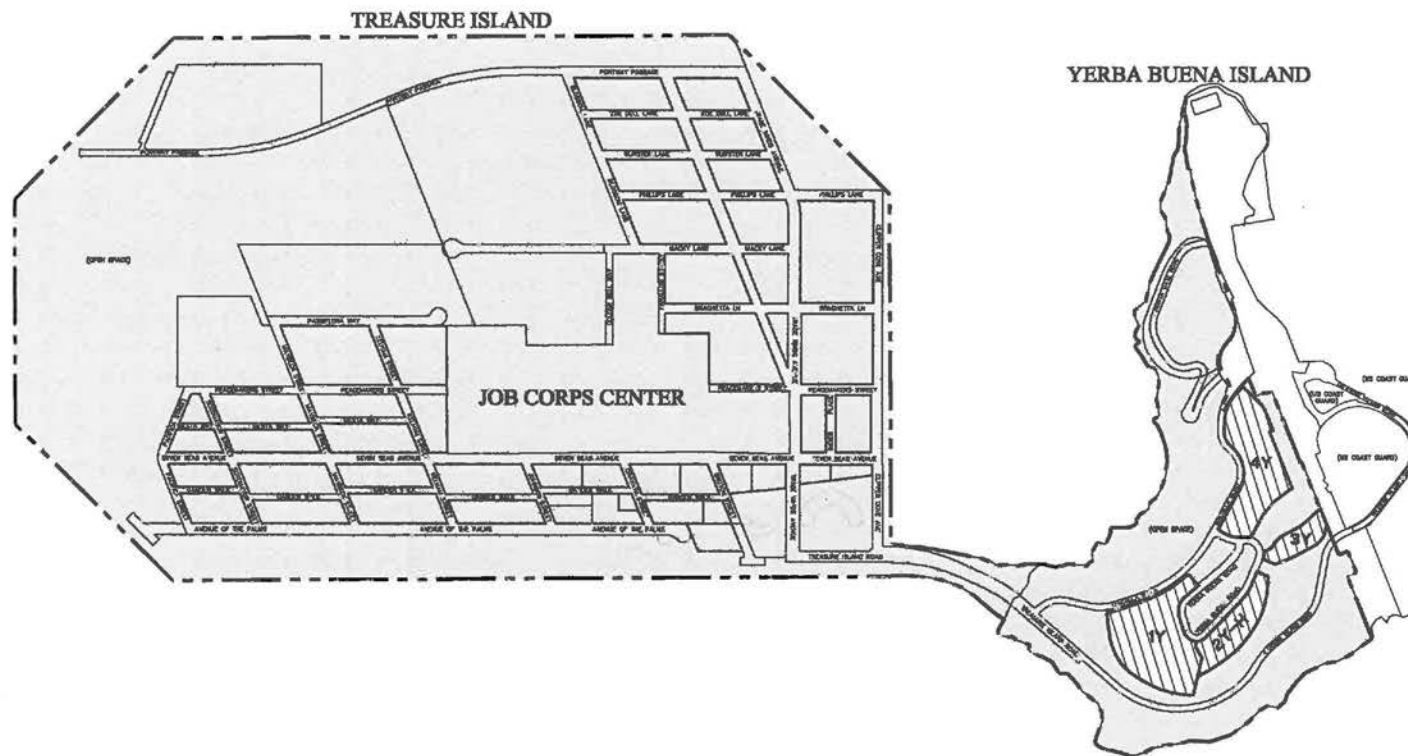
(Clerk of the Board of Supervisors)

(2) I hereby certify that the within map showing proposed boundaries of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island), City and County of San Francisco, State of California, was approved by the Board of Supervisors of the City and County of San Francisco, at a regular meeting thereof, held on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by its Resolution No. \_\_\_\_\_.

(Clerk of the Board of Supervisors)

(3) Filed this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, at the hour of \_\_\_\_ o'clock \_\_\_\_ m., in Book \_\_\_\_\_ of Maps of Assessment and Community Facilities Districts at page \_\_\_\_\_ in the office of the Assessor-Recorder in the City and County of San Francisco, State of California.

(Assessor-Recorder of the City and County of San Francisco)



LEGEND

- Boundaries of Community Facilities District No. 2016-1 (Improvement Area No. 1)
- Future Annexation Area

Assessor's Parcel Number of Property in Improvement Area No. 1	
Developable Parcel	Assessor's Parcel Number(s)
1Y	8948/001
2Y-H	8949/001
3Y	8952/001
4Y	8954/001

Reference is hereby made to the maps, maintained by the Office of the Assessor-Recorder of the City and County of San Francisco for an exact description of the lines and dimensions of each lot and parcel.

Prepared by:  
BkF Engineers

January 11, 2017

475 Sansome Street  
Suite 1700  
San Francisco, CA 94111  
t. 415.391.5780  
f. 415.276.2088

Treasure Island Series 1, LLC  
c/o Kheay Loke  
Wilson Meany  
Four Embarcadero Center, Suite 3330  
San Francisco, CA 94111

Re: City and County of San Francisco Community Facilities District No. 2016-1  
(Treasure Island); Improvement Area No. 1 of the City and County of San  
Francisco Community Facilities District No. 2016-1 (Treasure Island)

Dear Property Owner:

As you know, the City and County of San Francisco (the "City") has begun the formation of the above-referenced community facilities district (the "CFD") and the above-referenced improvement area ("Improvement Area No. 1") that includes your property. The next steps will be the public hearings and property owner election, which will all happen at the same meeting of the Board of Supervisors (the "Board of Supervisors") of the City on January 24, 2017. In anticipation of the hearing and the election, the City sends you:

1. **Notice of Public Hearings.** There will be two hearings on January 24, 2017. They will be on the formation of the CFD and Improvement Area No. 1, and the authorization of bonds.

2. **Proposed Resolution of Formation.** This is the resolution that the Board of Supervisors proposes to adopt after the hearings. It will form the CFD and Improvement Area No. 1, subject to a favorable property owner vote. The facilities and the services to be financed are shown in Exhibit A to it and the method of special tax apportionment is shown in Exhibit B. Please review both exhibits carefully to make sure what is being financed and how the special tax will affect your property. If the formation process is completed, this tax will be recorded against your property.

3. **Official Ballot.** I attach a special election ballot, reflecting property ownership information provided by you to us. This is the ballot that you must use to vote for the special tax, the appropriations limit and the bonds for Improvement Area No. 1. Please note the number of votes shown at the lower right side. Each owner has one vote for each acre of land or portion of an acre of land he or she owns in Improvement Area No. 1. If you feel that the number of votes is not correct, please contact the person shown below. Mark your ballot and put it in the ballot envelope provided.

4. **Official Ballot Envelope.** The marked official ballot must be put in the enclosed ballot envelope. Please complete and sign the envelope. Then either mail it or return it in

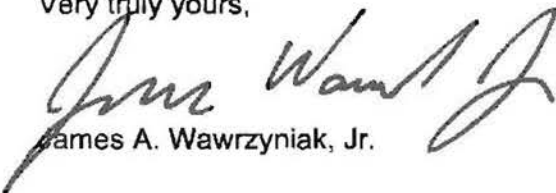


person to the office of the Director of Elections of the City and County of San Francisco not later than 3:00 p.m. on January 24, 2017. The address of the office of the Director of Elections of the City and County of San Francisco is shown on the envelope.

The ballots will be counted by the Director of Elections at the Board of Supervisors meeting on January 24, 2017. If there is approval by two-thirds of the votes cast, the City will proceed with the issuance of the bonds to finance the public facilities for Improvement Area No. 1 and the levy of special taxes to finance facilities and services.

The election date cannot be postponed, continued or extended, so please be sure that your ballot is received by the Director of Elections of the City and County of San Francisco by the time specified above. If you have any questions about any of this, please contact: Nadia Sesay, Director of the Office of Public Finance, City and County of San Francisco, 1 Dr. Carlton B. Goodlett Place, San Francisco, California 94102; Telephone: (415) 554-5956.

Very truly yours,



James A. Wawrzyniak, Jr.

Enclosures

cc: *via email-PDF*  
John Amtz, Director of Elections  
Alisa Somera, Legislative Deputy, San Francisco Board of Supervisors



## NOTICE OF PUBLIC HEARINGS

### BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO

NOTICE IS HEREBY GIVEN THAT, in accordance with California Government Code, Sections 53322(a) and 53346, the Board of Supervisors of the City and County of San Francisco, as a Committee of the Whole, will hold public hearings to consider the following proposals and said public hearings will be held as follows, at which time all interested parties may attend and be heard:

**Date:** Tuesday, January 24, 2017

**Time:** 3:00 p.m.

**Location:** Legislative Chamber, City Hall, Room 250  
1 Dr. Carlton B. Goodlett, Place, San Francisco, CA

**Subject:** File No. 161362. Hearing of the Board of Supervisors sitting as a Committee of the Whole on January 24, 2017, at 3:00 p.m., to hold public hearings to consider the following to form Community Facilities District No. 2016-1 and incur bonded indebtedness for Community Facilities District No. 2016-1: (File Nos. 161122, 161123, 161124, 161125, 161126, and 161127) a Resolution of formation of Community Facilities District No. 2016-1, improvement Area No. 1 and a future annexation area; a Resolution determining necessity to incur bonded indebtedness and other debt in an amount not to exceed \$5,000,000,000 for the Community Facilities District; a Resolution calling a special election in the City and County of San Francisco Community Facilities District; a Resolution declaring results of the special election and directing recording of notice of special tax lien for the Community Facilities District; an Ordinance levying special taxes within the Community Facilities District; and a Resolution authorizing the issuance and sale of special tax bonds for Improvement Area No. 1 of the Community Facilities District in an aggregate principal amount not to exceed \$250,000,000.

On December 6, 2016, pursuant to the Mello-Roos Community Facilities Act of 1982, as amended ("Mello-Roos Act"), the Board of Supervisors ("Board of Supervisors") of the City and County of San Francisco ("City"), State of California adopted a resolution of intention ("Resolution of Intention") to establish (i) "City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)" ("CFD"), (ii) "Improvement Area No. 1 of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)" ("Improvement Area No. 1"), and (iii) a future annexation area for the CFD ("Future Annexation Area").

Also on December 6, 2016, the Board of Supervisors adopted a resolution of intention to incur bonded indebtedness and other debt in an amount not to exceed \$5.0 billion for the CFD, Improvement Area No. 1 and the Future Annexation Area under the Mello-Roos Act (the "Bond Resolution").

Under the Mello-Roos Act, the Resolution of Intention and the Bond Resolution, the Board of Supervisors gives notice as follows:

1. The text of the Resolution of Intention, with Exhibits A and B thereto, as adopted by the Board of Supervisors, is on file with the Clerk of the Board of Supervisors and reference is made thereto for the particular provisions thereof. The text of the Resolution of Intention is summarized as follows:

a. Under the Mello-Roos Act, this Board of Supervisors is undertaking proceedings for the establishment of the CFD, Improvement Area No. 1 and the Future Annexation Area, the boundaries of which are shown on a map on file with the City.

b. The purpose of the CFD, Improvement Area No. 1 and the Future Annexation Area is to provide for the financing of (i) certain public facilities ("Facilities") as more fully described in the Resolution of Intention and Exhibit A thereto and (ii) certain public services ("Services") as more fully described in the Resolution of Intention and Exhibit A thereto.

c. Initially, the method of financing the Facilities and the Services is through the imposition and levy of a special tax ("Special Tax") to be apportioned on the properties in Improvement Area No. 1 under the rate and method of apportionment described in the Resolution of Intention and Exhibit B thereto.

d. The Resolution of Intention directed the preparation of a CFD Report that shows the Facilities and the Services and the estimated costs of the Facilities and the Services. The CFD Report will be made a permanent part of the record of the public hearing specified below. Reference is made to the CFD Report as filed with the Clerk of the Board of Supervisors.

e. Property within the Future Annexation Area will be annexed to the CFD, and may be designated as one or more improvement areas (each, a "Future Improvement Area"), and a special tax will be levied on such property, only with the



unanimous approval (each, a "Unanimous Approval") of the owner or owners of each parcel or parcels at the time that parcel or those parcels are annexed, in accordance with the annexation approval procedures specified in the Resolution of Intention.

f. As set forth below, the Board of Supervisors will hold a public hearing on the establishment of the CFD, Improvement Area No. 1 and the Future Annexation Area, the Facilities, the Services and the Special Tax.

2. The public hearing will be held on the date and at the time specified above, or as soon as possible thereafter, in the Legislative Chamber, City Hall, Room 250, 1 Dr. Carlton B. Goodlett, Place, San Francisco, CA 94102.

3. At the hearing, the testimony of all interested persons or taxpayers, including all persons owning property within Improvement Area No. 1, for or against the establishment of the CFD and Improvement Area No. 1, the Special Tax to be levied in Improvement Area No. 1, the extent of the CFD and Improvement Area No. 1 and the furnishing of the specified Facilities and Services, will be heard. Any person interested may file a protest in writing as provided in Section 53323 of the Mello-Roos Act. Any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and shall clearly set forth the irregularities and defects to which objection is made. All written protests must be filed with the Clerk of the Board of Supervisors on or before the time fixed for the hearing.

If 50% or more of the registered voters, or six registered voters, whichever is more, residing in the territory proposed to be included in Improvement Area No. 1, or the owners of one-half or more of the area of land in the territory proposed to be included in Improvement Area No. 1 and not exempt from the Special Tax to be levied in Improvement Area No. 1, file written protests against the establishment of Improvement Area No. 1 and the protests are not withdrawn to reduce the value of the protests to less than a majority, the Board of Supervisors shall take no further action to create the CFD and Improvement Area No. 1 or levy the Special Tax in Improvement Area No. 1 for a period of one year from the date of decision of the Board of Supervisors, and, if the majority protests of the registered voters or landowners are only against the furnishing of a type or types of Facilities or Services within the CFD and Improvement Area No. 1, or against levying a specified part of the Special Tax in Improvement Area No. 1, those types of Facilities or Services or the specified part of the Special Tax to be levied in Improvement Area No. 1 will be eliminated from the proceedings to form the CFD and Improvement Area No. 1.

In addition, at the hearing, the testimony of all interested persons for and against the establishment of the Future Annexation Area or the levying of special taxes within any portion of the Future Annexation Area annexed in the future to the CFD will be heard. If 50% or more of the registered voters, or 6 registered voters, whichever is more, residing within the proposed territory of the CFD, or if 50% or more of the registered voters, or 6 registered voters, whichever is more, residing in the territory proposed to be included in the Future Annexation Area, or the owners of 50% or more of the area of land in the territory proposed to be included in the CFD or in the Future



Annexation Area, file written protests against the establishment of the Future Annexation Area and the protests are not withdrawn to reduce the value of the protests to less than a majority, the Board of Supervisors shall take no further action to create the Future Annexation Area for a period of one year from the date of decision of the Board of Supervisors.

4. If there is no majority protest, the Board of Supervisors may submit the levy of the Special Tax in Improvement Area No. 1 for voter approval at a special election. The Special Tax requires the approval of 2/3rds of the votes cast at a special election by the property owner voters of Improvement Area No. 1, with each owner having one vote for each acre or portion thereof such owner owns in Improvement Area No. 1 not exempt from the Special Tax.

5. Reference is hereby made to the entire text of the Bond Resolution, a complete copy of which is on file with the Clerk of the Board of Supervisors. The text of the Bond Resolution is summarized as follows:

a. The Board of Supervisors has adopted the Resolution of Intention stating its intention to form the CFD, Improvement Area No. 1 and the Future Annexation Areas for the purpose of financing, among other things, all or part of the Facilities, as further provided in that Resolution of Intention.

b. The Board of Supervisors estimates the amount required to finance the costs of the Facilities to be not more than \$5.0 billion and, in order to finance such costs, it is necessary to (i) incur bonded indebtedness and other debt (as defined in the Mello-Roos Act) in the amount of not more than \$5.0 billion on behalf of the CFD and the improvement areas therein (including Future Improvement Areas (as such term is defined herein)), (ii) for Improvement Area No. 1, to incur bonded indebtedness and other debt (as defined in the Mello-Roos Act) in the amount of not more than \$250 million ("Improvement Area No. 1 Indebtedness Limit"), and (iii) for the portion of the CFD that is not in Improvement Area No. 1, to incur bonded indebtedness and other debt (as defined in the Mello-Roos Act) in the amount of not more than \$4.75 billion ("Non-Improvement Area No. 1 Indebtedness Limit").

c. The proposed bonded indebtedness and other debt is to finance the Facilities, including acquisition and improvement costs and all costs incidental to or connected with the accomplishment of such purposes and of the financing thereof, as permitted by the Mello-Roos Act.

d. The Board of Supervisors, acting as legislative body for the CFD, intends to authorize the issuance and sale of bonds and other forms of debt (as defined in the Mello-Roos Act) payable from the Improvement Area No. 1 Special Tax in one or more series in the aggregate principal amount of not more than the Improvement Area No. 1 Indebtedness Limit. The Board of Supervisors, acting as legislative body for the CFD, intends to authorize the issuance and sale of bonds and other forms of debt (as defined in the Mello-Roos Act) payable from special taxes levied in the portion of the CFD that is

not in Improvement Area No. 1 in one or more series in the maximum aggregate principal amount of not more than the Non-Improvement Area No. 1 Indebtedness.

e. In the event all or a portion of the Future Annexation Area is annexed as one or more future improvement areas (each, a "Future Improvement Area"), the maximum indebtedness of each such Future Improvement Area shall be identified and approved in the unanimous approval executed by property owners in connection with their annexation to the CFD at the time of the annexation (each, a "Unanimous Approval") and in accordance with the Annexation Approval Procedures described in the Resolution of Intention referred to above, and the amount of the maximum indebtedness for the Future Improvement Area shall be subtracted from the Non-Improvement Area No. 1 Indebtedness Limit, which shall result in a corresponding reduction in the Non-Improvement Area No. 1 Indebtedness Limit.

f. The Board of Supervisors, acting as legislative body for the CFD, intends to authorize the issuance and sale of bonds and other forms of debt (as defined in the Mello-Roos Act) payable from a special tax levied in each Future Improvement Area in one or more series in the aggregate principal amount determined at the time of annexation of such territory as a separate improvement area (not to exceed the Non-Improvement Area No. 1 Indebtedness Limit in the aggregate).

6. The Board of Supervisors will hold a public hearing on the necessity of incurring the above amount of bonded indebtedness and other debt for the CFD, Improvement Area No. 1 and the Future Annexation Area on the date and at the time specified above, or as soon as possible thereafter, in the Legislative Chamber, City Hall, Room 250, 1 Dr. Carlton B. Goodlett, Place, San Francisco, CA 94102.

7. At public hearing the testimony of all interested persons, including voters and/or persons owning property in the area of the proposed CFD, Improvement Area No. 1 and the Future Annexation Area for and against the proposed bonded debt and other debt, will be heard.

In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments prior to the time the hearing begins. These comments will be made as part of the official public record in this matter and shall be brought to the attention of the Board of Supervisors. Written comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA, 94102. Information relating to this matter is available in the Office of the Clerk of the Board and agenda information relating to this matter will be available for public review on Friday, January 20, 2017.

  
for Angela Calvillo  
Clerk of the Board

1 [Resolution of Formation— Community Facilities District No. 2016-1 (Treasure Island)]

2  
3 **Resolution of formation of City and County of San Francisco Community Facilities**  
4 **District No. 2016-1 (Treasure Island), Improvement Area No. 1 and a Future Annexation**  
5 **Area, and determining other matters in connection therewith.**  
6  
7

8 WHEREAS, Naval Station Treasure Island ("NSTI") is a former United States Navy  
9 base located in the City and County of San Francisco ("City") that consists of two islands  
10 connected by a causeway: (1) Treasure Island, and (2) an approximately 90-acre portion of  
11 Yerba Buena Island; and

12 WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended  
13 California Health and Safety Code Section 33492.5 and added Section 2.1 to Chapter 1333 of  
14 the Statutes of 1968 ("Act"), the California Legislature: (i) designated the Treasure Island  
15 Development Authority ("TIDA"), as a redevelopment agency under California redevelopment  
16 law with authority over NSTI upon approval of the City's Board of Supervisors, and (ii) with  
17 respect to those portions of NSTI which are subject to Tidelands Trust, vested in TIDA the  
18 authority to administer the public trust for commerce, navigation and fisheries as to such  
19 property; and

20 WHEREAS, The Board of Supervisors approved the designation of TIDA as the  
21 redevelopment agency for NSTI in 1997; and

22 WHEREAS, On January 24, 2012, the Board of Supervisors rescinded designation of  
23 TIDA as the redevelopment agency for Treasure Island under California Community  
24 Redevelopment Law in Resolution No. 11-12; but such rescission did not affect TIDA's status  
25

1 as the Local Reuse Authority for NSTI or the Tidelands Trust trustee for the portions of NSTI  
2 subject to the Tidelands Trust, or any of the other powers or authority; and

3 WHEREAS, The United States of America, acting by and through the Department of  
4 the Navy ("Navy"), and TIDA entered into an Economic Conveyance Memorandum of  
5 Agreement (as amended and supplemented from time to time, the "Conveyance Agreement")  
6 that governs the terms and conditions for the transfer of NSTI from the Navy to TIDA; and  
7 under the Conveyance Agreement, the Navy will convey NSTI to TIDA in phases after the  
8 Navy has completed environmental remediation and issued a Finding of Suitability to Transfer  
9 (as defined in the Conveyance Agreement) for specified parcels of NSTI or portions thereof;  
10 and

11 WHEREAS, Treasure Island Community Development, LLC ("Developer") and TIDA  
12 previously entered into a Disposition and Development Agreement (Treasure Island/Yerba  
13 Buena Island), dated June 28, 2011 ("DDA"), including a Financing Plan (Treasure  
14 Island/Yerba Buena Island) ("Financing Plan"), which governs the disposition and  
15 development of a portion of NSTI ("Project Site") after the Navy's transfer of NSTI to TIDA in  
16 accordance with the Conveyance Agreement; and

17 WHEREAS, The DDA contemplates a project ("Project") under which TIDA acquires  
18 the Project Site from the Navy and conveys portions of the Project Site to Developer (or an  
19 affiliate of Developer) for the purposes of: (i) alleviating blight in the Project Site through  
20 development of certain improvements, (ii) geotechnically stabilizing the Project Site, (iii)  
21 constructing public infrastructure to support the Project and other proposed uses on NSTI, (iv)  
22 constructing and improving certain public parks and open spaces, (v) abatement of certain  
23 existing hazardous substances, and (vi) selling and ground leasing lots to vertical developers  
24 who will construct residential units and commercial and public facilities; and  
25

1           WHEREAS, On April 21, 2011, the Planning Commission by Motion No. 18325 and the  
2   Board of Directors of TIDA, by Resolution No. 11-14-04/21, as co-lead agencies, certified the  
3   completion of the Final Environmental Impact Report for the Project, and unanimously  
4   approved a series of entitlement and transaction documents relating to the Project, including  
5   certain environmental findings under the California Environmental Quality Act ("CEQA"), a  
6   mitigation and monitoring and reporting program ("MMRP"), and the DDA and other  
7   transaction documents; and

8           WHEREAS, On June 7, 2011, in Motion No. M11-0092, the Board of Supervisors  
9   unanimously affirmed certification of the Final Environmental Impact Report, and on that same  
10   date, the Board of Supervisors, in Resolution No. 246-11, adopted CEQA findings and the  
11   MMRP, and made certain environmental findings under CEQA (collectively, "FEIR"), and also  
12   on that date, the Board of Supervisors, in Ordinance No. 95-11, approved the DDA and other  
13   transaction documents, including the Transportation Plan and Infrastructure Plan; and

14          WHEREAS, TIDA and the Developer have been working diligently since then to  
15   implement the Project consistent with the DDA, the MMRP and other documents; and

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

22          WHEREAS, The City anticipates that future improvements will be necessary to ensure  
23   that the shoreline, public facilities, and public access improvements will be protected should  
24   sea level rise at the perimeter of the Project Site, and the Board of Supervisors desires to  
25



1 provide a mechanism to pay directly for such improvements and/or establish a capital reserve  
2 fund to finance such improvements; and

3 WHEREAS, Under the Mello-Roos Community Facilities Act of 1982, as amended,  
4 constituting Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with California  
5 Government Code Section 53311 ("Mello-Roos Act"), this Board of Supervisors is authorized  
6 to establish a community facilities district and to act as the legislative body for a community  
7 facilities district; and

8 WHEREAS, Pursuant to Mello-Roos Act Section 53339.2, this Board of Supervisors  
9 further desires to undertake proceedings to provide for future annexation of territory to the  
10 proposed community facilities district; and

11 WHEREAS, On \_\_\_\_\_, 2016, pursuant to the Mello-Roos Act, this Board of  
12 Supervisors adopted a resolution entitled "Resolution of intention to establish City and County  
13 of San Francisco Community Facilities District No. 2016-1 (Treasure Island), Improvement  
14 Area No. 1 and a Future Annexation Area, and determining other matters in connection  
15 therewith" ("Resolution of Intention"), stating its intention to form (i) "City and County of San  
16 Francisco Community Facilities District No. 2016-1 (Treasure Island)" ("CFD"), (ii)  
17 "Improvement Area No. 1 of the City and County of San Francisco Community Facilities  
18 District No. 2016-1 (Treasure Island)" ("Improvement Area No. 1") and (iii) "City and County of  
19 San Francisco Community Facilities District No. 2016-1 (Treasure Island) (Future Annexation  
20 Area)" ("Future Annexation Area"); and

21 WHEREAS, The Resolution of Intention, incorporating a map of the proposed  
22 boundaries of the CFD, Improvement Area No. 1 and the Future Annexation Area and stating  
23 the facilities and the services to be provided (as set forth in the list attached hereto as Exhibit  
24 A), the cost of providing such facilities and the services, and the rate and method of  
25 apportionment of the special tax to be levied within the CFD and Improvement Area No. 1 to



1 pay the principal and interest on bonds proposed to be issued with respect to the CFD and  
2 Improvement Area No. 1, the cost of the facilities and the cost of the services, is on file with  
3 the Clerk of the Board of Supervisors and the provisions thereof are incorporated herein by  
4 this reference as if fully set forth herein; and

5 WHEREAS, On this date, this Board of Supervisors held a noticed public hearing as  
6 required by the Mello-Roos Act and the Resolution of Intention relative to the proposed  
7 formation of the CFD, Improvement Area No. 1 and the Future Annexation Area; and,

8 WHEREAS, At the hearing all interested persons desiring to be heard on all matters  
9 pertaining to the formation of the CFD, Improvement Area No. 1 and the Future Annexation  
10 Area, the facilities to be provided therein, the services to be provided therein and the levy of  
11 said special tax were heard and a full and fair hearing was held; and

12 WHEREAS, At the hearing evidence was presented to this Board of Supervisors on  
13 said matters before it, including a report caused to be prepared by the Director of the Office of  
14 Public Finance ("Report") as to the facilities and the services to be provided through the CFD,  
15 Improvement Area No. 1 and the Future Annexation Area and the costs thereof, a copy of  
16 which is on file with the Clerk of the Board of Supervisors, and this Board of Supervisors at  
17 the conclusion of said hearing is fully advised in the premises; and

18 WHEREAS, Written protests with respect to the formation of the CFD and Improvement  
19 Area No. 1, the furnishing of specified types of facilities and services and the rate and method  
20 of apportionment of the special taxes for Improvement Area No. 1 have not been filed with the  
21 Clerk of the Board of Supervisors by fifty percent (50%) or more of the registered voters  
22 residing within the territory of the CFD and Improvement Area No. 1 or property owners of  
23 one-half (1/2) or more of the area of land within the CFD and Improvement Area No. 1 and not  
24 exempt from the proposed special tax; and

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

6           WHEREAS, Prior to the time fixed for the hearing, written protests had not been filed  
7     with the Clerk of the Board of Supervisors against the proposed annexation of the Future  
8     Annexation Area to the CFD by (i) 50% or more of the registered voters, or six registered  
9     voters, whichever is more, residing in the proposed boundaries of the CFD, or (ii) 50% or  
10    more of the registered voters, or six registered voters, whichever is more, residing in the  
11    Future Annexation Area, (iii) owners of one-half or more of the area of land in the proposed  
12    CFD or (iv) owners of one-half or more of the area of land in the Future Annexation Area;  
13    now, therefor, be it

14          RESOLVED, That the foregoing recitals are true and correct.

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

18          FURTHER RESOLVED, That all prior proceedings taken by this Board of Supervisors  
19    in connection with the establishment of the CFD, Improvement Area No. 1 and the Future  
20    Annexation Area and the levy of the special tax have been duly considered and are hereby  
21    found and determined to be valid and in conformity with the Mello-Roos Act; and, be it

22          FURTHER RESOLVED, That the community facilities district designated "City and  
23    County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)" is hereby  
24    established pursuant to the Mello-Roos Act; and, be it

1           FURTHER RESOLVED, That the improvement area designated "Improvement Area  
2 No. 1 of the City and County of San Francisco Community Facilities District No. 2016-1  
3 (Treasure Island)" is hereby established pursuant to the Mello-Roos Act; and, be it

4           FURTHER RESOLVED, That the future annexation area designated "City and County  
5 of San Francisco Community Facilities District No. 2016-1 (Treasure Island) (Future  
6 Annexation Area)" is hereby established pursuant to the Mello-Roos Act; and, be it

7           FURTHER RESOLVED, That the boundaries of the CFD, Improvement Area No. 1 and  
8 the Future Annexation Area, as set forth in the map of the CFD heretofore recorded in the  
9 Office of the Assessor-Recorder on \_\_\_\_, 2016 at \_\_\_\_ a.m. in Book \_\_\_\_ at Page \_\_\_\_, as  
10 Document \_\_\_\_ of Maps of Assessment and Community Facilities Districts, are hereby  
11 approved, are incorporated herein by reference and shall be the boundaries of the CFD,  
12 Improvement Area No. 1 and the Future Annexation Area; and, be it

13           FURTHER RESOLVED, That, from time to time, parcels within the Future Annexation  
14 Area shall be annexed to the CFD only with the unanimous approval (each, a "Unanimous  
15 Approval") of the owner or owners of each parcel or parcels at the time that parcel(s) are  
16 annexed, and in accordance with the Annexation Approval Procedures described herein. The  
17 Board of Supervisors hereby determines that any property for which the owner or owners  
18 execute a Unanimous Approval that is annexed into the CFD in accordance with the  
19 Annexation Approval Procedures shall be added to the CFD and the Clerk of the Board of  
20 Supervisors shall record (i) an amendment to the notice of special tax lien for the CFD  
21 pursuant to Streets & Highways Code Section 3117.5 if the property is annexed to an existing  
22 improvement area or (ii) a notice of special tax lien for the CFD pursuant to Streets &  
23 Highways Code Section 3117.5 if the property annexed is designated as a new improvement  
24 area; provided, however, the designation of property as Future Annexation Area and the  
25 ability to annex property to the CFD based on a Unanimous Approval shall not limit, in any

1 way, the annexation of property in the Future Annexation Area to the CFD pursuant to other  
2 provisions of the Mello-Roos Act; and, be it

3 FURTHER RESOLVED, That the type of public facilities proposed to be financed by  
4 the CFD, Improvement Area No. 1 and the Future Annexation Area (including any area  
5 therein designated to be annexed as a separate improvement area) pursuant to the Mello-  
6 Roos Act shall consist of those items listed as facilities in Exhibit A hereto and by this  
7 reference incorporated herein ("Facilities"); and, be it

8 FURTHER RESOLVED, That the type of public services proposed to be financed by  
9 the CFD, Improvement Area No. 1 and the Future Annexation Area (including any area  
10 therein designated to be annexed as a separate improvement area) pursuant to the Mello-  
11 Roos Act shall consist of those items shown in Exhibit A hereto and by this reference  
12 incorporated herein ("Services"). The City intends to provide the Services on an equal basis in  
13 the original territory of the CFD and Improvement Area No. 1 and, when it has been annexed  
14 to the CFD, the Future Annexation Area (including any area therein designated to be annexed  
15 as a separate improvement area); and, be it

16 FURTHER RESOLVED, That:

17 a. Except to the extent that funds are otherwise available from Improvement Area  
18 No. 1, the City will levy a special tax ("Improvement Area No. 1 Special Tax") sufficient to pay  
19 directly for the Facilities, including out of a special tax-funded capital reserve established for  
20 the payment of Facilities, to pay the principal and interest on bonds and other debt (as defined  
21 in the Mello-Roos Act) of the City issued for Improvement Area No. 1 to finance the Facilities,  
22 and to pay for the Services, and the Improvement Area No. 1 Special Tax will be secured by  
23 the recordation of a continuing lien against all non-exempt real property in Improvement Area  
24 No. 1, will be levied annually within Improvement Area No. 1, and will be collected in the same  
25 manner as ordinary *ad valorem* property taxes or in such other manner as this Board of

Supervisors or its designee shall determine, including direct billing of the affected property owners.

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

c. The Improvement Area No. 1 Special Tax shall not be levied in Improvement Area No. 1 to finance Facilities after the fiscal year established therefor in the Rate and Method, and the Improvement Area No. 1 Special Tax shall only be levied to finance Services thereafter, except that an Improvement Area No. 1 Special Tax that was lawfully levied in or before the final tax year and that remains delinquent may be collected in subsequent years. Under no circumstances shall the Improvement Area No. 1 Special Tax levied in any fiscal year for financing Facilities against any parcel in Improvement Area No. 1 used for private residential purposes be increased in that fiscal year as a consequence of delinquency or default by the owner of any other parcel or parcels within Improvement Area No. 1 by more than 10 percent.

d. A special tax to finance the costs of Facilities shall not be levied in one or more future Improvement areas formed to include territory that annexes into the CFD from the Future Annexation Area (each, a "Future Improvement Area" and together with Improvement Area No. 1, the "Improvement Areas") after the fiscal year established therefor in the rate and method for the Future Improvement Area and the special tax shall only be levied to finance Services thereafter, except that a special tax that was lawfully levied in or before the final tax year and that remains delinquent may be collected in subsequent years. Under no circumstances shall the special tax levied in any fiscal year for financing Facilities against any



1 parcel in the Future Improvement Area for private residential purposes be increased in that  
2 fiscal year as a consequence of delinquency or default by the owner of any other parcel or  
3 parcels within the Future Improvement Area by more than 10 percent.

4 e. For Future Improvement Areas, a different rate and method may be adopted for  
5 the annexed territory if the annexed territory is designated as a separate improvement area.  
6 No supplements to the Rate and Method for any of the Future Improvement Areas and no  
7 new rate and method shall cause the maximum tax rate in the then-existing territory of the  
8 CFD (Including Improvement Area No. 1) to increase. The designation as an Improvement  
9 Area of any territory annexing to the CFD, the maximum amount of bonded indebtedness and  
10 other debt for such Improvement Area, the rate and method of apportionment of special tax  
11 for such improvement area (including the conditions under which the obligation to pay the  
12 special tax may be prepaid and permanently satisfied, if any), and the appropriations limit for  
13 such Improvement Area shall be identified and approved in the Unanimous Approval executed  
14 by property owner(s) in connection with its annexation to the CFD in accordance with the  
15 Annexation Approval Procedures described herein.

16 f. Territory in the Future Annexation Area will be annexed into the CFD and a  
17 special tax will be levied on such territory only with the Unanimous Approval of the owner or  
18 owners of each parcel or parcels at the time that parcel or those parcels are annexed into the  
19 CFD in accordance with the Annexation Approval Procedures described herein. Except to the  
20 extent that funds are otherwise available to the CFD to pay for the Facilities, the Services  
21 and/or the principal and interest as it becomes due on bonds of the CFD issued to finance the  
22 Facilities, a Special Tax sufficient to pay the costs thereof, secured by the recordation of a  
23 continuing lien against all non-exempt real property in the Future Annexation Area, is intended  
24 to be levied annually within the Future Annexation Area, and collected in the same manner as  
25



1 ordinary *ad valorem* property taxes or in such other manner as may be prescribed by this  
2 Board of Supervisors.

3 g. As required by Mello-Roos Act Section 53339.3(d), the Board of Supervisors  
4 hereby determines that the Special Tax proposed to pay for one or more Facilities to be  
5 supplied within the Future Annexation Area financed with bonds that have already been  
6 issued and that are secured by previously-existing areas of the CFD will be equal to the  
7 Special Taxes levied to pay for the same Facilities in previously-existing areas of the CFD,  
8 except that (i) a higher Special Tax may be levied within the Future Annexation Area to pay  
9 for the same Facilities to compensate for the interest and principal previously paid from  
10 Special Taxes in the original area of the CFD, less any depreciation allocable to the financed  
11 Facilities and (ii) a higher Special Tax may be levied in the Future Annexation Area to pay for  
12 new or additional Facilities, with or without bond financing. As required by Mello-Roos Act  
13 Section 53339.3(d), the Board of Supervisors hereby further determines that the Special Tax  
14 proposed to pay for Services to be supplied within the Future Annexation Area shall be equal  
15 to any Special Tax levied to pay for the same Services in the existing CFD, except that a  
16 higher or lower tax may be levied within the Future Annexation Area to the extent that the  
17 actual cost of providing the Services in the Future Annexation Area is higher or lower than the  
18 cost of providing those Services in the existing CFD. In so finding, the Board of Supervisors  
19 does not intend to limit its ability to levy a Special Tax within the Future Annexation Area to  
20 provide new or additional services beyond those supplied within the existing CFD and  
21 Improvement Area No. 1 or its ability to implement changes pursuant to the Mello-Roos Act,  
22 Article 3, within one or more improvement areas; and, be it

23 FURTHER RESOLVED, That the "Annexation Approval Procedures" governing  
24 annexations of parcels in the Future Annexation Area into the CFD shall consist of the  
25 following sets of procedures (specified in (A) and (B) that follow):

1 (A) The annexation and related matters described in the Unanimous Approval shall  
2 be implemented and completed without the need for the approval of either the Board of  
3 Directors of TIDA ("TIDA Board") or this Board of Supervisors as long as the following  
4 conditions are met:

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

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

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

13 (ii) The rate and method of apportionment of special tax for the new  
14 improvement area is consistent with the Financing Plan.

15 (iii) The rate and method of apportionment of special tax for the new  
16 improvement area does not establish a maximum special tax rate for the initial fiscal year in  
17 which the special tax may be levied for any category of property subject to the special tax that  
18 is greater than 120% of the maximum special tax rate established for the same category of  
19 property subject to the special tax for the same fiscal year calculated pursuant to the Rate and  
20 Method (i.e., the rate and method of apportionment of special tax for Improvement Area No.  
21 1).

22 (iv) The rate and method of apportionment of special tax for the new  
23 improvement area does not contain a type of special tax that was not included in the Rate and  
24 Method (for example, a one-time special tax).

1 (v) The rate and method of apportionment of special tax for the new  
2 improvement area contains the same terms for "Collection of Special Tax" (including with  
3 respect to the term of the special tax) and for application of Remainder Special Taxes (as  
4 defined in the Rate and Method) with respect to park maintenance costs as the Rate and  
5 Method.

6 (vi) If the rate and method of apportionment of special tax for the new  
7 improvement area includes a provision allowing prepayment of the special tax, in whole or in  
8 part, the Director of the Office of Public Finance, after consulting with the special tax  
9 consultant retained by the City and the City Attorney, shall be satisfied that such prepayment  
10 provision will not adversely impact the financing of authorized Facilities and Services;  
11 *provided*, that if the prepayment formula set forth in such rate and method of apportionment  
12 has previously been approved by this Board, then such prepayment formula may be  
13 replicated in the rate and method of apportionment for such new improvement area without  
14 meeting such test.

15 If the foregoing conditions ((1) or (2), as applicable), are satisfied, as determined by the  
16 Director of the Office of Public Finance and set forth in a written acceptance by the Director of  
17 the Office of Public Finance delivered to the property owner(s) that executed the Unanimous  
18 Approval and the Clerk of the Board of Supervisors, the Unanimous Approval shall be  
19 deemed accepted by the City and the Clerk of the Board of Supervisors shall record an  
20 amendment to the notice of special tax lien or a new notice of special tax lien for the CFD  
21 pursuant to Streets & Highways Code Section 3117.5.

22 (B) For any annexation and related matters described in the Unanimous Approval  
23 that do not meet the requirements of Section (A) above, the following procedures shall apply  
24 (provided, however, that nothing in the following procedures shall prevent the property owners  
25 of property to be annexed into the CFD from a Future Annexation Area from annexing

1 property to the CFD (including into a new improvement area) pursuant to Section (A) above  
2 and then instituting change proceedings pursuant to Mello-Roos Act, Article 3, to make  
3 additional changes to the rate and method or other authorized purposes):

4 *First*, the owners(s) of property to be annexed into the CFD shall submit a Unanimous  
5 Approval for each parcel or parcels to be annexed into the CFD to the Treasure Island  
6 Director of TIDA, together with a statement as to whether the Unanimous Approval is  
7 consistent with the Financing Plan and, if not, the reasons for such inconsistency.

8 *Second*, the Treasure Island Director shall have 30 days to either (a) submit the  
9 Unanimous Approval to the TIDA Board, accompanied by a written staff report that includes a  
10 statement from the Treasure Island Director as to whether the Unanimous Approval is  
11 consistent with the Financing Plan and, if the Treasure Island Director concludes that it is not  
12 consistent with the Financing Plan, a description of the inconsistencies, the reasons for such  
13 inconsistencies given by the Developer and the Treasure Island Director's recommendation  
14 as to such inconsistencies or (b) notify the Developer that the Treasure Island Director shall  
15 not submit the Unanimous Approval to the TIDA Board due to inconsistencies with the  
16 Financing Plan.

17 *Third*, the TIDA Board shall, within 60 days of the receipt of any Unanimous Approval  
18 by the Treasure Island Director pursuant to *Second* above, either (i) adopt a resolution  
19 accepting the Unanimous Approval or (ii) adopt a resolution rejecting the Unanimous  
20 Approval, with the sole basis for rejection being a detailed conclusion that the Unanimous  
21 Approval is not consistent with the Financing Plan.

22 *Fourth*, if the TIDA Board adopts a resolution rejecting the Unanimous Approval, the  
23 owner(s) of property to be annexed into the CFD may revise the Unanimous Approval and  
24 resubmit it to the Treasure Island Director, who shall endeavor to submit the revised  
25 Unanimous Approval to the TIDA Board, accompanied by a written staff report as outlined

1 above under *Second*, at the next available meeting of the TIDA Board, and the TIDA Board  
2 shall consider the revised Unanimous Approval and either (i) adopt a resolution accepting the  
3 revised Unanimous Approval or (ii) adopt a resolution rejecting the revised Unanimous  
4 Approval, with the sole basis for rejection being a detailed conclusion that the revised  
5 Unanimous Approval is not consistent with the Financing Plan, in which event the owner(s)  
6 may further revise the Unanimous Approval and repeat the process described in this clause  
7 *Fourth*. In lieu of submitting a revised Unanimous Approval to the Treasure Island Director,  
8 the owner(s) of property to be annexed into the CFD may appeal the TIDA Board's decision to  
9 reject the Unanimous Approval to this Board of Supervisors, with the sole basis for appeal  
10 being that the Unanimous Approval should not have been rejected because the Unanimous  
11 Approval is consistent with the Financing Plan.

12 *Fifth*, within 30 days of the adoption by the TIDA Board of a resolution accepting a  
13 Unanimous Approval or an appeal of the TIDA Board's decision to reject a Unanimous  
14 Approval, the Director of the Office of Public Finance shall submit said Unanimous Approval  
15 as an Information item to the Clerk of the Board of Supervisors, and, unless within 30 days of  
16 the receipt of the Unanimous Approval by the Clerk, one of the members of this Board of  
17 Supervisors asks for it to be placed on an agenda for consideration by the Board of  
18 Supervisors (which consideration shall be limited to whether the Unanimous Approval is  
19 consistent with the Financing Plan), the Unanimous Approval shall be deemed accepted by  
20 the City and the Clerk of the Board of Supervisors shall record an amendment to the notice of  
21 special tax lien for the CFD pursuant to Streets & Highways Code Section 3117.5 or a new  
22 notice of special tax lien for the CFD pursuant to Streets & Highways Code Section 3117.5;  
23 and, be it

24 FURTHER RESOLVED, That it is hereby found and determined that the Facilities and  
25 the Services are necessary to meet increased demands placed upon local agencies as the



1 result of development occurring in the CFD, Improvement Area No. 1 and the Future  
2 Annexation Area; and, be it

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

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

14 FURTHER RESOLVED, That in accordance with the Mello-Roos Act, the annual  
15 appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California  
16 Constitution, of Improvement Area No. 1 is hereby preliminarily established at \$90 million and  
17 said appropriations limit shall be submitted to the voters of Improvement Area No. 1 as  
18 hereafter provided. The proposition establishing said annual appropriations limit shall become  
19 effective if approved by the qualified electors voting thereon and shall be adjusted in  
20 accordance with the applicable provisions of the Mello-Roos Act; and, be it

21 FURTHER RESOLVED, That pursuant to the provisions of the Mello-Roos Act, the  
22 proposition of the levy of the Improvement Area No. 1 Special Tax and the proposition of the  
23 establishment of the appropriations limit specified above shall be submitted to the qualified  
24 electors of Improvement Area No. 1 at an election. The time, place and conditions of the  
25 election shall be as specified by a separate resolution of the Board of Supervisors; and, be it



1           FURTHER RESOLVED, That Mello-Roos Act Section 53314.9 provides that, either  
2   before or after formation of the CFD, the City may accept work In-kind from any source,  
3   including, but not limited to, private persons or private entities, may provide, by resolution, for  
4   the use of that work In-kind for any authorized purpose and this Board of Supervisors may  
5   enter into an agreement, by resolution, with the person or entity advancing the work in-kind, to  
6   reimburse the person or entity for the value, or cost, whichever is less, of the work in-kind, as  
7   determined by this Board of Supervisors, with or without interest, under the conditions  
8   specified in the Mello-Roos Act. Any work in-kind must be performed or constructed as if the  
9   work had been performed or constructed under the direction and supervision, or under the  
10   authority of, the City and, in furtherance of Mello-Roos Act Section 53314.9, the Board of  
11   Supervisors previously approved the execution and delivery of an Acquisition and  
12   Reimbursement Agreement among the City, TIDA and the Developer; and, be it

13           FURTHER RESOLVED, That the Board of Supervisors has reviewed and considered  
14   the FEIR and finds that the FEIR is adequate for its use for the actions taken by this  
15   Resolution and incorporates the FEIR and the CEQA findings contained in Board of  
16   Supervisors Resolution No. 246-11 by this reference; and, be it

17           FURTHER RESOLVED, That if any section, subsection, sentence, clause, phrase, or  
18   word of this resolution, or any application thereof to any person or circumstance, is held to be  
19   invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision  
20   shall not affect the validity of the remaining portions or applications of this resolution, this  
21   Board of Supervisors hereby declaring that it would have passed this resolution and each and  
22   every section, subsection, sentence, clause, phrase, and word not declared invalid or  
23   unconstitutional without regard to whether any other portion of this resolution or application  
24   thereof would be subsequently declared invalid or unconstitutional; and, be it  
25

1 FURTHER RESOLVED, That the Mayor, the Controller, the Director of the Office of  
2 Public Finance, the Clerk of the Board of Supervisors and any and all other officers of the City  
3 are hereby authorized, for and in the name of and on behalf of the City, to do any and all  
4 things and take any and all actions, including execution and delivery of any and all  
5 documents, assignments, certificates, requisitions, agreements, notices, consents,  
6 instruments of conveyance, warrants and documents, which they, or any of them, may deem  
7 necessary or advisable in order to effectuate the purposes of this Resolution; provided  
8 however that any such actions be solely intended to further the purposes of this Resolution,  
9 and are subject in all respects to the terms of the Resolution; and, be it

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

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

17  
18 APPROVED AS TO FORM:  
19 DENNIS J. HERRERA, City Attorney

20  
21 By: \_\_\_\_\_  
22 Mark D. Blake  
23 Deputy City Attorney  
24 n:\spec\as2016\0600537\01143583.docx  
25

## EXHIBIT A

### **CITY AND COUNTY OF SAN FRANCISCO Community Facilities District No. 2016-1 (Treasure Island)**

#### **DESCRIPTION OF FACILITIES AND SERVICES TO BE FINANCED BY THE CFD AND EACH IMPROVEMENT AREA THEREIN**

#### **FACILITIES**

The CFD, Improvement Area No. 1, and each Future Improvement Area shall be authorized to finance all or a portion of the costs of the acquisition, construction and improvement of any of the following types of facilities:

**A. Facilities Acquired from Third Parties**

1. Acquisition - includes acquisition of land for public improvements.
2. Abatement - includes abatement of hazardous materials and disposal of waste.
3. Demolition - removal of below-grade, at-grade, and above-grade facilities, and recycling or disposal of waste.
4. Supplemental Fire Water Supply System - including, but not limited to, main pipe, laterals, valves, fire hydrants, cathodic protection, manifolds, air-gap back flow preventer, wharf fire hydrants, portable water pumper, and tie-ins for onsite water supply network that is unique to San Francisco intended for fire suppression.
5. Low Pressure Water - including, but not limited to, main pipe, pressure reducing stations, laterals, water meters, water meter boxes, back flow preventers, gate valves, air valves, blowoffs, fire hydrants, cathodic protection, and tie-ins for onsite and offsite low pressure water supply network intended for domestic use.
6. Water Tank Facilities – including, but not limited to, storage tanks, pumps, and other facilities associated with water storage.
7. Recycled Water - including, but not limited to, main pipe, laterals, water meters, water meter boxes, back flow preventers, gate valves, air valves, blowoffs, cathodic protection, and tie-ins for recycled water supply network intended to provide treated wastewater for use in irrigation of parks and landscaping as well as graywater uses within buildings.
8. Storm Drainage System – including, but not limited to, main pipe, laterals, manholes, catch basins, air vents, stormwater treatment facilities, connections to existing

systems, headwalls, outfalls, and lift stations for a network intended to convey onsite and offsite separated storm water.

9. Separated Sanitary Sewer – including, but not limited to, main pipe, laterals, manholes, traps, air vents, connections to existing systems, force main pipe and associated valves and cleanouts, and pump and lift stations for a network intended to convey separated sanitary sewage.

10. Joint Trench – including, but not limited to, the electrical substation, installation of primary and secondary conduits, overhead poles, pull boxes, vaults, subsurface enclosures, and anodes, for dry utilities including but not limited to electrical and information systems.

11. Earthwork – including, but not limited to, importation of clean fill materials, clearing and grubbing, slope stabilization, ground improvement, installation of geogrid, surcharging, wick drains, excavation, rock fragmentation, placement of fill, compaction, grading, erosion control, deep vibratory soil compaction, cement deep soil mix (CDSM) columns and panels, stone columns, and post-construction stabilization such as hydroseeding.

12. Retaining Walls – including, but not limited to, excavation, foundations, construction of retaining walls, subdrainage, and backfilling.

13. Highway Ramps, Roadways, Pathways, Curb, and Gutter – including, but not limited to, road subgrade preparation, aggregate base, concrete roadway base, asphalt wearing surface, concrete curb, concrete gutter, medians, colored asphalt and concrete, speed tables, class 1 and 2 bike facilities (e.g., cycle tracks), sawcutting, grinding, conform paving, resurfacing, for onsite and offsite roadways.

14. Traffic – including, but not limited to, transit stops, transit facilities, transit buses and ferries, bridge structures, permanent pavement marking and striping, traffic control signage, traffic light signals, pedestrian traffic lighting, and contributions for offsite traffic improvements.

15. Streetscape – including, but not limited to, subgrade preparation, aggregate base, sidewalks, pavers, ADA curb ramps with detectable tiles, streetlights, light pole foundations, landscaping, irrigation, street furniture, waste receptacles, newspaper stands, and public art.

16. Shoreline Improvements – including, but not limited to, demolition, excavation, installation of revetment, structural improvements of shoreline and revetment, and structural repair for replacement or retrofit of shoreline structures.

17. Parks – including, but not limited to, ground improvement, subgrade preparation, landscaping and trees, aggregate base, sidewalks, pavers, decomposed granite, lighting, irrigation, furniture, decks, fountains, and restrooms.

18. Ferry Terminal – including, but not limited to, foundations, ferry shelter building, signs, electronic toll collection system, breakwaters, pier, gangway, float, restroom, bike storage

19. Hazardous Soil Removal – removal and disposal of contaminated soil.

20. Community Facilities – including, but not limited to, costs of police station, fire station, community center spaces for uses including reading room/library, senior/adult services, teen/youth center, outdoor performance and gathering spaces, community gardens, public school, childcare centers, public recreational facilities including ballfields, playing fields and sports centers, and publicly-owned parking garages.

21. Any other amounts specifically identified in the DDA as a Qualified Project Cost.

22. Hard Costs, Soft Costs and Pre-Development Costs, as defined in the Conveyance Agreement, associated with the design, procurement, development and construction of all Facilities listed herein.

**B. Authorized Payments**

1. Contribution to the City and other public agencies for costs related to open space improvements, transportation and transit facilities, and design and construction of ramps and access roads.

**C. Facilities Constructed by the City or TIDA**

1. Sea Level Rise Adaptations – including, but not limited to, demolition, excavation, and installation of revetment; structural improvements of shoreline and revetment; construction, improvement or relocation of shoreline structures, seawalls, stormwater pump stations and outfalls; earthwork, grading and landscaping; and the development of intertidal zones or wetlands.

2. Facility Capital Improvements – upgrade, reconstruction, or replacement of publicly-owned assets on Treasure Island and Yerba Buena Island, including, but not limited to, buildings, hangars, school facilities, living quarters, parks, improvements for sea-level rise, piers, and the Acquisition Facilities described in Section A of this Exhibit A.

NOTE: The categories of facilities labeled "Facilities Acquired from Third Parties" and "Facilities Constructed by the City or TIDA" reflect current assumptions of the City and TIDA. The CFD shall be authorized to finance the listed facilities whether they are acquired from third parties or constructed by the City or TIDA.

## SERVICES

Special taxes collected in the CFD, Improvement Area No. 1, and each Future Improvement Area will finance, in whole or in part, the following services ("services" shall have the meaning given that term in the Mello-Roos Community Facilities Act of 1982):

- The costs of operating and maintaining Improvements constructed pursuant to the Parks and Open Space Plan within the Project Site, including installing landscaping, all personnel or third-party maintenance costs, costs of maintaining irrigation systems and other equipment directly related to maintenance, maintenance or replacement as needed of landscape areas, water features, bathrooms, trash receptacles, park benches, planting containers, picnic tables, and other equipment or fixtures installed in areas to be maintained, insurance costs, and any other related overhead costs, along with TIDA personnel, administrative, and overhead costs related to maintenance or to contracting for and managing third-party maintenance. The terms used in this paragraph have the meaning given them in the Financing Plan.
- Operating and maintaining TIDA owned structures and facilities within the Project Site, including but not limited to Building 1, Hangers 2 & 3, Pier 1, the Historic Officers' Quarters, Quarters 10 & 62, the Torpedo Building, Chapel, gymnasium, roadways, paths and walkways. Costs include but are not limited to all personnel or third-party maintenance costs, costs of maintaining systems and other equipment directly related to maintenance, as needed, of building systems, roofs, building envelope, and interiors, insurance costs, and any other related overhead costs, along with TIDA personnel, administrative, and overhead costs related to maintenance or to contracting for and managing third-party maintenance. The terms used in this paragraph have the meaning given them in the Financing Plan.



EXHIBIT B

CITY AND COUNTY OF SAN FRANCISCO  
Community Facilities District No. 2016-1  
(Treasure Island)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR  
IMPROVEMENT AREA NO. 1

## EXHIBIT A

### IMPROVEMENT AREA NO. 1 OF THE CITY AND COUNTY OF SAN FRANCISCO COMMUNITY FACILITIES DISTRICT NO. 2016-1 (TREASURE ISLAND)

#### RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

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A Special Tax applicable to each Taxable Parcel in Improvement Area No. 1 of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island) shall be levied and collected according to the tax liability determined by the Administrator through the application of the appropriate amount or rate for Taxable Parcels, as described below. All Taxable Parcels in Improvement Area No. 1 shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to Improvement Area No. 1.

#### A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

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

**“Act”** means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, (commencing with Section 53311), Division 2 of Title 5 of the California Government Code.

**“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 and TIDA carrying out duties with respect to the CFD and the Bonds, including, but not limited to, levying and collecting the Special Tax, 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 Tax, costs associated with appeals or requests for interpretation associated with the Special Tax 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 owner, costs associated with foreclosure and collection of delinquent Special Taxes, and all other costs and expenses of the City and TIDA in any way related to the establishment or administration of the CFD.

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

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

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

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

**“Association Property”** means any property within the boundaries of Improvement Area No. 1 that is owned in fee or by easement by a homeowners association or property owners association and does not fall within a Land Use Category, not including any such property that is located directly under a residential structure.

**“Authority Housing Lot”** means the lots identified as owned or expected to be owned by TIDA, as originally shown in the Housing Plan, and as may be amended in the Development Approval Documents. Authority Housing Lots expected within Improvement Area No. 1 at the time of CFD Formation are identified in Attachment 3 hereto.

**“Authority Housing Unit”** means a Residential Unit developed on an Authority Housing Lot.

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

**“Base Facilities Special Tax”** means, for any Land Use Category, the per-square foot Facilities Special Tax for square footage within such Land Use Category, as identified in Section C.2a below.

**“Base Services Special Tax”** means, for any Land Use Category, the per-square foot Services Special Tax for square footage within such Land Use Category, as identified in Section C.2b below.

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

**“Board”** means the Board of Supervisors of the City, acting as the legislative body of CFD No. 2016-1.

**“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 Height”** means the proposed height, as defined in the D4D, of a residential, non-residential, or mixed-use structure, as set forth on the Building Permit issued for the building, or if the height is not clearly indicated on the Building Permit, the height determined by reference to the Sub-Phase Application, Vertical DDA, condominium plan, or architectural drawings for the building. If there is any question as to the Building Height of any building in the CFD, the

Administrator shall coordinate with the Review Authority to make the determination, and such determination shall be conclusive and binding.

**“Building Permit”** means a permit that allows for vertical construction of a building or buildings, which shall not include a separate permit issued for construction of the foundation thereof.

**“Capital Reserve Requirement”** means, for the Project as a whole, the target amount of capital reserves to be established for Sea Level Rise Improvements, which shall be \$250 million in Fiscal Year 2016-17 dollars, escalating, on July 1, 2017 and on each July 1 thereafter, by the Escalator.

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

**“CFD”** or **“CFD No. 2016-1”** means the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island).

**“CFD Formation”** means the date on which the Board approved documents to form the CFD.

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

**“Commercial/Retail Square Footage”** means the net saleable or net leasable square footage within a building that is or is expected to be square footage of a commercial establishment that sells general merchandise, hard goods, food and beverage, personal services, and other items directly to consumers, including but not limited to, museums, restaurants, bars, entertainment venues, health clubs, spas, laundromats, dry cleaners, repair shops, storage facilities, and parcel delivery shops. In addition, any other square footage in a building that is used for commercial, office, or industrial business operations and is not Accessory Square Footage or Association Property shall be taxed as Commercial/Retail Square Footage. Commercial/Retail Square Footage shall be determined based on reference to the condominium plan, site plan, Building Permit, or Development Approval Documents, or as provided by the Developer or the City. The Administrator, in conjunction with the Review Authority, shall make the final determination as to the amount of Commercial/Retail Square Footage on any Parcel within Improvement Area No. 1, and such determination shall be conclusive and binding. Commercial/Retail Square Foot means a single square-foot unit of Commercial/Retail Square Footage. 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 Commercial/Retail Square Footage.

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

**“D4D”** means the Treasure Island and Yerba Buena Island Design for Development, approved by the Planning Commission and TIDA, and dated June 28, 2011, and as amended from time to time.

**“DA”** means the Development Agreement Relative to Treasure Island/Yerba Buena Island, including all exhibits and attachments, executed by the City and TICD, dated June 28, 2011, and as amended from time to time.

**“DDA”** means the Disposition and Development Agreement (Treasure Island/Yerba Buena Island), including all exhibits and attachments, executed by TIDA and TICD, dated June 28, 2011, and as amended from time to time.

**“Developed Property”** means, in any Fiscal Year, all Taxable Parcels for which a Building Permit was issued prior to June 30 of the preceding Fiscal Year, but not prior to January 1, 2015.

**“Developer”** means the developer of a Major Phase or Sub-Phase located in Improvement Area No. 1, which shall not include a Vertical Developer that has entered into a Vertical DDA.

**“Developer Maintenance Payment”** means a payment that TIDA requires to be made by the Developer to pay for Ongoing Park Maintenance as described in and pursuant to Section 2.7 of the Financing Plan.

**“Development Approval Documents”** means, collectively, any Major Phase Application, Sub-Phase Application, Vertical DDA, tentative subdivision map, Final Map, Review Authority approval, or other such 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 Taxable Parcels.

**“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 application to the City.

**“Escalator”** means the lesser of the following: (i) the increase, if any, in the Consumer Price Index (CPI) for All Urban Consumers in the San Francisco-Oakland-San Jose region (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, a similar escalator that is determined by TIDA and the City to be appropriate, and (ii) five percent (5%).

**“Estimated Base Facilities Special Tax Revenues”** means, at any point in time, the 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 Sub-Block.

**“Expected Land Uses”** means the total square footage in each Land Use Category expected within each Sub-Block in Improvement Area No. 1. The Expected Land Uses at the time of CFD Formation are identified in Attachment 2 and may be revised pursuant to Sections B, C, D, and E below.

**“Expected Maximum Facilities Special Tax Revenues”** means the aggregate Facilities Special Tax that can be levied based on application of the Base Facilities Special Tax to the Expected Land Uses. The Expected Maximum Facilities Special Tax Revenues for each Sub-Block at the time of CFD Formation are shown in Attachment 2 and may be revised pursuant to Sections B, C, D, and E below.

**“Expected Taxable Property”** means any Parcel within Improvement Area No. 1 that: (i) pursuant to the Development Approval Documents, was expected to be a Taxable Parcel, (ii) based on the Expected Land Uses and as determined by the Administrator, was assigned Expected



Maximum Facilities Special Tax Revenues, and (iii) subsequently falls within one or more of the categories that would otherwise be exempt from the Special Tax as set forth in Section H below.

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

**“Facilities Special Tax Requirement”** means the amount necessary in any Fiscal Year to: (i) pay principal and interest on Bonds that are due in the calendar year that begins in such Fiscal Year; (ii) pay periodic costs on the Bonds, including but not limited to, credit enhancement, liquidity support and rebate payments on the Bonds, (iii) replenish reserve funds created for the Bonds under the Indenture to the extent such replenishment has not been included in the computation of the Facilities Special Tax Requirement in a previous Fiscal Year; (iv) cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year; (v) pay Administrative Expenses; and (vi) pay directly for Authorized Expenditures, including park maintenance, Sea Level Rise Improvements, and capital reserves, in the priority set forth in the Financing Plan, so long as such levy under this clause (vi) does not increase the Facilities Special Tax levied on Undeveloped Property. Notwithstanding the foregoing, in any Fiscal Year in which any portion of a Developer Maintenance Payment is delinquent, the Maximum Facilities Special Tax shall be levied on Undeveloped Property until the amount collected from Undeveloped Property that is used to pay for park maintenance is equal to the aggregate amount of delinquent Developer Maintenance Payments. 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 CFD 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.

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

**“Financing Plan”** means the Financing Plan attached as Exhibit D to the DA and Exhibit EE to the DDA, as such plan may be amended or supplemented from time to time in accordance with the terms of the DA and DDA.

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

**“Future Annexation Area”** means that geographic area that, at the time of CFD Formation, was considered potential annexation area for the CFD and which was, therefore, identified as “future annexation area” on the recorded CFD boundary map. Such designation does not mean that any or all of the Future Annexation Area will annex into 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.

**“Hotel”** means a structure or portion of a structure that constitutes a place of lodging, providing



temporary sleeping accommodations for travelers, which structure may include one or more of the following: spa services, restaurants, gift shops, meeting and convention facilities. Residential Units that are offered for rent to travelers (e.g., units offered through Airbnb) shall not be categorized as Hotel.

**“Hotel Condominium”** means a Residential Unit within a Hotel Project.

**“Hotel Project”** means a Development Project within which a building proposed to be constructed is either a Hotel or a residential or mixed-use building being developed in conjunction with a Hotel that will share common area and amenities with the Hotel. Notwithstanding the foregoing, if a Development Project includes multiple buildings, one 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 and shall be categorized as a Low-Rise Project, Mid-Rise Project, Tower Project, or Townhome Project based on the definitions set forth herein. If a Hotel Project is constructed on a Parcel that is owned by TIDA, such Parcel shall be treated as a Hotel Project, not Public Property, for purposes of this RMA.

**“Hotel Square Footage”** means the usable square footage within a building that is, or is expected to be, a Hotel, as reflected on a condominium plan, site plan, or Building Permit, as provided by the Developer or the City, or as expected pursuant to Development Approval Documents. All square footage that is not Residential Square Footage or Accessory Square Footage and shares an Assessor’s Parcel number within such a structure, including square footage of restaurants, meeting and convention facilities, gift shops, spas, offices, and other related uses, shall be categorized as Hotel Square Footage. Upon assignment of Assessor’s Parcel numbers to the Airspace Parcels for any Hotel Condominiums, the Hotel Condominiums shall be assigned a Maximum Special Tax based on application of the appropriate Base Special Tax for Hotel Condominiums, as set forth in Section C below. If there are separate Assessor’s Parcel numbers for the retail uses associated with the Hotel, the Base Special Tax for Commercial/Retail Square Footage shall be used to determine the Maximum Special Tax for such Parcels, and the Base Special Tax for Hotel Square Footage shall be used to determine the Maximum Special Tax for Parcels on which uses in the building other than Hotel Condominiums and retail uses are located, including office space associated with Hotel operations. The Administrator, in conjunction with the Review Authority, shall make the final determination as to the amount of Hotel Square Footage within a building, and such determination shall be conclusive and binding. Hotel Square Foot means a single square-foot unit of Hotel Square Footage.

**“Housing Plan”** means Exhibit E to the DDA, which sets forth the plan for development of Market Rate Units, Inclusionary Units, and Authority Housing Units on Treasure Island and Yerba Buena Island.

**“Improvement Area No. 1”** means Improvement Area No. 1 of the CFD, as it exists at CFD Formation and as expanded with future annexations to Improvement Area No. 1 (if any).

**“Inclusionary Unit”** means a Residential Unit that is, pursuant to the Housing Plan, subject to restrictions related to the affordability of the Residential Unit or income restrictions for its occupants, and is not an Authority Housing Unit.

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

**“Land Use Category”** means, individually, Low-Rise Units, Mid-Rise Units, Tower Units, Treasure Island Townhome Units, Yerba Buena Island Townhome Units, Hotel Condominiums, Hotel Square Footage, or Commercial/Retail Square Footage.

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

**“LDDA”** means a Disposition and Development Agreement between TIDA and a Vertical Developer that has a leasehold interest in property that is subject to the Public Trust, as defined in the DDA.

**“Low-Rise Project”** means a Development Project that meets either of the following criteria: (i) the highest residential or mixed-use building proposed within the Development Project has a Building Height that is greater than 50 feet and less than or equal to 70 feet, or (ii) the highest residential or mixed-use building proposed within the Development Project has a Building Height that is less than or equal to 50 feet and one or more of the ground floor Residential Units within such building do not have a main entry door that is directly accessible from a public street, private street, or courtyard instead of from a common corridor.

All Residential Units within a Low-Rise Project, regardless of the height of each individual building within the Development Project, shall be categorized as Low-Rise Units for purposes of this RMA. For example, if a Development Project includes three separate buildings, the highest building is proposed to be 50 feet tall, and one or more of the ground floor Residential Units within the 50-foot tall building will not have a main entry door that is directly accessible from a street or courtyard, then the Residential Units in all three buildings in the Development Project will be taxed as Low-Rise Units. If a Development Project includes two buildings that have the same proposed Building Height, both buildings are less than 50 feet tall, and only one of the two buildings has ground floor Residential Units, all of which have main entry doors that will be directly accessible from a street or courtyard, the Residential Units within the Development Project will be categorized as Low-Rise Units and not Treasure Island Townhome Units or Yerba Buena Townhome Units.

**“Low-Rise Unit”** means a Residential Unit within a Low-Rise Project.

**“Major Phase”** is defined in the DDA.

**“Major Phase Application”** means the application and associated documents required to be submitted for each Major Phase Approval, as defined in the DDA.

**“Market Rate Unit”** means a Residential Unit that is not an Authority Housing Unit or Inclusionary Unit.

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

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

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

**“Maximum Special Tax”** means, prior to the Transition Year, the Maximum Facilities Special Tax and, in the Transition Year and each Fiscal Year thereafter, the Maximum Services Special Tax. Notwithstanding the foregoing, if there are any delinquent Facilities Special Taxes to be collected from a Parcel in or after the Transition Year, such delinquent Facilities Special Taxes shall continue to be levied against the Parcel and shall, in addition to the Services Special Tax, be part of the Maximum Special Tax for the Parcel until paid.

**“Mid-Rise Project”** means a Development Project within which the highest residential or mixed-use building that includes Residential Units proposed for development has a Building Height that is greater than 70 feet but less than or equal to 125 feet. All Residential Units within a Mid-Rise Project, regardless of the height of each individual building within the Development Project, shall be categorized as Mid-Rise Units for purposes of this RMA. For example, if a Development Project proposes three buildings that are 90 feet, 60 feet, and 40 feet, respectively, all Residential Units within all three buildings will be categorized as Mid-Rise Units.

**“Mid-Rise Unit”** means a Residential Unit within a Mid-Rise Project.

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

**“Project”** is defined in the DDA.

**“Proportionately”** means, for Developed Property, that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Parcels of Developed Property. For Vertical DDA Property, “Proportionately” means that the ratio of the actual Special Tax levied to the Maximum Special Tax authorized to be levied is equal for all Parcels of Vertical DDA Property. For Undeveloped Property, “Proportionately” means that the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Parcels of Undeveloped Property. For Expected Taxable Property, “Proportionately” means that the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Parcels of Expected Taxable Property.

**“Public Property”** means any property within the boundaries of Improvement Area No. 1 that is owned by the federal government, the State of California, TIDA, the City, or other public agency. Notwithstanding the foregoing, any property subject to an LDDA with a term of twenty (20) years

or more shall not, during the lease term, be considered Public Property and shall be taxed and classified according to the use on the Parcel(s) unless such Parcel is an Authority Housing Lot.

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

**“Remainder Special Taxes”** means, as calculated between September 1<sup>st</sup> and December 31<sup>st</sup> of any Fiscal Year, any Facilities Special Tax revenues that were collected in the prior Fiscal Year and were not needed to: (i) pay debt service on the Bonds that was due in the calendar year in which the Remainder Special Taxes are being calculated; (ii) pay periodic costs on the Bonds, including but not limited to, credit enhancement, liquidity support and rebate payments on the Bonds; (iii) replenish reserve funds created for the Bonds under the Indenture; (iv) cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year; (v) pay Administrative Expenses that have been incurred, or are expected to be incurred, by the City prior to the receipt of additional Facilities Special Tax proceeds, or (vi) apply towards park maintenance costs that are not fully funded because of delinquent Developer Maintenance Payments.

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

**“Residential Product Type”** means a Low-Rise Unit, Mid-Rise Unit, Tower Unit, Treasure Island Townhome Unit, Yerba Buena Townhome Unit, or Hotel Condominium. If there is any confusion as to the Residential Product Type that applies to Residential Units within a Development Project, the Administrator shall coordinate with the Review Authority to make the determination, which shall be conclusive and binding.

**“Residential Property”** means, in any Fiscal Year, all Taxable Parcels for which Building Permits have been issued, or based on Development Approval Documents, are expected to be issued for construction of a structure that includes one or more Residential Units.

**“Residential Square Footage”** means the square footage of a Residential Unit or residential structure reflected on a condominium plan, site plan, or Building Permit, provided by the Developer or the City, or expected pursuant to Development Approval Documents. The Administrator, in conjunction with the Review Authority, shall make the final determination as to the amount of Residential Square Footage on a Taxable Parcel, and such determination shall be conclusive and binding. Residential Square Foot means a single square-foot unit of Residential Square Footage.

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



**“Review Authority”** means, for Parcels within the Tidelands Trust Overlay Zone, the Executive Director of TIDA, and for Parcels outside the Tidelands Trust Overlay Zone, the City Planning Director, or an alternate designee from TIDA or the City who is responsible for approvals and entitlements of a Development Project.

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

**“Sea Level Rise Improvements”** means public improvements necessary to ensure that shoreline, public facilities, and public access improvements will be protected due to sea level rise at the perimeters of Treasure Island and Yerba Buena Island.

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

**“Services Special Tax Requirement”** means the amount necessary in any Fiscal Year to: (i) pay the costs of operations and maintenance or other public services that are included as Authorized Expenditures; (ii) cure delinquencies in the payment of Services Special Taxes in the prior Fiscal Year; and (iii) pay Administrative Expenses.

**“Special Tax”** means, prior to the Transition Year, the Facilities Special Tax and, in and after the Transition Year, the Services Special Tax.

**“Special Tax Requirement”** means, prior to the Transition Year, the Facilities Special Tax Requirement and, in and after the Transition Year, the Services Special Tax Requirement. Notwithstanding the foregoing, if there are any delinquent Facilities Special Taxes to be collected from a Parcel in or after the Transition Year, such delinquent Facilities Special Taxes shall continue to be levied against the Parcel in addition to the Services Special Tax Requirement for that Fiscal Year.

**“Special Use District”** means the Treasure Island/Yerba Buena Island Special Use District, included as Section 249.52 of the Planning Code.

**“Sub-Block”** means a specific geographic area within Improvement Area No. 1 for which Expected Land Uses have been identified. Sub-Blocks and Expected Land Uses within Improvement Area No. 1 at the time of CFD Formation are identified in Attachments 1 and 2 of this RMA and may be revised pursuant to Sections B, C, D, and E below.

**“Sub-Phase”** is defined in the DDA.

**“Sub-Phase Application”** means the application and associated documents required to be submitted for each Sub-Phase Approval, as defined and set forth in the DDA.

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

**“TICD”** means Treasure Island Community Development, LLC, a California limited liability company, and its successors and permitted assigns under the DDA.

**“TIDA”** means the Treasure Island Development Authority, a California non-profit public benefit corporation, or any successor public agency designated by or under law, which may include the City or the San Francisco Port Commission.

**“Tidelands Trust Overlay Zone”** means the areas on Treasure Island and Yerba Buena Island that are subject to the Tidelands Trust after completion of all Tidelands Trust exchanges, as identified in figures set forth in the Special Use District.

**“Tower Project”** means a Development Project within which the highest residential or mixed-use building that includes Residential Units proposed for development has a Building Height that is greater than 125 feet. All Residential Units within a Tower Project, regardless of the height of each individual building within the Development Project, will be categorized as Tower Units for purposes of this RMA. For example, if a Development Project proposes three buildings that are 140 feet, 90 feet, and 40 feet, respectively, all Residential Units within all three buildings will be categorized as Tower Units.

**“Tower Unit”** means a Residential Unit within a Tower Project.

**“Townhome Project”** means a Development Project that meets both of the following criteria: (i) the highest residential or mixed-use building proposed for development has a Building Height that is less than or equal to 50 feet, and (ii) the main entry doors for all ground floor Residential Units within such building will be directly accessible from a public street, private street, or courtyard instead of from a common corridor. All Residential Units within a Townhome Project will be categorized as Treasure Island Townhome Units or Yerba Buena Townhome Units for purposes of this RMA.

**“Transition Event”** shall be deemed to have occurred when the Administrator determines that either of the following events have occurred: (i) all Bonds secured by the levy and collection of Facilities Special Taxes in the CFD have been fully repaid, all Administrative Expenses from prior Fiscal Years have been paid or reimbursed to the City, and the Capital Reserve Requirement has been fully funded, or (ii) all Bonds secured by the levy and collection of Facilities Special Taxes in the CFD have been fully repaid, all Administrative Expenses from prior Fiscal Years have been paid or reimbursed to the City, and the Facilities Special Tax has been levied within Improvement Area No. 1 for one hundred (100) Fiscal Years.

**“Transition Year”** means the first Fiscal Year in which the Administrator determines that the Transition Event occurred in the prior Fiscal Year.

**“Treasure Island Townhome Unit”** means a Residential Unit within a Townhome Project proposed for development on Treasure Island.

**“Undeveloped Property”** means, in any Fiscal Year, all Taxable Parcels that are not Developed Property, Vertical DDA Property, or Expected Taxable Property.

**“Vertical DDA”** means a Vertical DDA or a Vertical LDDA, as defined in the DDA, for a Taxable Parcel.



**“Vertical DDA Property”** means, in any Fiscal Year, any Parcel that is not yet Developed Property against which a Vertical DDA has been recorded, and for which the Developer or the Vertical Developer has, by June 30 of the prior Fiscal Year, notified the Administrator of such recording.

**“Vertical Developer”** means a developer that has entered into a Vertical DDA for construction of vertical improvements on a Taxable Parcel.

**“Yerba Buena Townhome Unit”** means a Residential Unit within a Townhome Project proposed for development on Yerba Buena Island.

## **B. DATA FOR CFD ADMINISTRATION**

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor’s Parcel numbers for all Taxable Parcels. The Administrator shall also determine: (i) whether each Taxable Parcel is Developed Property, Vertical DDA Property, Undeveloped Property, or Expected Taxable Property, (ii) within which Sub-Block each Assessor’s Parcel is located, (iii) for Developed Property, the Residential Square Footage, Commercial/Retail Square Footage, and/or Hotel Square Footage on each Parcel, (iv) for Residential Property, the Residential Product Type and number of Market Rate Units and Inclusionary Units, (v) whether there are any delinquent Developer Maintenance Payments, and (vi) the Special Tax Requirement for the Fiscal Year.

The Administrator shall review Development Approval Documents and coordinate with TIDA, the Developer, and Vertical Developers to identify the number of Inclusionary Units within each building. If there are transfers of Inclusionary Units and Market Rate Units, the Administrator shall refer to Section D.2 to determine the Maximum Special Tax for each Parcel after such transfer. If, at any time after issuance of the first series of Bonds, it is determined that an increase in the number of Inclusionary Units will decrease Maximum IA1 Revenues to a point at which Required Coverage cannot be maintained, then some or all of the Inclusionary Units that were not originally part of the Expected Land Uses shall be designated as Expected Taxable Property and shall be subject to the levy of the Facilities Special Tax pursuant to Step 4 in Section F below. In such a case, the Administrator shall determine how many Inclusionary Units must be subject to the Facilities Special Tax in order to maintain Required Coverage, and TIDA and the City shall determine which Inclusionary Units will be Expected Taxable Property, and the Administrator shall update Attachment 2 accordingly.

If TIDA notifies the Administrator of a change in the number or location of Authority Housing Lots, then at the request of TIDA and the owner of any private Parcel(s) affected by the change, the Administrator shall (i) amend and replace Attachment 3 to reflect the then-current location and designation of Authority Housing Lots, and (ii) amend and replace Attachment 2 to reflect the then-current Expected Land Uses on, and the Expected Maximum Facilities Special Tax Revenues for, the Parcel(s) that are affected by the change. If, at any time after issuance of the first series of Bonds, it is determined that an increase in the number of Authority Housing Units will decrease Maximum IA1 Revenues to a point at which Required Coverage cannot be maintained, then some or all of the Authority Housing Lots that were not originally part of the Expected Land Uses shall

be designated as Expected Taxable Property and shall be subject to the levy of the Special Tax pursuant to Step 4 in Section F below. In such a case, the Administrator shall determine how many Authority Housing Units must be subject to the Special Tax in order to maintain Required Coverage, and TIDA shall determine which Authority Housing Lots will be Expected Taxable Property, and the Administrator shall update Attachment 2 accordingly.

If a Building Permit has been issued for development of a structure, and additional structures are anticipated to be built within the Sub-Block as shown in the Development Approval Documents, the Administrator shall, regardless of the definitions set forth herein, categorize the building(s) for which the Building Permit was issued as Developed Property and any remaining buildings for which Building Permits have not yet been issued as Vertical DDA Property for purposes of levying the Special Tax. If the buildings share an Assessor's Parcel, the Administrator shall take the sum of the Special Taxes determined for each building after application of the steps in Section F to determine the Special Tax levy for the Parcel.

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

In addition to the tasks set forth above, on an ongoing basis, the Administrator will review the Development Approval Documents for property in Improvement Area No. 1 and communicate with the Developer regarding proposed Land Use Changes. The Administrator will, upon receipt of each recorded Vertical DDA, and upon any proposed Land Use Change that is made known to the Administrator, update Attachment 2 to reflect the then-current Expected Land Uses on, and Expected Maximum Facilities Special Tax Revenues for, each Sub-Block.

## **C. MAXIMUM SPECIAL TAX**

### **I. *Undeveloped Property***

#### **1a. *Facilities Special Tax***

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

If an Assessor's Parcel contains a portion of one or more Sub-Blocks, the Maximum Facilities Special Tax shall be determined by allocating the Expected Maximum Facilities Special Tax Revenues for each Sub-Block proportionately among such Assessor's Parcels based on the Expected Land Uses on each Parcel, as determined by the Administrator. The Maximum IAI Revenues after such allocation shall not be less than the Maximum IAI Revenues prior to this allocation.

In the Transition Year and each Fiscal Year thereafter, no Facilities Special Tax shall be levied on Undeveloped Property in Improvement Area No. 1, unless there are delinquent Facilities Special Taxes on a Parcel of Undeveloped Property, in which case such delinquent Facilities Special Taxes can continue to be levied against the Parcel until they are collected.

**1b. Services Special Tax**

Prior to the Transition Year, there shall be no Services Special Tax levied on Undeveloped Property in Improvement Area No. 1. In the Transition Year and each Fiscal Year thereafter, the Maximum Services Special Tax for Undeveloped Property in Improvement Area No. 1 shall be \$65,200 per acre, which amount shall be escalated as set forth in Section D.2 below.

**2. Vertical DDA Property**

**2a. Facilities Special Tax**

Prior to the Transition Year, when a Parcel becomes Vertical DDA Property, the Administrator shall review the recorded Vertical DDA and coordinate with the Developer and/or the Vertical Developer to confirm the Expected Land Uses on the Sub-Block(s) covered by the Vertical DDA. Using the Base Facilities Special Taxes shown in Table 1 below, the Administrator shall calculate the Estimated Base Facilities Special Tax Revenues based on the Expected Land Uses reflected in the Vertical DDA and the square footage estimated by the Vertical Developer. Prior to issuance of the first series of Bonds, the Maximum Special Tax for each Parcel shall be the Estimated Base Facilities Special Tax Revenues for the Parcel.

<p style="text-align: center;"><b>Table 1</b> <b>Base Facilities Special Tax</b></p>		
<b>Land Use Category</b>	<b>Base Facilities Special Tax Before the Transition Year (in Fiscal Year 2016-17 dollars) *</b>	<b>Base Facilities Special Tax In and After the Transition Year (in Fiscal Year 2016-17 dollars) *</b>
Low-Rise Units	\$6.13 per square foot	\$0.00 per square foot
Mid-Rise Units	\$7.10 per square foot	\$0.00 per square foot
Tower Units	\$8.14 per square foot	\$0.00 per square foot
Treasure Island Townhome Units	\$5.39 per square foot	\$0.00 per square foot
Yerba Buena Townhome Units	\$5.82 per square foot	\$0.00 per square foot
Hotel Condominiums	\$5.93 per square foot	\$0.00 per square foot
Commercial/Retail Square Footage	\$1.50 per square foot	\$0.00 per square foot
Hotel Square Footage	\$3.00 per square foot	\$0.00 per square foot

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

After issuance of the first series of Bonds, for the Sub-Block(s) included in the Vertical DDA, the Administrator shall compare the Estimated Base Facilities Special Tax Revenues to the Expected Maximum Facilities Special Tax Revenues for the Sub-Block as reflected in Attachment 2, and:

- *If the Estimated Base Facilities Special Tax Revenues are greater than or equal to the Expected Maximum Facilities Special Tax Revenues, then the Maximum Facilities Special Tax for the Vertical DDA Property shall be the Estimated Base Facilities Special Tax Revenues. The Administrator shall update Attachment 2 to reflect this amount as the Expected Maximum Facilities Special Tax Revenues for the Sub-Block(s) in the Vertical DDA.*
- *If the Estimated Base Facilities Special Tax Revenues are less than the Expected Maximum Facilities Special Tax Revenues, but the Maximum IAI Revenues are still sufficient to provide Required Coverage, then the Maximum Facilities Special Tax for the Vertical DDA Property shall be the Estimated Base Facilities Special Tax Revenues. The Administrator shall revise Attachment 2 to reflect the decreased Expected Maximum Facilities Special Tax Revenues for the Sub-Block(s) within the Vertical DDA and the decreased Maximum IAI Revenues.*
- *If the Estimated Base Facilities Special Tax Revenues are less than the Expected Maximum Facilities Special Tax Revenues, and such reduction causes the Maximum IAI Revenues to be insufficient to provide Required Coverage, then the Base Facilities Special Taxes applied to each Land Use Category in the Vertical DDA shall be increased proportionately until the amount that can be levied on Expected Land Uses in the Vertical DDA, combined with the Expected Maximum Facilities Special Tax Revenues from other Sub-Blocks in*



Improvement Area No. 1, is sufficient to maintain Required Coverage. The Administrator shall revise Attachment 2 to reflect the new Expected Facilities Maximum Special Tax Revenues for the Sub-Block(s) within the Vertical DDA.

If it is determined that only a portion of a Sub-Block is included within a Vertical DDA, the Administrator shall refer to Attachments 1 and 2 to estimate the Expected Land Uses that should be assigned to the portion of the Sub-Block that is included within the Vertical DDA. The Administrator shall confirm this determination with the Review Authority, the Developer, and the Vertical Developer.

In the Transition Year and each Fiscal Year thereafter, no Facilities Special Tax shall be levied on Vertical DDA Property in Improvement Area No. 1, unless there are delinquent Facilities Special Taxes on a Parcel of Vertical DDA Property, in which case such delinquent Facilities Special Taxes can continue to be levied against the Parcel until they are collected.

## 2b. Services Special Tax

Prior to the Transition Year, there shall be no Services Special Tax levied on Vertical DDA Property in Improvement Area No. 1. In the Transition Year and each Fiscal Year thereafter, the Maximum Services Special Tax for a Parcel of Vertical DDA Property shall be determined by applying the Base Services Special Taxes identified in Table 2 below by the Expected Land Uses for the Parcel, as determined by the Administrator.

<b>Table 2</b> <b>Base Services Special Tax</b>		
<b>Land Use Category</b>	<b>Base Services Special Tax Before the Transition Year (in Fiscal Year 2016-17 dollars) *</b>	<b>Base Services Special Tax In and After the Transition Year (in Fiscal Year 2016-17 dollars) *</b>
Low-Rise Units	\$0.00 per square foot	\$1.69 per square foot
Mid-Rise Units	\$0.00 per square foot	\$1.96 per square foot
Tower Units	\$0.00 per square foot	\$2.26 per square foot
Treasure Island Townhome Units	\$0.00 per square foot	\$1.51 per square foot
Yerba Buena Townhome Units	\$0.00 per square foot	\$1.62 per square foot
Hotel Condominiums	\$0.00 per square foot	\$1.65 per square foot
Commercial/Retail Square Footage	\$0.00 per square foot	\$0.41 per square foot
Hotel Square Footage	\$0.00 per square foot	\$0.83 per square foot

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

### **3. *Developed Property***

#### **3a. *Facilities Special Tax***

Prior to the Transition Year, when a Building Permit is issued, the Administrator shall apply the following steps to determine the Maximum Facilities Special Tax for each Taxable Parcel that has been or will be created for land uses within the building:

- Step 1.* Review the Building Permit, condominium plan, architectural drawings, information provided by the Developer and/or Vertical Developer, and any other documents that identify the Building Height, number of Residential Units, square footage within each Land Use Category, and expected layout of Airspace Parcels within the building(s) that will be constructed pursuant to the Building Permit. If additional Building Permits will be issued for other buildings that are within the same Development Project, coordinate with the Review Authority, the Developer, and the Vertical Developer to determine the Building Height for buildings that remain to be developed within the Development Project in order to determine the appropriate Residential Product Type for all Residential Units within the Development Project.
- Step 2.* Determine the Residential Square Footage of each Residential Unit that will be constructed pursuant to the Building Permit, as well as the Commercial/Retail Square Footage and Hotel Square Footage within the building(s).
- Step 3.* Identify the number of Inclusionary Units within the building, as well as the Residential Square Footage of each Inclusionary Unit.
- Step 4.* Using the information from the first three steps, the Administrator shall separately calculate the following:
- For Market Rate Units in the building, multiply the applicable Base Facilities Special Tax from Table 1 for the Residential Product Type that applies to the Development Project by the total aggregate Residential Square Footage of all Market Rate Units expected within the building.
  - Multiply the Base Facilities Special Tax from Table 1 for Commercial/Retail Square Footage by the total Commercial/Retail Square Footage expected in the building.
  - Multiply the Base Facilities Special Tax from Table 1 for Hotel Square Footage by the total Hotel Square Footage expected in the building.
  - If, based on the Expected Land Uses, the Administrator determines that there is Expected Taxable Property within the building, multiply the applicable Base Facilities Special Tax from Table 1 based on what had



been anticipated on the Expected Taxable Property by the square footage of the Expected Land Uses for that property.

Prior to issuance of the first series of Bonds, the Maximum Facilities Special Tax for each Taxable Parcel in the building shall be determined by adding all of the amounts calculated above. Steps 5 and 6 below shall not apply.

After issuance of the first series of Bonds, the Administrator shall apply Steps 5 and 6 to determine the Maximum Facilities Special Tax for each Taxable Parcel.

*Step 5.* Sum the amounts calculated in Step 4 to determine the Estimated Base Facilities Special Tax Revenues for the building(s) for which a Building Permit was issued.

*Step 6.* Compare the Estimated Base Facilities Special Tax Revenues from Step 5 to the Expected Maximum Facilities Special Tax Revenues for the property, and apply one of the following, as applicable:

- *If the Estimated Base Facilities Special Tax Revenues are greater than or equal to the Expected Maximum Facilities Special Tax Revenues, then the Maximum Facilities Special Tax for each Taxable Parcel that has been or will be created shall be determined by multiplying the applicable Base Facilities Special Tax by the square footage of each Land Use Category expected on each Taxable Parcel within the building(s) for which the Building Permit has been issued. The Administrator shall update Attachment 2 to reflect the adjusted Expected Maximum Facilities Special Tax Revenues for the Sub-Block and the increased Maximum IA1 Revenues.*
- *If the Estimated Base Facilities Special Tax Revenues are less than the Expected Maximum Facilities Special Tax Revenues, but the Maximum IA1 Revenues are still sufficient to provide Required Coverage, then the Maximum Facilities Special Tax for each Taxable Parcel that has been or will be created shall be determined by multiplying the applicable Base Facilities Special Tax by the square footage of each Land Use Category expected on each Taxable Parcel within the building(s) for which the Building Permit has been issued. The Administrator shall revise Attachment 2 to reflect the decreased Expected Maximum Facilities Special Tax Revenues for the Sub-Block(s) and the decreased Maximum IA1 Revenues.*
- *If the Estimated Base Facilities Special Tax Revenues are less than the Expected Maximum Facilities Special Tax Revenues, and such reduction causes the Maximum IA1 Revenues to be insufficient to provide Required Coverage, then the Base Facilities Special Taxes that were applied in Step 4 shall be increased proportionately until the amount that can be levied on*

Taxable Parcels within the building for which the Building Permit was issued, combined with the Expected Maximum Facilities Special Tax Revenues from other Sub-Blocks in Improvement Area No. 1, is sufficient to maintain Required Coverage.

After proportionately increasing the Base Facilities Special Taxes to an amount that will maintain Required Coverage, the Administrator shall use these adjusted per-square foot rates to calculate the Maximum Facilities Special Tax for each Taxable Parcel that has been, or is expected to be, created within the building(s) for which the Building Permit has been issued. The Administrator shall also revise Attachment 2 to reflect the new Expected Maximum Facilities Special Tax Revenues.

Until individual Assessor's Parcels are created for each Residential Unit and for any Commercial/Retail Square Footage, and/or Hotel Square Footage, within a building, the Administrator shall sum the Facilities Special Tax that, pursuant to Section F below, would be levied on all land uses on a Parcel and levy this aggregate Facilities Special Tax amount on the Parcel.

In the Transition Year and each Fiscal Year thereafter, no Facilities Special Tax shall be levied on Developed Property in Improvement Area No. 1, unless there are delinquent Facilities Special Taxes on a Parcel of Developed Property, in which case such delinquent Facilities Special Taxes can continue to be levied against the Parcel until they are collected.

### **3b. Services Special Tax**

Prior to the Transition Year, there shall be no Services Special Tax levied on Developed Property in Improvement Area No. 1. In the Transition Year, the Maximum Services Special Tax for a Parcel of Developed Property shall be determined by the Administrator as follows:

*If the Parcel had been taxed as Developed Property in the Fiscal Year prior to the Transition Year and the Administrator is not aware of any changes to land uses on the Parcel since the Facilities Special Tax was levied, the Administrator shall, based on the information that was used to prepare the prior year's Facilities Special Tax levy, apply the Base Services Special Taxes from Table 2 to the square footage within each Land Use Category on each Parcel to calculate the Maximum Services Special Tax for each Parcel, which amount shall be escalated in future Fiscal Years as set forth in Section D.2 below.*

*If the Parcel had been taxed as Developed Property in the Fiscal Year prior to the Transition Year and the Administrator is aware of changes to the Land Use Categories or square footage on the Parcel since the Facilities Special Tax was levied, the Administrator shall update the land use information and apply the Base Services Special Taxes from Table 2 to the square footage within each Land Use Category on each Parcel to calculate the Maximum Services Special Tax for each Parcel which amount shall be escalated in future Fiscal Years as set forth in Section D.2 below.*

*If the Parcel becomes Developed Property after the Transition Year, the Administrator shall update the land use information and apply the Base Services Special Taxes from Table 2 to the square footage within each Land Use Category on each Parcel to calculate the Maximum Services Special Tax for each Parcel, which amount shall be escalated in future Fiscal Years as set forth in Section D.2 below.*

**4. *Expected Taxable Property***

**4a. *Facilities Special Tax***

Prior to the Transition Year, the Maximum Facilities Special Tax assigned to any Parcel of Expected Taxable Property shall be the Expected Maximum Facilities Special Tax Revenues that were assigned to the Parcel (as determined by the Administrator) based on the Expected Land Uses prior to the Administrator determining that such Parcel had become Expected Taxable Property. In the Transition Year and each Fiscal Year thereafter, no Facilities Special Tax shall be levied on Expected Taxable Property.

**4b. *Services Special Tax***

Prior to the Transition Year, there shall be no Services Special Tax levied on Expected Taxable Property. In the Transition Year and each Fiscal Year thereafter, the Maximum Services Special Tax assigned to any Parcel of Expected Taxable Property shall be determined by the Administrator by applying the Base Services Special Tax to each Land Use Category that is built on each Parcel of Expected Taxable Property, and such determination shall be conclusive and binding.

**D. CHANGES TO THE MAXIMUM SPECIAL TAX**

**1. *Annual Escalation of Facilities Special Tax***

Beginning July 1, 2017 and each July 1 thereafter, the Base Facilities Special Taxes in Table 1, the Expected Maximum Facilities Special Tax Revenues in Attachment 2, and the Maximum Facilities Special Tax assigned to each Parcel in Improvement Area No. 1 shall be increased by 2% of the amount in effect in the prior Fiscal Year.

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

Beginning July 1, 2017 and each July 1 thereafter until the Transition Year, the Base Services Special Taxes in Table 2 shall be increased by 3.4% of the amount in effect in the prior Fiscal Year. On July 1 of the Transition Year and each July 1 thereafter, the Base Services Special Taxes and the Maximum Services Special Tax assigned to each Parcel in Improvement Area No. 1 shall be escalated by the Escalator.

### **3. *Inclusionary Unit and Market Rate Unit Transfers***

If, in any Fiscal Year after issuance of the first series of Bonds, the Administrator determines that a Residential Unit that had previously been designated as an Inclusionary Unit no longer qualifies as such, the Maximum Facilities Special Tax on the Residential Unit shall be increased to the Maximum Facilities Special Tax that would be levied on a Market Rate Unit of the same square footage. If, after issuance of the first series of Bonds, a Market Rate Unit becomes an Inclusionary Unit after it has been taxed in prior Fiscal Years as a Market Rate Unit and, by exempting the Inclusionary Unit, the Administrator determines that Maximum IA1 Revenues will be reduced to a point at which Required Coverage cannot be maintained, then the Inclusionary Unit shall be designated as Expected Taxable Property and shall be subject to the levy of the Facilities Special Tax pursuant to Step 4 in Section F below.

### **4. *Changes in Land Use Category on a Parcel of Developed Property***

If the square footage on any Parcel that had been taxed as Developed Property in a prior Fiscal Year is rezoned or otherwise changes Land Use Category, the Administrator shall multiply the applicable Base Special Taxes by the square footage within each of the new Land Use Category(ies); if the first series of Bonds has not yet been issued, this amount shall be the Maximum Special Tax for the Parcel. If the first series of Bonds has been issued, the Administrator shall apply the remainder of this Section D.4.

If the amount determined is greater than the Maximum Facilities Special Tax that applied to the Parcel prior to the Land Use Change, the Administrator shall increase the Maximum Facilities Special Tax for the Parcel to the amount calculated for the new Land Use Category(ies). If the amount determined is less than the Maximum Facilities Special Tax that applied prior to the Land Use Change, there will be no change to the Maximum Facilities Special Tax for the Parcel. Under no circumstances shall the Maximum Facilities Special Tax on any Parcel of Developed Property be reduced, regardless of changes in Land Use Category or square footage on the Parcel, including reductions in square footage that may occur due to demolition, fire, water damage, or acts of God.

### **5. *Reduction in Maximum Facilities Special Taxes Prior to First Bond Sale***

As set forth in, and subject to the requirements of, Section 2.3(n) of the Financing Plan, the Maximum Facilities Special Taxes assigned to Taxable Parcels in Improvement Area No. 1 may be proportionately or disproportionately reduced once prior to issuance of the first series of Bonds. Such reduction shall be made without a vote of the qualified CFD electors following: (i) initiation upon written request of TICD, and (ii) consultation with the City and TIDA regarding such request. The reduction shall be codified by recordation of an amended Notice of Special Tax Lien against all Taxable Parcels within Improvement Area No. 1.

## **E. ANNEXATIONS**

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



- Step 1.** Working with City staff and the landowner, the Administrator shall determine the Expected Land Uses for the area to be annexed.
- Step 2.** The Administrator shall prepare and keep on file updated Attachments 1, 2, and 3 to reflect the annexed property and identify the revised Expected Land Uses and Maximum IA1 Revenues. After the annexation is complete, the application of Sections C and F of this RMA shall be based on the adjusted Expected Land Uses and Maximum IA1 Revenues including the newly annexed property.
- Step 3.** The Administrator shall ensure that a Notice of Special Tax Lien is recorded against all Parcels that are annexed to the CFD.

**F. METHOD OF LEVY OF THE SPECIAL TAX**

Each Fiscal Year, the 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 or TIDA makes a finding that all Qualified Project Costs have been funded pursuant to the Financing Plan, or (ii) 42 years after the first series of Bonds was issued for Improvement Area No. 1, the Maximum Special Tax shall be levied 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.
- In all Fiscal Years after the earlier of: (i) the Fiscal Year in which the City or TIDA makes a finding that all Qualified Project Costs have been funded pursuant to the Financing Plan, or (ii) 42 years after the first series of Bonds was issued for Improvement Area No. 1, the Special Tax shall be levied Proportionately on each Parcel of Developed Property, up to 100% of the Maximum Special Tax for each Parcel of Developed Property until the amount levied is equal to the Special Tax Requirement.
- Step 2.* If additional revenue is needed after Step 1 in order to meet the Special Tax Requirement after Capitalized Interest has been applied to reduce the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Vertical DDA Property, up to 100% of the Maximum Special Tax for each Parcel of Vertical DDA Property for such Fiscal Year.
- Step 3.* If additional revenue is needed after Step 2 in order to meet the Special Tax Requirement after Capitalized Interest has been applied to reduce the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Undeveloped Property, up to 100% of the Maximum Special Tax for each Parcel of Undeveloped Property for such Fiscal Year.
- Step 4:* If additional revenue is needed after Step 3 in order to meet the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of

Expected Taxable Property, up to 100% of the Maximum Special Tax for each Parcel of Expected Taxable Property.

#### **G. COLLECTION OF SPECIAL TAX**

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 Tax, 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. The Special Tax bill for any Parcel subject to a leasehold interest will be sent to the same party that receives the possessory interest tax bill associated with the leasehold.

The Facilities Special Tax shall be levied and collected until the earlier of: (i) the Fiscal Year in which the City determines that all Qualified Project Costs have been funded pursuant to the Financing Plan and all other Authorized Expenditures that will be funded by the CFD have been funded, and (ii) the Transition Year. The Services Special Tax shall be levied and collected in perpetuity beginning in the Transition Year. Pursuant to Section 53321(d) of the Act, the Facilities Special Tax levied against a Parcel used for private residential purposes shall under no circumstances increase more than ten percent (10%) as a consequence of delinquency or default by the owner of any other Parcel or Parcels and shall, in no event, exceed the Maximum Special Tax in effect for the Fiscal Year in which the Special Tax is being levied.

#### **H. EXEMPTIONS**

Notwithstanding any other provision of this RMA, no Special Tax shall be levied on: (i) Public Property or Association Property, except Public Property or Association Property that is determined to be Expected Taxable Property or a Hotel Project, (ii) Authority Housing Lots or Inclusionary Units unless any such lots or units have been determined to be Expected Taxable Property, (iii) Parcels that are or are intended to be used as streets, walkways, alleys, rights of way, parks, or open space, and (iv) the Yerba Buena Officers Quarters.

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

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

#### **J. SPECIAL TAX APPEALS**

Any taxpayer who wishes to challenge the accuracy of computation of the Special Tax in any Fiscal Year may file an application with the Administrator. The Administrator, in consultation with the City Attorney, shall promptly review the taxpayer's application. If the Administrator concludes that the computation of the 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 the Special Tax 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.

## **ATTACHMENT 1**

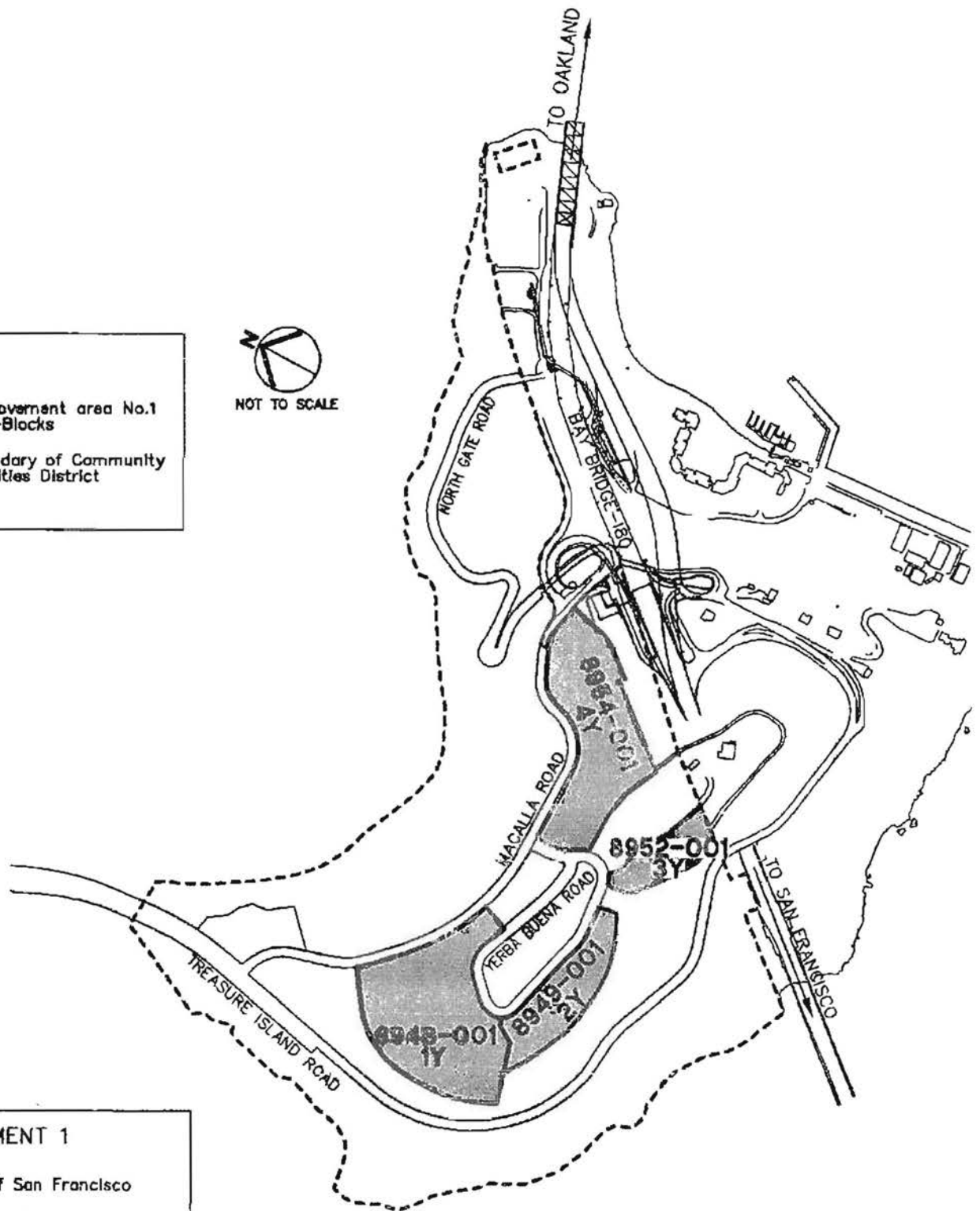
### **IMPROVEMENT AREA NO. 1 OF THE CITY AND COUNTY OF SAN FRANCISCO COMMUNITY FACILITIES DISTRICT NO. 2016-1 (TREASURE ISLAND)**

#### **IDENTIFICATION OF SUB-BLOCKS IN IMPROVEMENT AREA NO. 1**

**Legend**

Improvement area No.1  
sub-Blocks

Boundary of Community  
Facilities District



# ATTACHMENT 1

City and County of San Francisco  
Community Facilities District No. 2016-1  
(Treasure Island)  
Identification of Sub-Blocks

## **ATTACHMENT 2**

### **IMPROVEMENT AREA NO. 1 OF THE CITY AND COUNTY OF SAN FRANCISCO COMMUNITY FACILITIES DISTRICT NO. 2016-1 (TREASURE ISLAND)**

#### **EXPECTED LAND USES AND EXPECTED MAXIMUM FACILITIES SPECIAL TAX REVENUES FOR EACH SUB-BLOCK IN IMPROVEMENT AREA NO. 1**

## ATTACHMENT 2

### Improvement Area No. 1 of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)

#### Expected Land Uses and Expected Maximum Facilities Special Tax Revenues by Sub-Block

Sub-Block /1	Expected Land Use	Expected Number of Residential Units	Expected Square Footage	Base Facilities Special Tax (FY 2016-17) /2	Expected Maximum Facilities Special Tax Revenues (FY 2016-17) /2
1Y	Yerba Buena Townhome Project:				
	Market Rate Unit	94	223,515	\$5.82	\$1,300,857
	Inclusionary Unit	<u>0</u>	0	\$0.00	<u>\$0</u>
	Total	94			\$1,300,857
2Y	Hotel	<u>N/A</u>	40,000	\$3.00	<u>\$120,000</u>
	Total	0			\$120,000
3Y	Yerba Buena Townhome Project:				
	Market Rate Unit	10	24,220	\$5.82	\$140,960
	Inclusionary Unit	<u>0</u>	0	\$0.00	<u>\$0</u>
	Total	10			\$140,960
4Y	Yerba Buena Townhome Project:				
	Market Rate Unit	58	127,158	\$5.82	\$740,060
	Inclusionary Unit	3	6,852	\$0.00	\$0
	Low-Rise Project				
	Market Rate Unit	101	116,950	\$6.13	\$716,904
	Inclusionary Unit	<u>11</u>	13,495	\$0.00	<u>\$0</u>
	Total	173			\$1,456,963

Maximum IA1 Revenues (Fiscal Year 2016-17 \$)	277	\$3,018,781
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/1 See Attachment 1 for the geographic area associated with each Sub-Block.

/2 Beginning July 1, 2017 and each July 1 thereafter the Base Facilities Special Taxes shall be escalated as set forth in Section D.1.

## **ATTACHMENT 3**

### **IMPROVEMENT AREA NO. 1 OF THE CITY AND COUNTY OF SAN FRANCISCO COMMUNITY FACILITIES DISTRICT NO. 2016-1 (TREASURE ISLAND)**

#### **IDENTIFICATION OF AUTHORITY HOUSING LOTS IN IMPROVEMENT AREA NO. 1**

*[No Authority Housing Lots are expected within Improvement Area No. 1.]*



CITY AND COUNTY OF SAN FRANCISCO  
Community Facilities District No. 2016-1  
(Treasure Island)

OFFICIAL BALLOT  
SPECIAL TAX ELECTION

Improvement Area No. 1

This ballot is for a special, landowner election. You must return this ballot in the enclosed postage paid envelope to the office of the Director of Elections of the City and County of San Francisco no later than the hour of 3:00 p.m. on January 24, 2017, either by mail or in person. The office of the Director of Elections of the City and County of San Francisco is located at 1 Dr. Carlton B. Goodlett Place, San Francisco, California 94102.

To vote, mark a cross (X) on the voting line after the word "YES" or after the word "NO". All marks otherwise made are forbidden. All distinguishing marks are forbidden and make the ballot void.

If you wrongly mark, tear, or deface this ballot, return it to the Director of Elections of the City and County of San Francisco and obtain another.

Shall the City and County of San Francisco ("City") levy a special tax solely on lands within Improvement Area No. 1 of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island) ("Improvement Area") in accordance with the rate and method contained in the Board of Supervisors resolution entitled "Resolution of formation of City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island), Improvement Area No. 1 and a Future Annexation Area, and determining other matters in connection therewith" ("Formation Resolution"), commencing in the City's fiscal year 2017-18, to pay for the public facilities and the public services specified in the Formation Resolution and to pay the costs of the City in administering the Improvement Area; shall the annual appropriations limit of the Improvement Area be established in the amount of \$90 million; and shall the City issue bonds and incur other debt ("bonds") for the Improvement Area in one or more series in the maximum aggregate principal amount of \$250 million with interest at a rate or rates not to exceed the maximum interest rate permitted by law at the time of sale of such bonds on behalf of the Improvement Area, the proceeds of which bonds will be used to acquire and/or construct certain facilities and pay for the costs of issuing the bonds and related expenses?

YES: \_\_\_\_\_

NO: \_\_\_\_\_

By execution in the space provided below, you also indicate your waiver of (i) the time limit pertaining to the conduct of the election, (ii) any requirement for analysis and arguments with respect to the ballot measure, and (iii) any irregularity in the proceedings that may be claimed as a result of the application of such waivers.

Number of Votes: 14

Number of acreage: 13.26

Property Owner:

TREASURE ISLAND SERIES 1, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_

Name: Jonathan M. Jaffe

Its: Vice President

By: \_\_\_\_\_

Name: Christopher Meany

Title: Authorized Signatory

Land Owner and Voter:

Treasure Island Series 1, LLC  
c/o Kheay Loke  
Wilson Meany  
Four Embarcadero Center, Suite 3330  
San Francisco, CA 94111

**First Class Mail**

To: **Director of Elections  
City and County of San Francisco  
1 Dr. Carlton B. Goodlett Place  
City Hall  
San Francisco, CA 94102**

I hereby declare under penalty of perjury that the voter listed on the enclosed ballot is the owner of record or the authorized representative of the land owner entitled to vote said ballot.

Executed on \_\_\_\_\_, 2017  
at \_\_\_\_\_, California.

By: \_\_\_\_\_

Attention: This envelope contains an official ballot and is to be opened only by the canvassing board with respect to the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island) special election to be held on January 24, 2017.



January 11, 2017

475 Sansome Street  
Suite 1700  
San Francisco, CA 94111  
t. 415.391.5780  
f. 415.276.2088

Treasure Island Development Authority  
Attn: Robert P. Beck, Treasure Island Director  
One Avenue of the Palms  
Treasure Island  
San Francisco, CA 94130

Re: City and County of San Francisco Community Facilities District No. 2016-1  
(Treasure Island); Improvement Area No. 1 of the City and County of San  
Francisco Community Facilities District No. 2016-1 (Treasure Island)

Dear Property Owner:

As you know, the City and County of San Francisco (the "City") has begun the formation of the above-referenced community facilities district (the "CFD") and the above-referenced improvement area ("Improvement Area No. 1") that includes your property. The next steps will be the public hearings and property owner election, which will all happen at the same meeting of the Board of Supervisors (the "Board of Supervisors") of the City on January 24, 2017. In anticipation of the hearing and the election, the City sends you:

1. **Notices of Public Hearings.** There will be two hearings on January 24, 2017. They will be on the formation of the CFD and Improvement Area No. 1, and the authorization of bonds.

2. **Proposed Resolution of Formation.** This is the resolution that the Board of Supervisors proposes to adopt after the hearings. It will form the CFD and Improvement Area No. 1, subject to a favorable property owner vote. The facilities and the services to be financed are shown in Exhibit A to it and the method of special tax apportionment is shown in Exhibit B. Please review both exhibits carefully to make sure what is being financed and how the special tax will affect your property. If the formation process is completed, this tax will be recorded against your property.

3. **Official Ballot.** I attach a special election ballot, reflecting property ownership information provided by you to us. This is the ballot that you must use to vote for the special tax, the appropriations limit and the bonds for Improvement Area No. 1. Please note the number of votes shown at the lower right side. Each owner has one vote for each acre of land or portion of an acre of land he or she owns in Improvement Area No. 1. If you feel that the number of votes is not correct, please contact the person shown below. Mark your ballot and put it in the ballot envelope provided.

4. **Official Ballot Envelope.** The marked official ballot must be put in the enclosed ballot envelope. Please complete and sign the envelope. Then either mail it or return it in

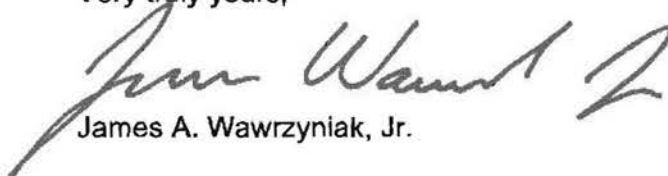


person to the office of the Director of Elections of the City and County of San Francisco not later than 3:00 p.m. on January 24, 2017. The address of the office of the Director of Elections of the City and County of San Francisco is shown on the envelope.

The ballots will be counted by the Director of Elections at the Board of Supervisors meeting on January 24, 2017. If there is approval by two-thirds of the votes cast, the City will proceed with the issuance of the bonds to finance the public facilities for Improvement Area No. 1 and the levy of special taxes to finance facilities and services.

The election date cannot be postponed, continued or extended, so please be sure that your ballot is received by the Director of Elections of the City and County of San Francisco by the time specified above. If you have any questions about any of this, please contact: Nadia Sesay, Director of the Office of Public Finance, City and County of San Francisco, 1 Dr. Carlton B. Goodlett Place, San Francisco, California 94102; Telephone: (415) 554-5956.

Very truly yours,



James A. Wawrzyniak, Jr.

Enclosures

cc: *via email-PDF*

John Arntz, Director of Elections

Alisa Somera, Legislative Deputy, San Francisco Board of Supervisors





## NOTICE OF PUBLIC HEARINGS

### BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO

NOTICE IS HEREBY GIVEN THAT, in accordance with California Government Code, Sections 53322(a) and 53346, the Board of Supervisors of the City and County of San Francisco, as a Committee of the Whole, will hold public hearings to consider the following proposals and said public hearings will be held as follows, at which time all interested parties may attend and be heard:

**Date:** Tuesday, January 24, 2017

**Time:** 3:00 p.m.

**Location:** Legislative Chamber, City Hall, Room 250  
1 Dr. Carlton B. Goodlett, Place, San Francisco, CA

**Subject:** File No. 161362. Hearing of the Board of Supervisors sitting as a Committee of the Whole on January 24, 2017, at 3:00 p.m., to hold public hearings to consider the following to form Community Facilities District No. 2016-1 and incur bonded indebtedness for Community Facilities District No. 2016-1: (File Nos. 161122, 161123, 161124, 161125, 161126, and 161127) a Resolution of formation of Community Facilities District No. 2016-1, Improvement Area No. 1 and a future annexation area; a Resolution determining necessity to incur bonded indebtedness and other debt in an amount not to exceed \$5,000,000,000 for the Community Facilities District; a Resolution calling a special election in the City and County of San Francisco Community Facilities District; a Resolution declaring results of the special election and directing recording of notice of special tax lien for the Community Facilities District; an Ordinance levying special taxes within the Community Facilities District; and a Resolution authorizing the issuance and sale of special tax bonds for Improvement Area No. 1 of the Community Facilities District in an aggregate principal amount not to exceed \$250,000,000.

On December 6, 2016, pursuant to the Mello-Roos Community Facilities Act of 1982, as amended ("Mello-Roos Act"), the Board of Supervisors ("Board of Supervisors") of the City and County of San Francisco ("City"), State of California adopted a resolution of intention ("Resolution of Intention") to establish (i) "City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)" ("CFD"), (ii) "Improvement Area No. 1 of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)" ("Improvement Area No. 1"), and (iii) a future annexation area for the CFD ("Future Annexation Area").

Also on December 6, 2016, the Board of Supervisors adopted a resolution of intention to incur bonded indebtedness and other debt in an amount not to exceed \$5.0 billion for the CFD, Improvement Area No. 1 and the Future Annexation Area under the Mello-Roos Act (the "Bond Resolution").

Under the Mello-Roos Act, the Resolution of Intention and the Bond Resolution, the Board of Supervisors gives notice as follows:

1. The text of the Resolution of Intention, with Exhibits A and B thereto, as adopted by the Board of Supervisors, is on file with the Clerk of the Board of Supervisors and reference is made thereto for the particular provisions thereof. The text of the Resolution of Intention is summarized as follows:

a. Under the Mello-Roos Act, this Board of Supervisors is undertaking proceedings for the establishment of the CFD, Improvement Area No. 1 and the Future Annexation Area, the boundaries of which are shown on a map on file with the City.

b. The purpose of the CFD, Improvement Area No. 1 and the Future Annexation Area is to provide for the financing of (i) certain public facilities ("Facilities") as more fully described in the Resolution of Intention and Exhibit A thereto and (ii) certain public services ("Services") as more fully described in the Resolution of Intention and Exhibit A thereto.

c. Initially, the method of financing the Facilities and the Services is through the imposition and levy of a special tax ("Special Tax") to be apportioned on the properties in Improvement Area No. 1 under the rate and method of apportionment described in the Resolution of Intention and Exhibit B thereto.

d. The Resolution of Intention directed the preparation of a CFD Report that shows the Facilities and the Services and the estimated costs of the Facilities and the Services. The CFD Report will be made a permanent part of the record of the public hearing specified below. Reference is made to the CFD Report as filed with the Clerk of the Board of Supervisors.

e. Property within the Future Annexation Area will be annexed to the CFD, and may be designated as one or more improvement areas (each, a "Future Improvement Area"), and a special tax will be levied on such property, only with the

unanimous approval (each, a "Unanimous Approval") of the owner or owners of each parcel or parcels at the time that parcel or those parcels are annexed, in accordance with the annexation approval procedures specified in the Resolution of Intention.

f. As set forth below, the Board of Supervisors will hold a public hearing on the establishment of the CFD, Improvement Area No. 1 and the Future Annexation Area, the Facilities, the Services and the Special Tax.

2. The public hearing will be held on the date and at the time specified above, or as soon as possible thereafter, in the Legislative Chamber, City Hall, Room 250, 1 Dr. Carlton B. Goodlett, Place, San Francisco, CA 94102.

3. At the hearing, the testimony of all interested persons or taxpayers, including all persons owning property within Improvement Area No. 1, for or against the establishment of the CFD and Improvement Area No. 1, the Special Tax to be levied in Improvement Area No. 1, the extent of the CFD and Improvement Area No. 1 and the furnishing of the specified Facilities and Services, will be heard. Any person interested may file a protest in writing as provided in Section 53323 of the Mello-Roos Act. Any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and shall clearly set forth the irregularities and defects to which objection is made. All written protests must be filed with the Clerk of the Board of Supervisors on or before the time fixed for the hearing.

If 50% or more of the registered voters, or six registered voters, whichever is more, residing in the territory proposed to be included in Improvement Area No. 1, or the owners of one-half or more of the area of land in the territory proposed to be included in Improvement Area No. 1 and not exempt from the Special Tax to be levied in Improvement Area No. 1, file written protests against the establishment of Improvement Area No. 1 and the protests are not withdrawn to reduce the value of the protests to less than a majority, the Board of Supervisors shall take no further action to create the CFD and Improvement Area No. 1 or levy the Special Tax in Improvement Area No. 1 for a period of one year from the date of decision of the Board of Supervisors, and, if the majority protests of the registered voters or landowners are only against the furnishing of a type or types of Facilities or Services within the CFD and Improvement Area No. 1, or against levying a specified part of the Special Tax in Improvement Area No. 1, those types of Facilities or Services or the specified part of the Special Tax to be levied in Improvement Area No. 1 will be eliminated from the proceedings to form the CFD and Improvement Area No. 1.

In addition, at the hearing, the testimony of all interested persons for and against the establishment of the Future Annexation Area or the levying of special taxes within any portion of the Future Annexation Area annexed in the future to the CFD will be heard. If 50% or more of the registered voters, or 6 registered voters, whichever is more, residing within the proposed territory of the CFD, or if 50% or more of the registered voters, or 6 registered voters, whichever is more, residing in the territory proposed to be included in the Future Annexation Area, or the owners of 50% or more of the area of land in the territory proposed to be included in the CFD or in the Future

Annexation Area, file written protests against the establishment of the Future Annexation Area and the protests are not withdrawn to reduce the value of the protests to less than a majority, the Board of Supervisors shall take no further action to create the Future Annexation Area for a period of one year from the date of decision of the Board of Supervisors.

4. If there is no majority protest, the Board of Supervisors may submit the levy of the Special Tax in Improvement Area No. 1 for voter approval at a special election. The Special Tax requires the approval of 2/3rds of the votes cast at a special election by the property owner voters of Improvement Area No. 1, with each owner having one vote for each acre or portion thereof such owner owns in Improvement Area No. 1 not exempt from the Special Tax.

5. Reference is hereby made to the entire text of the Bond Resolution, a complete copy of which is on file with the Clerk of the Board of Supervisors. The text of the Bond Resolution is summarized as follows:

a. The Board of Supervisors has adopted the Resolution of Intention stating its intention to form the CFD, Improvement Area No. 1 and the Future Annexation Areas for the purpose of financing, among other things, all or part of the Facilities, as further provided in that Resolution of Intention.

b. The Board of Supervisors estimates the amount required to finance the costs of the Facilities to be not more than \$5.0 billion and, in order to finance such costs, it is necessary to (i) incur bonded indebtedness and other debt (as defined in the Mello-Roos Act) in the amount of not more than \$5.0 billion on behalf of the CFD and the improvement areas therein (including Future Improvement Areas (as such term is defined herein)), (ii) for Improvement Area No. 1, to incur bonded indebtedness and other debt (as defined in the Mello-Roos Act) in the amount of not more than \$250 million ("Improvement Area No. 1 Indebtedness Limit"), and (iii) for the portion of the CFD that is not in Improvement Area No. 1, to incur bonded indebtedness and other debt (as defined in the Mello-Roos Act) in the amount of not more than \$4.75 billion ("Non-Improvement Area No. 1 Indebtedness Limit").

c. The proposed bonded indebtedness and other debt is to finance the Facilities, including acquisition and improvement costs and all costs incidental to or connected with the accomplishment of such purposes and of the financing thereof, as permitted by the Mello-Roos Act.

d. The Board of Supervisors, acting as legislative body for the CFD, intends to authorize the issuance and sale of bonds and other forms of debt (as defined in the Mello-Roos Act) payable from the Improvement Area No. 1 Special Tax in one or more series in the aggregate principal amount of not more than the Improvement Area No. 1 Indebtedness Limit. The Board of Supervisors, acting as legislative body for the CFD, intends to authorize the issuance and sale of bonds and other forms of debt (as defined in the Mello-Roos Act) payable from special taxes levied in the portion of the CFD that is



not in Improvement Area No. 1 in one or more series in the maximum aggregate principal amount of not more than the Non-Improvement Area No. 1 Indebtedness.

e. In the event all or a portion of the Future Annexation Area is annexed as one or more future improvement areas (each, a "Future Improvement Area"), the maximum indebtedness of each such Future Improvement Area shall be identified and approved in the unanimous approval executed by property owners in connection with their annexation to the CFD at the time of the annexation (each, a "Unanimous Approval") and in accordance with the Annexation Approval Procedures described in the Resolution of Intention referred to above, and the amount of the maximum indebtedness for the Future Improvement Area shall be subtracted from the Non-Improvement Area No. 1 Indebtedness Limit, which shall result in a corresponding reduction in the Non-Improvement Area No. 1 Indebtedness Limit.

f. The Board of Supervisors, acting as legislative body for the CFD, intends to authorize the issuance and sale of bonds and other forms of debt (as defined in the Mello-Roos Act) payable from a special tax levied in each Future Improvement Area in one or more series in the aggregate principal amount determined at the time of annexation of such territory as a separate improvement area (not to exceed the Non-Improvement Area No. 1 Indebtedness Limit in the aggregate).

6. The Board of Supervisors will hold a public hearing on the necessity of incurring the above amount of bonded indebtedness and other debt for the CFD, Improvement Area No. 1 and the Future Annexation Area on the date and at the time specified above, or as soon as possible thereafter, in the Legislative Chamber, City Hall, Room 250, 1 Dr. Carlton B. Goodlett, Place, San Francisco, CA 94102.

7. At public hearing the testimony of all interested persons, including voters and/or persons owning property in the area of the proposed CFD, Improvement Area No. 1 and the Future Annexation Area for and against the proposed bonded debt and other debt, will be heard.

In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments prior to the time the hearing begins. These comments will be made as part of the official public record in this matter and shall be brought to the attention of the Board of Supervisors. Written comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA, 94102. Information relating to this matter is available in the Office of the Clerk of the Board and agenda information relating to this matter will be available for public review on Friday, January 20, 2017.

  
for Angela Calvillo  
Clerk of the Board

1 [Resolution of Formation— Community Facilities District No. 2016-1 (Treasure Island)]

2  
3 **Resolution of formation of City and County of San Francisco Community Facilities**  
4 **District No. 2016-1 (Treasure Island), Improvement Area No. 1 and a Future Annexation**  
5 **Area, and determining other matters in connection therewith.**  
6  
7

8 WHEREAS, Naval Station Treasure Island ("NSTI") is a former United States Navy  
9 base located in the City and County of San Francisco ("City") that consists of two islands  
10 connected by a causeway: (1) Treasure Island, and (2) an approximately 90-acre portion of  
11 Yerba Buena Island; and

12 WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended  
13 California Health and Safety Code Section 33492.5 and added Section 2.1 to Chapter 1333 of  
14 the Statutes of 1968 ("Act"), the California Legislature: (i) designated the Treasure Island  
15 Development Authority ("TIDA"), as a redevelopment agency under California redevelopment  
16 law with authority over NSTI upon approval of the City's Board of Supervisors, and (ii) with  
17 respect to those portions of NSTI which are subject to Tidelands Trust, vested in TIDA the  
18 authority to administer the public trust for commerce, navigation and fisheries as to such  
19 property; and

20 WHEREAS, The Board of Supervisors approved the designation of TIDA as the  
21 redevelopment agency for NSTI in 1997; and

22 WHEREAS, On January 24, 2012, the Board of Supervisors rescinded designation of  
23 TIDA as the redevelopment agency for Treasure Island under California Community  
24 Redevelopment Law in Resolution No. 11-12; but such rescission did not affect TIDA's status  
25



1 as the Local Reuse Authority for NSTI or the Tidelands Trust trustee for the portions of NSTI  
2 subject to the Tidelands Trust, or any of the other powers or authority; and

3 WHEREAS, The United States of America, acting by and through the Department of  
4 the Navy ("Navy"), and TIDA entered into an Economic Conveyance Memorandum of  
5 Agreement (as amended and supplemented from time to time, the "Conveyance Agreement")  
6 that governs the terms and conditions for the transfer of NSTI from the Navy to TIDA; and  
7 under the Conveyance Agreement, the Navy will convey NSTI to TIDA in phases after the  
8 Navy has completed environmental remediation and issued a Finding of Suitability to Transfer  
9 (as defined in the Conveyance Agreement) for specified parcels of NSTI or portions thereof;  
10 and

11 WHEREAS, Treasure Island Community Development, LLC ("Developer") and TIDA  
12 previously entered into a Disposition and Development Agreement (Treasure Island/Yerba  
13 Buena Island), dated June 28, 2011 ("DDA"), including a Financing Plan (Treasure  
14 Island/Yerba Buena Island) ("Financing Plan"), which governs the disposition and  
15 development of a portion of NSTI ("Project Site") after the Navy's transfer of NSTI to TIDA in  
16 accordance with the Conveyance Agreement; and

17 WHEREAS, The DDA contemplates a project ("Project") under which TIDA acquires  
18 the Project Site from the Navy and conveys portions of the Project Site to Developer (or an  
19 affiliate of Developer) for the purposes of: (i) alleviating blight in the Project Site through  
20 development of certain improvements, (ii) geotechnically stabilizing the Project Site, (iii)  
21 constructing public infrastructure to support the Project and other proposed uses on NSTI, (iv)  
22 constructing and improving certain public parks and open spaces, (v) abatement of certain  
23 existing hazardous substances, and (vi) selling and ground leasing lots to vertical developers  
24 who will construct residential units and commercial and public facilities; and  
25

1           WHEREAS, On April 21, 2011, the Planning Commission by Motion No. 18325 and the  
2 Board of Directors of TIDA, by Resolution No. 11-14-04/21, as co-lead agencies, certified the  
3 completion of the Final Environmental Impact Report for the Project, and unanimously  
4 approved a series of entitlement and transaction documents relating to the Project, including  
5 certain environmental findings under the California Environmental Quality Act ("CEQA"), a  
6 mitigation and monitoring and reporting program ("MMRP"), and the DDA and other  
7 transaction documents; and

8           WHEREAS, On June 7, 2011, in Motion No. M11-0092, the Board of Supervisors  
9 unanimously affirmed certification of the Final Environmental Impact Report, and on that same  
10 date, the Board of Supervisors, in Resolution No. 246-11, adopted CEQA findings and the  
11 MMRP, and made certain environmental findings under CEQA (collectively, "FEIR"), and also  
12 on that date, the Board of Supervisors, in Ordinance No. 95-11, approved the DDA and other  
13 transaction documents, including the Transportation Plan and Infrastructure Plan; and

14           WHEREAS, TIDA and the Developer have been working diligently since then to  
15 implement the Project consistent with the DDA, the MMRP and other documents; and

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

22           WHEREAS, The City anticipates that future improvements will be necessary to ensure  
23 that the shoreline, public facilities, and public access improvements will be protected should  
24 sea level rise at the perimeter of the Project Site, and the Board of Supervisors desires to  
25

1 provide a mechanism to pay directly for such improvements and/or establish a capital reserve  
2 fund to finance such improvements; and

3 WHEREAS, Under the Mello-Roos Community Facilities Act of 1982, as amended,  
4 constituting Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with California  
5 Government Code Section 53311 ("Mello-Roos Act"), this Board of Supervisors is authorized  
6 to establish a community facilities district and to act as the legislative body for a community  
7 facilities district; and

8 WHEREAS, Pursuant to Mello-Roos Act Section 53339.2, this Board of Supervisors  
9 further desires to undertake proceedings to provide for future annexation of territory to the  
10 proposed community facilities district; and

11 WHEREAS, On \_\_\_\_\_, 2016, pursuant to the Mello-Roos Act, this Board of  
12 Supervisors adopted a resolution entitled "Resolution of intention to establish City and County  
13 of San Francisco Community Facilities District No. 2016-1 (Treasure Island), Improvement  
14 Area No. 1 and a Future Annexation Area, and determining other matters in connection  
15 therewith" ("Resolution of Intention"), stating its intention to form (i) "City and County of San  
16 Francisco Community Facilities District No. 2016-1 (Treasure Island)" ("CFD"), (ii)  
17 "Improvement Area No. 1 of the City and County of San Francisco Community Facilities  
18 District No. 2016-1 (Treasure Island)" ("Improvement Area No. 1") and (iii) "City and County of  
19 San Francisco Community Facilities District No. 2016-1 (Treasure Island) (Future Annexation  
20 Area)" ("Future Annexation Area"); and

21 WHEREAS, The Resolution of Intention, incorporating a map of the proposed  
22 boundaries of the CFD, Improvement Area No. 1 and the Future Annexation Area and stating  
23 the facilities and the services to be provided (as set forth in the list attached hereto as Exhibit  
24 A), the cost of providing such facilities and the services, and the rate and method of  
25 apportionment of the special tax to be levied within the CFD and Improvement Area No. 1 to

1 pay the principal and interest on bonds proposed to be issued with respect to the CFD and  
2 Improvement Area No. 1, the cost of the facilities and the cost of the services, is on file with  
3 the Clerk of the Board of Supervisors and the provisions thereof are incorporated herein by  
4 this reference as if fully set forth herein; and

5 WHEREAS, On this date, this Board of Supervisors held a noticed public hearing as  
6 required by the Mello-Roos Act and the Resolution of Intention relative to the proposed  
7 formation of the CFD, Improvement Area No. 1 and the Future Annexation Area; and,

8 WHEREAS, At the hearing all interested persons desiring to be heard on all matters  
9 pertaining to the formation of the CFD, Improvement Area No. 1 and the Future Annexation  
10 Area, the facilities to be provided therein, the services to be provided therein and the levy of  
11 said special tax were heard and a full and fair hearing was held; and

12 WHEREAS, At the hearing evidence was presented to this Board of Supervisors on  
13 said matters before it, including a report caused to be prepared by the Director of the Office of  
14 Public Finance ("Report") as to the facilities and the services to be provided through the CFD,  
15 Improvement Area No. 1 and the Future Annexation Area and the costs thereof, a copy of  
16 which is on file with the Clerk of the Board of Supervisors, and this Board of Supervisors at  
17 the conclusion of said hearing is fully advised in the premises; and

18 WHEREAS, Written protests with respect to the formation of the CFD and Improvement  
19 Area No. 1, the furnishing of specified types of facilities and services and the rate and method  
20 of apportionment of the special taxes for Improvement Area No. 1 have not been filed with the  
21 Clerk of the Board of Supervisors by fifty percent (50%) or more of the registered voters  
22 residing within the territory of the CFD and Improvement Area No. 1 or property owners of  
23 one-half (1/2) or more of the area of land within the CFD and improvement Area No. 1 and not  
24 exempt from the proposed special tax; and

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

6           WHEREAS, Prior to the time fixed for the hearing, written protests had not been filed  
7     with the Clerk of the Board of Supervisors against the proposed annexation of the Future  
8     Annexation Area to the CFD by (i) 50% of more of the registered voters, or six registered  
9     voters, whichever is more, residing in the proposed boundaries of the CFD, or (ii) 50% or  
10    more of the registered voters, or six registered voters, whichever is more, residing in the  
11    Future Annexation Area, (iii) owners of one-half or more of the area of land in the proposed  
12    CFD or (iv) owners of one-half or more of the area of land in the Future Annexation Area;  
13    now, therefor, be it

14          RESOLVED, That the foregoing recitals are true and correct.

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

18          FURTHER RESOLVED, That all prior proceedings taken by this Board of Supervisors  
19    in connection with the establishment of the CFD, Improvement Area No. 1 and the Future  
20    Annexation Area and the levy of the special tax have been duly considered and are hereby  
21    found and determined to be valid and in conformity with the Mello-Roos Act; and, be it

22          FURTHER RESOLVED, That the community facilities district designated "City and  
23    County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)" is hereby  
24    established pursuant to the Mello-Roos Act; and, be it



1           FURTHER RESOLVED, That the improvement area designated "Improvement Area  
2   No. 1 of the City and County of San Francisco Community Facilities District No. 2016-1  
3   (Treasure Island)" is hereby established pursuant to the Mello-Roos Act; and, be it

4           FURTHER RESOLVED, That the future annexation area designated "City and County  
5   of San Francisco Community Facilities District No. 2016-1 (Treasure Island) (Future  
6   Annexation Area)" is hereby established pursuant to the Mello-Roos Act; and, be it

7           FURTHER RESOLVED, That the boundaries of the CFD, Improvement Area No. 1 and  
8   the Future Annexation Area, as set forth in the map of the CFD heretofore recorded in the  
9   Office of the Assessor-Recorder on \_\_\_\_, 2016 at \_\_\_\_ a.m. in Book \_\_\_\_ at Page \_\_\_\_, as  
10   Document \_\_\_\_ of Maps of Assessment and Community Facilities Districts, are hereby  
11   approved, are incorporated herein by reference and shall be the boundaries of the CFD,  
12   Improvement Area No. 1 and the Future Annexation Area; and, be it

13          FURTHER RESOLVED, That, from time to time, parcels within the Future Annexation  
14   Area shall be annexed to the CFD only with the unanimous approval (each, a "Unanimous  
15   Approval") of the owner or owners of each parcel or parcels at the time that parcel(s) are  
16   annexed, and in accordance with the Annexation Approval Procedures described herein. The  
17   Board of Supervisors hereby determines that any property for which the owner or owners  
18   execute a Unanimous Approval that is annexed into the CFD in accordance with the  
19   Annexation Approval Procedures shall be added to the CFD and the Clerk of the Board of  
20   Supervisors shall record (i) an amendment to the notice of special tax lien for the CFD  
21   pursuant to Streets & Highways Code Section 3117.5 if the property is annexed to an existing  
22   improvement area or (ii) a notice of special tax lien for the CFD pursuant to Streets &  
23   Highways Code Section 3117.5 if the property annexed is designated as a new improvement  
24   area; provided, however, the designation of property as Future Annexation Area and the  
25   ability to annex property to the CFD based on a Unanimous Approval shall not limit, in any

1 way, the annexation of property in the Future Annexation Area to the CFD pursuant to other  
2 provisions of the Mello-Roos Act; and, be it

3 FURTHER RESOLVED, That the type of public facilities proposed to be financed by  
4 the CFD, Improvement Area No. 1 and the Future Annexation Area (including any area  
5 therein designated to be annexed as a separate improvement area) pursuant to the Mello-  
6 Roos Act shall consist of those items listed as facilities in Exhibit A hereto and by this  
7 reference incorporated herein ("Facilities"); and, be it

8 FURTHER RESOLVED, That the type of public services proposed to be financed by  
9 the CFD, Improvement Area No. 1 and the Future Annexation Area (including any area  
10 therein designated to be annexed as a separate improvement area) pursuant to the Mello-  
11 Roos Act shall consist of those items shown in Exhibit A hereto and by this reference  
12 incorporated herein ("Services"). The City intends to provide the Services on an equal basis in  
13 the original territory of the CFD and Improvement Area No. 1 and, when it has been annexed  
14 to the CFD, the Future Annexation Area (including any area therein designated to be annexed  
15 as a separate improvement area); and, be it

16 FURTHER RESOLVED, That:

17 a. Except to the extent that funds are otherwise available from Improvement Area  
18 No. 1, the City will levy a special tax ("Improvement Area No. 1 Special Tax") sufficient to pay  
19 directly for the Facilities, including out of a special tax-funded capital reserve established for  
20 the payment of Facilities, to pay the principal and interest on bonds and other debt (as defined  
21 in the Mello-Roos Act) of the City issued for Improvement Area No. 1 to finance the Facilities,  
22 and to pay for the Services, and the Improvement Area No. 1 Special Tax will be secured by  
23 the recordation of a continuing lien against all non-exempt real property in Improvement Area  
24 No. 1, will be levied annually within Improvement Area No. 1, and will be collected in the same  
25 manner as ordinary *ad valorem* property taxes or in such other manner as this Board of

Supervisors or its designee shall determine, including direct billing of the affected property owners.

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

c. The Improvement Area No. 1 Special Tax shall not be levied in Improvement Area No. 1 to finance Facilities after the fiscal year established therefor in the Rate and Method, and the Improvement Area No. 1 Special Tax shall only be levied to finance Services thereafter, except that an Improvement Area No. 1 Special Tax that was lawfully levied in or before the final tax year and that remains delinquent may be collected in subsequent years. Under no circumstances shall the Improvement Area No. 1 Special Tax levied in any fiscal year for financing Facilities against any parcel in Improvement Area No. 1 used for private residential purposes be increased in that fiscal year as a consequence of delinquency or default by the owner of any other parcel or parcels within Improvement Area No. 1 by more than 10 percent.

d. A special tax to finance the costs of Facilities shall not be levied in one or more future improvement areas formed to include territory that annexes into the CFD from the Future Annexation Area (each, a "Future Improvement Area" and together with Improvement Area No. 1, the "Improvement Areas") after the fiscal year established therefor in the rate and method for the Future Improvement Area and the special tax shall only be levied to finance Services thereafter, except that a special tax that was lawfully levied in or before the final tax year and that remains delinquent may be collected in subsequent years. Under no circumstances shall the special tax levied in any fiscal year for financing Facilities against any

1 parcel in the Future Improvement Area for private residential purposes be increased in that  
2 fiscal year as a consequence of delinquency or default by the owner of any other parcel or  
3 parcels within the Future Improvement Area by more than 10 percent.

4 e. For Future Improvement Areas, a different rate and method may be adopted for  
5 the annexed territory if the annexed territory is designated as a separate improvement area.  
6 No supplements to the Rate and Method for any of the Future Improvement Areas and no  
7 new rate and method shall cause the maximum tax rate in the then-existing territory of the  
8 CFD (including Improvement Area No. 1) to increase. The designation as an Improvement  
9 Area of any territory annexing to the CFD, the maximum amount of bonded indebtedness and  
10 other debt for such Improvement Area, the rate and method of apportionment of special tax  
11 for such improvement area (including the conditions under which the obligation to pay the  
12 special tax may be prepaid and permanently satisfied, if any), and the appropriations limit for  
13 such Improvement Area shall be identified and approved in the Unanimous Approval executed  
14 by property owner(s) in connection with its annexation to the CFD in accordance with the  
15 Annexation Approval Procedures described herein.

16 f. Territory in the Future Annexation Area will be annexed into the CFD and a  
17 special tax will be levied on such territory only with the Unanimous Approval of the owner or  
18 owners of each parcel or parcels at the time that parcel or those parcels are annexed into the  
19 CFD in accordance with the Annexation Approval Procedures described herein. Except to the  
20 extent that funds are otherwise available to the CFD to pay for the Facilities, the Services  
21 and/or the principal and interest as it becomes due on bonds of the CFD issued to finance the  
22 Facilities, a Special Tax sufficient to pay the costs thereof, secured by the recordation of a  
23 continuing lien against all non-exempt real property in the Future Annexation Area, is intended  
24 to be levied annually within the Future Annexation Area, and collected in the same manner as  
25

1 ordinary *ad valorem* property taxes or in such other manner as may be prescribed by this  
2 Board of Supervisors.

3 g. As required by Mello-Roos Act Section 53339.3(d), the Board of Supervisors  
4 hereby determines that the Special Tax proposed to pay for one or more Facilities to be  
5 supplied within the Future Annexation Area financed with bonds that have already been  
6 issued and that are secured by previously-existing areas of the CFD will be equal to the  
7 Special Taxes levied to pay for the same Facilities in previously-existing areas of the CFD,  
8 except that (i) a higher Special Tax may be levied within the Future Annexation Area to pay  
9 for the same Facilities to compensate for the interest and principal previously paid from  
10 Special Taxes in the original area of the CFD, less any depreciation allocable to the financed  
11 Facilities and (ii) a higher Special Tax may be levied in the Future Annexation Area to pay for  
12 new or additional Facilities, with or without bond financing. As required by Mello-Roos Act  
13 Section 53339.3(d), the Board of Supervisors hereby further determines that the Special Tax  
14 proposed to pay for Services to be supplied within the Future Annexation Area shall be equal  
15 to any Special Tax levied to pay for the same Services in the existing CFD, except that a  
16 higher or lower tax may be levied within the Future Annexation Area to the extent that the  
17 actual cost of providing the Services in the Future Annexation Area is higher or lower than the  
18 cost of providing those Services in the existing CFD. In so finding, the Board of Supervisors  
19 does not intend to limit its ability to levy a Special Tax within the Future Annexation Area to  
20 provide new or additional services beyond those supplied within the existing CFD and  
21 Improvement Area No. 1 or its ability to implement changes pursuant to the Mello-Roos Act,  
22 Article 3, within one or more improvement areas; and, be it

23 FURTHER RESOLVED, That the "Annexation Approval Procedures" governing  
24 annexations of parcels in the Future Annexation Area into the CFD shall consist of the  
25 following sets of procedures (specified in (A) and (B) that follow):



1 (A) The annexation and related matters described in the Unanimous Approval shall  
2 be implemented and completed without the need for the approval of either the Board of  
3 Directors of TIDA ("TIDA Board") or this Board of Supervisors as long as the following  
4 conditions are met:

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

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

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

13 (ii) The rate and method of apportionment of special tax for the new  
14 improvement area is consistent with the Financing Plan.

15 (iii) The rate and method of apportionment of special tax for the new  
16 improvement area does not establish a maximum special tax rate for the initial fiscal year in  
17 which the special tax may be levied for any category of property subject to the special tax that  
18 is greater than 120% of the maximum special tax rate established for the same category of  
19 property subject to the special tax for the same fiscal year calculated pursuant to the Rate and  
20 Method (i.e., the rate and method of apportionment of special tax for Improvement Area No.  
21 1).

22 (iv) The rate and method of apportionment of special tax for the new  
23 improvement area does not contain a type of special tax that was not included in the Rate and  
24 Method (for example, a one-time special tax).

1           (v)     The rate and method of apportionment of special tax for the new  
2 improvement area contains the same terms for "Collection of Special Tax" (including with  
3 respect to the term of the special tax) and for application of Remainder Special Taxes (as  
4 defined in the Rate and Method) with respect to park maintenance costs as the Rate and  
5 Method.

6           (vi)    If the rate and method of apportionment of special tax for the new  
7 improvement area includes a provision allowing prepayment of the special tax, in whole or in  
8 part, the Director of the Office of Public Finance, after consulting with the special tax  
9 consultant retained by the City and the City Attorney, shall be satisfied that such prepayment  
10 provision will not adversely impact the financing of authorized Facilities and Services;  
11 *provided*, that if the prepayment formula set forth in such rate and method of apportionment  
12 has previously been approved by this Board, then such prepayment formula may be  
13 replicated in the rate and method of apportionment for such new improvement area without  
14 meeting such test.

15           If the foregoing conditions ((1) or (2), as applicable), are satisfied, as determined by the  
16 Director of the Office of Public Finance and set forth in a written acceptance by the Director of  
17 the Office of Public Finance delivered to the property owner(s) that executed the Unanimous  
18 Approval and the Clerk of the Board of Supervisors, the Unanimous Approval shall be  
19 deemed accepted by the City and the Clerk of the Board of Supervisors shall record an  
20 amendment to the notice of special tax lien or a new notice of special tax lien for the CFD  
21 pursuant to Streets & Highways Code Section 3117.5.

22           (B)    For any annexation and related matters described in the Unanimous Approval  
23 that do not meet the requirements of Section (A) above, the following procedures shall apply  
24 (provided, however, that nothing in the following procedures shall prevent the property owners  
25 of property to be annexed into the CFD from a Future Annexation Area from annexing

1 property to the CFD (including into a new improvement area) pursuant to Section (A) above  
2 and then instituting change proceedings pursuant to Mello-Roos Act, Article 3, to make  
3 additional changes to the rate and method or other authorized purposes):

4 *First*, the owners(s) of property to be annexed into the CFD shall submit a Unanimous  
5 Approval for each parcel or parcels to be annexed into the CFD to the Treasure Island  
6 Director of TIDA, together with a statement as to whether the Unanimous Approval is  
7 consistent with the Financing Plan and, if not, the reasons for such inconsistency.

8 *Second*, the Treasure Island Director shall have 30 days to either (a) submit the  
9 Unanimous Approval to the TIDA Board, accompanied by a written staff report that includes a  
10 statement from the Treasure Island Director as to whether the Unanimous Approval is  
11 consistent with the Financing Plan and, if the Treasure Island Director concludes that it is not  
12 consistent with the Financing Plan, a description of the inconsistencies, the reasons for such  
13 inconsistencies given by the Developer and the Treasure Island Director's recommendation  
14 as to such inconsistencies or (b) notify the Developer that the Treasure Island Director shall  
15 not submit the Unanimous Approval to the TIDA Board due to inconsistencies with the  
16 Financing Plan.

17 *Third*, the TIDA Board shall, within 60 days of the receipt of any Unanimous Approval  
18 by the Treasure Island Director pursuant to *Second* above, either (i) adopt a resolution  
19 accepting the Unanimous Approval or (ii) adopt a resolution rejecting the Unanimous  
20 Approval, with the sole basis for rejection being a detailed conclusion that the Unanimous  
21 Approval is not consistent with the Financing Plan.

22 *Fourth*, if the TIDA Board adopts a resolution rejecting the Unanimous Approval, the  
23 owner(s) of property to be annexed into the CFD may revise the Unanimous Approval and  
24 resubmit it to the Treasure Island Director, who shall endeavor to submit the revised  
25 Unanimous Approval to the TIDA Board, accompanied by a written staff report as outlined

1 above under *Second*, at the next available meeting of the TIDA Board, and the TIDA Board  
2 shall consider the revised Unanimous Approval and either (i) adopt a resolution accepting the  
3 revised Unanimous Approval or (ii) adopt a resolution rejecting the revised Unanimous  
4 Approval, with the sole basis for rejection being a detailed conclusion that the revised  
5 Unanimous Approval is not consistent with the Financing Plan, in which event the owner(s)  
6 may further revise the Unanimous Approval and repeat the process described in this clause  
7 *Fourth*. In lieu of submitting a revised Unanimous Approval to the Treasure Island Director,  
8 the owner(s) of property to be annexed into the CFD may appeal the TIDA Board's decision to  
9 reject the Unanimous Approval to this Board of Supervisors, with the sole basis for appeal  
10 being that the Unanimous Approval should not have been rejected because the Unanimous  
11 Approval is consistent with the Financing Plan.

12 *Fifth*, within 30 days of the adoption by the TIDA Board of a resolution accepting a  
13 Unanimous Approval or an appeal of the TIDA Board's decision to reject a Unanimous  
14 Approval, the Director of the Office of Public Finance shall submit said Unanimous Approval  
15 as an information item to the Clerk of the Board of Supervisors, and, unless within 30 days of  
16 the receipt of the Unanimous Approval by the Clerk, one of the members of this Board of  
17 Supervisors asks for it to be placed on an agenda for consideration by the Board of  
18 Supervisors (which consideration shall be limited to whether the Unanimous Approval is  
19 consistent with the Financing Plan), the Unanimous Approval shall be deemed accepted by  
20 the City and the Clerk of the Board of Supervisors shall record an amendment to the notice of  
21 special tax lien for the CFD pursuant to Streets & Highways Code Section 3117.5 or a new  
22 notice of special tax lien for the CFD pursuant to Streets & Highways Code Section 3117.5;  
23 and, be it

24 **FURTHER RESOLVED**, That it is hereby found and determined that the Facilities and  
25 the Services are necessary to meet increased demands placed upon local agencies as the

1 result of development occurring in the CFD, Improvement Area No. 1 and the Future  
2 Annexation Area; and, be it

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

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

14 FURTHER RESOLVED, That in accordance with the Mello-Roos Act, the annual  
15 appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California  
16 Constitution, of Improvement Area No. 1 is hereby preliminarily established at \$90 million and  
17 said appropriations limit shall be submitted to the voters of Improvement Area No. 1 as  
18 hereafter provided. The proposition establishing said annual appropriations limit shall become  
19 effective if approved by the qualified electors voting thereon and shall be adjusted in  
20 accordance with the applicable provisions of the Mello-Roos Act; and, be it

21 FURTHER RESOLVED, That pursuant to the provisions of the Mello-Roos Act, the  
22 proposition of the levy of the Improvement Area No. 1 Special Tax and the proposition of the  
23 establishment of the appropriations limit specified above shall be submitted to the qualified  
24 electors of Improvement Area No. 1 at an election. The time, place and conditions of the  
25 election shall be as specified by a separate resolution of the Board of Supervisors; and, be it



1           FURTHER RESOLVED, That Mello-Roos Act Section 53314.9 provides that, either  
2     before or after formation of the CFD, the City may accept work in-kind from any source,  
3     including, but not limited to, private persons or private entities, may provide, by resolution, for  
4     the use of that work in-kind for any authorized purpose and this Board of Supervisors may  
5     enter into an agreement, by resolution, with the person or entity advancing the work in-kind, to  
6     reimburse the person or entity for the value, or cost, whichever is less, of the work in-kind, as  
7     determined by this Board of Supervisors, with or without interest, under the conditions  
8     specified in the Mello-Roos Act. Any work in-kind must be performed or constructed as if the  
9     work had been performed or constructed under the direction and supervision, or under the  
10    authority of, the City and, in furtherance of Mello-Roos Act Section 53314.9, the Board of  
11    Supervisors previously approved the execution and delivery of an Acquisition and  
12    Reimbursement Agreement among the City, TIDA and the Developer; and, be it

13          FURTHER RESOLVED, That the Board of Supervisors has reviewed and considered  
14    the FEIR and finds that the FEIR is adequate for its use for the actions taken by this  
15    Resolution and incorporates the FEIR and the CEQA findings contained in Board of  
16    Supervisors Resolution No. 246-11 by this reference; and, be it

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

1 FURTHER RESOLVED, That the Mayor, the Controller, the Director of the Office of  
2 Public Finance, the Clerk of the Board of Supervisors and any and all other officers of the City  
3 are hereby authorized, for and in the name of and on behalf of the City, to do any and all  
4 things and take any and all actions, including execution and delivery of any and all  
5 documents, assignments, certificates, requisitions, agreements, notices, consents,  
6 instruments of conveyance, warrants and documents, which they, or any of them, may deem  
7 necessary or advisable in order to effectuate the purposes of this Resolution; provided  
8 however that any such actions be solely intended to further the purposes of this Resolution,  
9 and are subject in all respects to the terms of the Resolution; and, be it

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

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

17  
18 APPROVED AS TO FORM:  
19 DENNIS J. HERRERA, City Attorney

20  
21 By: \_\_\_\_\_  
22 Mark D. Blake  
23 Deputy City Attorney  
24 n:\spec\as2016\0600537\01143583.docx  
25

## EXHIBIT A

### **CITY AND COUNTY OF SAN FRANCISCO Community Facilities District No. 2016-1 (Treasure Island)**

#### **DESCRIPTION OF FACILITIES AND SERVICES TO BE FINANCED BY THE CFD AND EACH IMPROVEMENT AREA THEREIN**

#### **FACILITIES**

The CFD, Improvement Area No. 1, and each Future Improvement Area shall be authorized to finance all or a portion of the costs of the acquisition, construction and improvement of any of the following types of facilities:

- A. Facilities Acquired from Third Parties
  - 1. Acquisition - includes acquisition of land for public improvements.
  - 2. Abatement - includes abatement of hazardous materials and disposal of waste.
  - 3. Demolition - removal of below-grade, at-grade, and above-grade facilities, and recycling or disposal of waste.
  - 4. Supplemental Fire Water Supply System - including, but not limited to, main pipe, laterals, valves, fire hydrants, cathodic protection, manifolds, air-gap back flow preventer, wharf fire hydrants, portable water pumper, and tie-ins for onsite water supply network that is unique to San Francisco intended for fire suppression.
  - 5. Low Pressure Water - including, but not limited to, main pipe, pressure reducing stations, laterals, water meters, water meter boxes, back flow preventers, gate valves, air valves, blowoffs, fire hydrants, cathodic protection, and tie-ins for onsite and offsite low pressure water supply network intended for domestic use.
  - 6. Water Tank Facilities – including, but not limited to, storage tanks, pumps, and other facilities associated with water storage.
  - 7. Recycled Water - including, but not limited to, main pipe, laterals, water meters, water meter boxes, back flow preventers, gate valves, air valves, blowoffs, cathodic protection, and tie-ins for recycled water supply network intended to provide treated wastewater for use in irrigation of parks and landscaping as well as graywater uses within buildings.
  - 8. Storm Drainage System – including, but not limited to, main pipe, laterals, manholes, catch basins, air vents, stormwater treatment facilities, connections to existing

systems, headwalls, outfalls, and lift stations for a network intended to convey onsite and offsite separated storm water.

9. Separated Sanitary Sewer – including, but not limited to, main pipe, laterals, manholes, traps, air vents, connections to existing systems, force main pipe and associated valves and cleanouts, and pump and lift stations for a network intended to convey separated sanitary sewage.

10. Joint Trench – including, but not limited to, the electrical substation, installation of primary and secondary conduits, overhead poles, pull boxes, vaults, subsurface enclosures, and anodes, for dry utilities including but not limited to electrical and information systems.

11. Earthwork – including, but not limited to, importation of clean fill materials, clearing and grubbing, slope stabilization, ground improvement, installation of geogrid, surcharging, wick drains, excavation, rock fragmentation, placement of fill, compaction, grading, erosion control, deep vibratory soil compaction, cement deep soil mix (CDSM) columns and panels, stone columns, and post-construction stabilization such as hydroseeding.

12. Retaining Walls – including, but not limited to, excavation, foundations, construction of retaining walls, subdrainage, and backfilling.

13. Highway Ramps, Roadways, Pathways, Curb, and Gutter – including, but not limited to, road subgrade preparation, aggregate base, concrete roadway base, asphalt wearing surface, concrete curb, concrete gutter, medians, colored asphalt and concrete, speed tables, class 1 and 2 bike facilities (e.g., cycle tracks), sawcutting, grinding, conform paving, resurfacing, for onsite and offsite roadways.

14. Traffic – including, but not limited to, transit stops, transit facilities, transit buses and ferries, bridge structures, permanent pavement marking and striping, traffic control signage, traffic light signals, pedestrian traffic lighting, and contributions for offsite traffic improvements.

15. Streetscape – including, but not limited to, subgrade preparation, aggregate base, sidewalks, pavers, ADA curb ramps with detectable tiles, streetlights, light pole foundations, landscaping, irrigation, street furniture, waste receptacles, newspaper stands, and public art.

16. Shoreline Improvements – including, but not limited to, demolition, excavation, installation of revetment, structural improvements of shoreline and revetment, and structural repair for replacement or retrofit of shoreline structures.

17. Parks – including, but not limited to, ground improvement, subgrade preparation, landscaping and trees, aggregate base, sidewalks, pavers, decomposed granite, lighting, irrigation, furniture, decks, fountains, and restrooms.

18. Ferry Terminal – including, but not limited to, foundations, ferry shelter building, signs, electronic toll collection system, breakwaters, pier, gangway, float, restroom, bike storage

19. Hazardous Soil Removal – removal and disposal of contaminated soil.

20. Community Facilities – including, but not limited to, costs of police station, fire station, community center spaces for uses including reading room/library, senior/adult services, teen/youth center, outdoor performance and gathering spaces, community gardens, public school, childcare centers, public recreational facilities including ballfields, playing fields and sports centers, and publicly-owned parking garages.

21. Any other amounts specifically identified in the DDA as a Qualified Project Cost.

22. Hard Costs, Soft Costs and Pre-Development Costs, as defined in the Conveyance Agreement, associated with the design, procurement, development and construction of all Facilities listed herein.

**B. Authorized Payments**

1. Contribution to the City and other public agencies for costs related to open space improvements, transportation and transit facilities, and design and construction of ramps and access roads.

**C. Facilities Constructed by the City or TIDA**

1. Sea Level Rise Adaptations – including, but not limited to, demolition, excavation, and installation of revetment; structural improvements of shoreline and revetment; construction, improvement or relocation of shoreline structures, seawalls, stormwater pump stations and outfalls; earthwork, grading and landscaping; and the development of intertidal zones or wetlands.

2. Facility Capital Improvements – upgrade, reconstruction, or replacement of publicly-owned assets on Treasure Island and Yerba Buena Island, including, but not limited to, buildings, hangars, school facilities, living quarters, parks, improvements for sea-level rise, piers, and the Acquisition Facilities described in Section A of this Exhibit A.

NOTE: The categories of facilities labeled "Facilities Acquired from Third Parties" and "Facilities Constructed by the City or TIDA" reflect current assumptions of the City and TIDA. The CFD shall be authorized to finance the listed facilities whether they are acquired from third parties or constructed by the City or TIDA.



## SERVICES

Special taxes collected in the CFD, Improvement Area No. 1, and each Future Improvement Area will finance, in whole or in part, the following services ("services" shall have the meaning given that term in the Mello-Roos Community Facilities Act of 1982):

- The costs of operating and maintaining Improvements constructed pursuant to the Parks and Open Space Plan within the Project Site, including installing landscaping, all personnel or third-party maintenance costs, costs of maintaining irrigation systems and other equipment directly related to maintenance, maintenance or replacement as needed of landscape areas, water features, bathrooms, trash receptacles, park benches, planting containers, picnic tables, and other equipment or fixtures installed in areas to be maintained, insurance costs, and any other related overhead costs, along with TIDA personnel, administrative, and overhead costs related to maintenance or to contracting for and managing third-party maintenance. The terms used in this paragraph have the meaning given them in the Financing Plan.
- Operating and maintaining TIDA owned structures and facilities within the Project Site, including but not limited to Building 1, Hangers 2 & 3, Pier 1, the Historic Officers' Quarters, Quarters 10 & 62, the Torpedo Building, Chapel, gymnasium, roadways, paths and walkways. Costs include but are not limited to all personnel or third-party maintenance costs, costs of maintaining systems and other equipment directly related to maintenance, as needed, of building systems, roofs, building envelope, and interiors, insurance costs, and any other related overhead costs, along with TIDA personnel, administrative, and overhead costs related to maintenance or to contracting for and managing third-party maintenance. The terms used in this paragraph have the meaning given them in the Financing Plan.

## OTHER

The CFD, Improvement Area No. 1, and each Future Improvement Area may also finance any of the following:

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

2. Administrative fees of the City and the bond trustee or fiscal agent related to the CFD, Improvement Area No. 1, and each Future Improvement Area and the Bonds.

3. Reimbursement of costs related to the formation of the CFD, Improvement Area No. 1, and each Future Improvement Area advanced by the City, the landowner(s) in the CFD, Improvement Area No. 1, and each Future Improvement 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 CFD, Improvement Area No. 1, and each Future Improvement Area or any party related to any of the foregoing, for facilities, fees or other purposes or costs of the CFD, Improvement Area No. 1, and each Future Improvement Area.

4. Funding a capital reserve fund to finance the Facilities described in this Exhibit A.



EXHIBIT B

CITY AND COUNTY OF SAN FRANCISCO  
Community Facilities District No. 2016-1  
(Treasure Island)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR  
IMPROVEMENT AREA NO. 1

## EXHIBIT A

### IMPROVEMENT AREA NO. 1 OF THE CITY AND COUNTY OF SAN FRANCISCO COMMUNITY FACILITIES DISTRICT NO. 2016-1 (TREASURE ISLAND)

#### RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

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A Special Tax applicable to each Taxable Parcel in Improvement Area No. 1 of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island) shall be levied and collected according to the tax liability determined by the Administrator through the application of the appropriate amount or rate for Taxable Parcels, as described below. All Taxable Parcels in Improvement Area No. 1 shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to Improvement Area No. 1.

#### A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

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

**“Act”** means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, (commencing with Section 53311), Division 2 of Title 5 of the California Government Code.

**“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 and TIDA carrying out duties with respect to the CFD and the Bonds, including, but not limited to, levying and collecting the Special Tax, 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 Tax, costs associated with appeals or requests for interpretation associated with the Special Tax 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 owner, costs associated with foreclosure and collection of delinquent Special Taxes, and all other costs and expenses of the City and TIDA in any way related to the establishment or administration of the CFD.

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



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

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

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

**“Association Property”** means any property within the boundaries of Improvement Area No. 1 that is owned in fee or by easement by a homeowners association or property owners association and does not fall within a Land Use Category, not including any such property that is located directly under a residential structure.

**“Authority Housing Lot”** means the lots identified as owned or expected to be owned by TIDA, as originally shown in the Housing Plan, and as may be amended in the Development Approval Documents. Authority Housing Lots expected within Improvement Area No. 1 at the time of CFD Formation are identified in Attachment 3 hereto.

**“Authority Housing Unit”** means a Residential Unit developed on an Authority Housing Lot.

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

**“Base Facilities Special Tax”** means, for any Land Use Category, the per-square foot Facilities Special Tax for square footage within such Land Use Category, as identified in Section C.2a below.

**“Base Services Special Tax”** means, for any Land Use Category, the per-square foot Services Special Tax for square footage within such Land Use Category, as identified in Section C.2b below.

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

**“Board”** means the Board of Supervisors of the City, acting as the legislative body of CFD No. 2016-1.

**“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 Height”** means the proposed height, as defined in the D4D, of a residential, non-residential, or mixed-use structure, as set forth on the Building Permit issued for the building, or if the height is not clearly indicated on the Building Permit, the height determined by reference to the Sub-Phase Application, Vertical DDA, condominium plan, or architectural drawings for the building. If there is any question as to the Building Height of any building in the CFD, the

Administrator shall coordinate with the Review Authority to make the determination, and such determination shall be conclusive and binding.

**“Building Permit”** means a permit that allows for vertical construction of a building or buildings, which shall not include a separate permit issued for construction of the foundation thereof.

**“Capital Reserve Requirement”** means, for the Project as a whole, the target amount of capital reserves to be established for Sea Level Rise Improvements, which shall be \$250 million in Fiscal Year 2016-17 dollars, escalating, on July 1, 2017 and on each July 1 thereafter, by the Escalator.

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

**“CFD”** or **“CFD No. 2016-1”** means the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island).

**“CFD Formation”** means the date on which the Board approved documents to form the CFD.

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

**“Commercial/Retail Square Footage”** means the net saleable or net leasable square footage within a building that is or is expected to be square footage of a commercial establishment that sells general merchandise, hard goods, food and beverage, personal services, and other items directly to consumers, including but not limited to, museums, restaurants, bars, entertainment venues, health clubs, spas, laundromats, dry cleaners, repair shops, storage facilities, and parcel delivery shops. In addition, any other square footage in a building that is used for commercial, office, or industrial business operations and is not Accessory Square Footage or Association Property shall be taxed as Commercial/Retail Square Footage. Commercial/Retail Square Footage shall be determined based on reference to the condominium plan, site plan, Building Permit, or Development Approval Documents, or as provided by the Developer or the City. The Administrator, in conjunction with the Review Authority, shall make the final determination as to the amount of Commercial/Retail Square Footage on any Parcel within Improvement Area No. 1, and such determination shall be conclusive and binding. Commercial/Retail Square Foot means a single square-foot unit of Commercial/Retail Square Footage. 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 Commercial/Retail Square Footage.

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

**“D4D”** means the Treasure Island and Yerba Buena Island Design for Development, approved by the Planning Commission and TIDA, and dated June 28, 2011, and as amended from time to time.

**“DA”** means the Development Agreement Relative to Treasure Island/Yerba Buena Island, including all exhibits and attachments, executed by the City and TICD, dated June 28, 2011, and as amended from time to time.

**“DDA”** means the Disposition and Development Agreement (Treasure Island/Yerba Buena Island), including all exhibits and attachments, executed by TIDA and TICD, dated June 28, 2011, and as amended from time to time.

**“Developed Property”** means, in any Fiscal Year, all Taxable Parcels for which a Building Permit was issued prior to June 30 of the preceding Fiscal Year, but not prior to January 1, 2015.

**“Developer”** means the developer of a Major Phase or Sub-Phase located in Improvement Area No. 1, which shall not include a Vertical Developer that has entered into a Vertical DDA.

**“Developer Maintenance Payment”** means a payment that TIDA requires to be made by the Developer to pay for Ongoing Park Maintenance as described in and pursuant to Section 2.7 of the Financing Plan.

**“Development Approval Documents”** means, collectively, any Major Phase Application, Sub-Phase Application, Vertical DDA, tentative subdivision map, Final Map, Review Authority approval, or other such 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 Taxable Parcels.

**“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 application to the City.

**“Escalator”** means the lesser of the following: (i) the increase, if any, in the Consumer Price Index (CPI) for All Urban Consumers in the San Francisco-Oakland-San Jose region (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, a similar escalator that is determined by TIDA and the City to be appropriate, and (ii) five percent (5%).

**“Estimated Base Facilities Special Tax Revenues”** means, at any point in time, the 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 Sub-Block.

**“Expected Land Uses”** means the total square footage in each Land Use Category expected within each Sub-Block in Improvement Area No. 1. The Expected Land Uses at the time of CFD Formation are identified in Attachment 2 and may be revised pursuant to Sections B, C, D, and E below.

**“Expected Maximum Facilities Special Tax Revenues”** means the aggregate Facilities Special Tax that can be levied based on application of the Base Facilities Special Tax to the Expected Land Uses. The Expected Maximum Facilities Special Tax Revenues for each Sub-Block at the time of CFD Formation are shown in Attachment 2 and may be revised pursuant to Sections B, C, D, and E below.

**“Expected Taxable Property”** means any Parcel within Improvement Area No. 1 that: (i) pursuant to the Development Approval Documents, was expected to be a Taxable Parcel, (ii) based on the Expected Land Uses and as determined by the Administrator, was assigned Expected

Maximum Facilities Special Tax Revenues, and (iii) subsequently falls within one or more of the categories that would otherwise be exempt from the Special Tax as set forth in Section H below.

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

**“Facilities Special Tax Requirement”** means the amount necessary in any Fiscal Year to: (i) pay principal and interest on Bonds that are due in the calendar year that begins in such Fiscal Year; (ii) pay periodic costs on the Bonds, including but not limited to, credit enhancement, liquidity support and rebate payments on the Bonds, (iii) replenish reserve funds created for the Bonds under the Indenture to the extent such replenishment has not been included in the computation of the Facilities Special Tax Requirement in a previous Fiscal Year; (iv) cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year; (v) pay Administrative Expenses; and (vi) pay directly for Authorized Expenditures, including park maintenance, Sea Level Rise Improvements, and capital reserves, in the priority set forth in the Financing Plan, so long as such levy under this clause (vi) does not increase the Facilities Special Tax levied on Undeveloped Property. Notwithstanding the foregoing, in any Fiscal Year in which any portion of a Developer Maintenance Payment is delinquent, the Maximum Facilities Special Tax shall be levied on Undeveloped Property until the amount collected from Undeveloped Property that is used to pay for park maintenance is equal to the aggregate amount of delinquent Developer Maintenance Payments. 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 CFD 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.

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

**“Financing Plan”** means the Financing Plan attached as Exhibit D to the DA and Exhibit EE to the DDA, as such plan may be amended or supplemented from time to time in accordance with the terms of the DA and DDA.

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

**“Future Annexation Area”** means that geographic area that, at the time of CFD Formation, was considered potential annexation area for the CFD and which was, therefore, identified as “future annexation area” on the recorded CFD boundary map. Such designation does not mean that any or all of the Future Annexation Area will annex into 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.

**“Hotel”** means a structure or portion of a structure that constitutes a place of lodging, providing



temporary sleeping accommodations for travelers, which structure may include one or more of the following: spa services, restaurants, gift shops, meeting and convention facilities. Residential Units that are offered for rent to travelers (e.g., units offered through Airbnb) shall not be categorized as Hotel.

**“Hotel Condominium”** means a Residential Unit within a Hotel Project.

**“Hotel Project”** means a Development Project within which a building proposed to be constructed is either a Hotel or a residential or mixed-use building being developed in conjunction with a Hotel that will share common area and amenities with the Hotel. Notwithstanding the foregoing, if a Development Project includes multiple buildings, one 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 and shall be categorized as a Low-Rise Project, Mid-Rise Project, Tower Project, or Townhome Project based on the definitions set forth herein. If a Hotel Project is constructed on a Parcel that is owned by TIDA, such Parcel shall be treated as a Hotel Project, not Public Property, for purposes of this RMA.

**“Hotel Square Footage”** means the usable square footage within a building that is, or is expected to be, a Hotel, as reflected on a condominium plan, site plan, or Building Permit, as provided by the Developer or the City, or as expected pursuant to Development Approval Documents. All square footage that is not Residential Square Footage or Accessory Square Footage and shares an Assessor’s Parcel number within such a structure, including square footage of restaurants, meeting and convention facilities, gift shops, spas, offices, and other related uses, shall be categorized as Hotel Square Footage. Upon assignment of Assessor’s Parcel numbers to the Airspace Parcels for any Hotel Condominiums, the Hotel Condominiums shall be assigned a Maximum Special Tax based on application of the appropriate Base Special Tax for Hotel Condominiums, as set forth in Section C below. If there are separate Assessor’s Parcel numbers for the retail uses associated with the Hotel, the Base Special Tax for Commercial/Retail Square Footage shall be used to determine the Maximum Special Tax for such Parcels, and the Base Special Tax for Hotel Square Footage shall be used to determine the Maximum Special Tax for Parcels on which uses in the building other than Hotel Condominiums and retail uses are located, including office space associated with Hotel operations. The Administrator, in conjunction with the Review Authority, shall make the final determination as to the amount of Hotel Square Footage within a building, and such determination shall be conclusive and binding. Hotel Square Foot means a single square-foot unit of Hotel Square Footage.

**“Housing Plan”** means Exhibit E to the DDA, which sets forth the plan for development of Market Rate Units, Inclusionary Units, and Authority Housing Units on Treasure Island and Yerba Buena Island.

**“Improvement Area No. 1”** means Improvement Area No. 1 of the CFD, as it exists at CFD Formation and as expanded with future annexations to Improvement Area No. 1 (if any).

**“Inclusionary Unit”** means a Residential Unit that is, pursuant to the Housing Plan, subject to restrictions related to the affordability of the Residential Unit or income restrictions for its occupants, and is not an Authority Housing Unit.

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

**“Land Use Category”** means, individually, Low-Rise Units, Mid-Rise Units, Tower Units, Treasure Island Townhome Units, Yerba Buena Island Townhome Units, Hotel Condominiums, Hotel Square Footage, or Commercial/Retail Square Footage.

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

**“LDDA”** means a Disposition and Development Agreement between TIDA and a Vertical Developer that has a leasehold interest in property that is subject to the Public Trust, as defined in the DDA.

**“Low-Rise Project”** means a Development Project that meets either of the following criteria: (i) the highest residential or mixed-use building proposed within the Development Project has a Building Height that is greater than 50 feet and less than or equal to 70 feet, or (ii) the highest residential or mixed-use building proposed within the Development Project has a Building Height that is less than or equal to 50 feet and one or more of the ground floor Residential Units within such building do not have a main entry door that is directly accessible from a public street, private street, or courtyard instead of from a common corridor.

All Residential Units within a Low-Rise Project, regardless of the height of each individual building within the Development Project, shall be categorized as Low-Rise Units for purposes of this RMA. For example, if a Development Project includes three separate buildings, the highest building is proposed to be 50 feet tall, and one or more of the ground floor Residential Units within the 50-foot tall building will not have a main entry door that is directly accessible from a street or courtyard, then the Residential Units in all three buildings in the Development Project will be taxed as Low-Rise Units. If a Development Project includes two buildings that have the same proposed Building Height, both buildings are less than 50 feet tall, and only one of the two buildings has ground floor Residential Units, all of which have main entry doors that will be directly accessible from a street or courtyard, the Residential Units within the Development Project will be categorized as Low-Rise Units and not Treasure Island Townhome Units or Yerba Buena Townhome Units.

**“Low-Rise Unit”** means a Residential Unit within a Low-Rise Project.

**“Major Phase”** is defined in the DDA.

**“Major Phase Application”** means the application and associated documents required to be submitted for each Major Phase Approval, as defined in the DDA.

**“Market Rate Unit”** means a Residential Unit that is not an Authority Housing Unit or Inclusionary Unit.



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

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

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

**“Maximum Special Tax”** means, prior to the Transition Year, the Maximum Facilities Special Tax and, in the Transition Year and each Fiscal Year thereafter, the Maximum Services Special Tax. Notwithstanding the foregoing, if there are any delinquent Facilities Special Taxes to be collected from a Parcel in or after the Transition Year, such delinquent Facilities Special Taxes shall continue to be levied against the Parcel and shall, in addition to the Services Special Tax, be part of the Maximum Special Tax for the Parcel until paid.

**“Mid-Rise Project”** means a Development Project within which the highest residential or mixed-use building that includes Residential Units proposed for development has a Building Height that is greater than 70 feet but less than or equal to 125 feet. All Residential Units within a Mid-Rise Project, regardless of the height of each individual building within the Development Project, shall be categorized as Mid-Rise Units for purposes of this RMA. For example, if a Development Project proposes three buildings that are 90 feet, 60 feet, and 40 feet, respectively, all Residential Units within all three buildings will be categorized as Mid-Rise Units.

**“Mid-Rise Unit”** means a Residential Unit within a Mid-Rise Project.

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

**“Project”** is defined in the DDA.

**“Proportionately”** means, for Developed Property, that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Parcels of Developed Property. For Vertical DDA Property, “Proportionately” means that the ratio of the actual Special Tax levied to the Maximum Special Tax authorized to be levied is equal for all Parcels of Vertical DDA Property. For Undeveloped Property, “Proportionately” means that the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Parcels of Undeveloped Property. For Expected Taxable Property, “Proportionately” means that the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Parcels of Expected Taxable Property.

**“Public Property”** means any property within the boundaries of Improvement Area No. 1 that is owned by the federal government, the State of California, TIDA, the City, or other public agency. Notwithstanding the foregoing, any property subject to an LDDA with a term of twenty (20) years

or more shall not, during the lease term, be considered Public Property and shall be taxed and classified according to the use on the Parcel(s) unless such Parcel is an Authority Housing Lot.

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

**“Remainder Special Taxes”** means, as calculated between September 1<sup>st</sup> and December 31<sup>st</sup> of any Fiscal Year, any Facilities Special Tax revenues that were collected in the prior Fiscal Year and were not needed to: (i) pay debt service on the Bonds that was due in the calendar year in which the Remainder Special Taxes are being calculated; (ii) pay periodic costs on the Bonds, including but not limited to, credit enhancement, liquidity support and rebate payments on the Bonds; (iii) replenish reserve funds created for the Bonds under the Indenture; (iv) cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year; (v) pay Administrative Expenses that have been incurred, or are expected to be incurred, by the City prior to the receipt of additional Facilities Special Tax proceeds, or (vi) apply towards park maintenance costs that are not fully funded because of delinquent Developer Maintenance Payments.

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

**“Residential Product Type”** means a Low-Rise Unit, Mid-Rise Unit, Tower Unit, Treasure Island Townhome Unit, Yerba Buena Townhome Unit, or Hotel Condominium. If there is any confusion as to the Residential Product Type that applies to Residential Units within a Development Project, the Administrator shall coordinate with the Review Authority to make the determination, which shall be conclusive and binding.

**“Residential Property”** means, in any Fiscal Year, all Taxable Parcels for which Building Permits have been issued, or based on Development Approval Documents, are expected to be issued for construction of a structure that includes one or more Residential Units.

**“Residential Square Footage”** means the square footage of a Residential Unit or residential structure reflected on a condominium plan, site plan, or Building Permit, provided by the Developer or the City, or expected pursuant to Development Approval Documents. The Administrator, in conjunction with the Review Authority, shall make the final determination as to the amount of Residential Square Footage on a Taxable Parcel, and such determination shall be conclusive and binding. Residential Square Foot means a single square-foot unit of Residential Square Footage.

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

**“Review Authority”** means, for Parcels within the Tidelands Trust Overlay Zone, the Executive Director of TIDA, and for Parcels outside the Tidelands Trust Overlay Zone, the City Planning Director, or an alternate designee from TIDA or the City who is responsible for approvals and entitlements of a Development Project.

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

**“Sea Level Rise Improvements”** means public improvements necessary to ensure that shoreline, public facilities, and public access improvements will be protected due to sea level rise at the perimeters of Treasure Island and Yerba Buena Island.

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

**“Services Special Tax Requirement”** means the amount necessary in any Fiscal Year to: (i) pay the costs of operations and maintenance or other public services that are included as Authorized Expenditures; (ii) cure delinquencies in the payment of Services Special Taxes in the prior Fiscal Year; and (iii) pay Administrative Expenses.

**“Special Tax”** means, prior to the Transition Year, the Facilities Special Tax and, in and after the Transition Year, the Services Special Tax.

**“Special Tax Requirement”** means, prior to the Transition Year, the Facilities Special Tax Requirement and, in and after the Transition Year, the Services Special Tax Requirement. Notwithstanding the foregoing, if there are any delinquent Facilities Special Taxes to be collected from a Parcel in or after the Transition Year, such delinquent Facilities Special Taxes shall continue to be levied against the Parcel in addition to the Services Special Tax Requirement for that Fiscal Year.

**“Special Use District”** means the Treasure Island/Yerba Buena Island Special Use District, included as Section 249.52 of the Planning Code.

**“Sub-Block”** means a specific geographic area within Improvement Area No. 1 for which Expected Land Uses have been identified. Sub-Blocks and Expected Land Uses within Improvement Area No. 1 at the time of CFD Formation are identified in Attachments 1 and 2 of this RMA and may be revised pursuant to Sections B, C, D, and E below.

**“Sub-Phase”** is defined in the DDA.

**“Sub-Phase Application”** means the application and associated documents required to be submitted for each Sub-Phase Approval, as defined and set forth in the DDA.

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

**“TICD”** means Treasure Island Community Development, LLC, a California limited liability company, and its successors and permitted assigns under the DDA.

**“TIDA”** means the Treasure Island Development Authority, a California non-profit public benefit corporation, or any successor public agency designated by or under law, which may include the City or the San Francisco Port Commission.

**“Tidelands Trust Overlay Zone”** means the areas on Treasure Island and Yerba Buena Island that are subject to the Tidelands Trust after completion of all Tidelands Trust exchanges, as identified in figures set forth in the Special Use District.

**“Tower Project”** means a Development Project within which the highest residential or mixed-use building that includes Residential Units proposed for development has a Building Height that is greater than 125 feet. All Residential Units within a Tower Project, regardless of the height of each individual building within the Development Project, will be categorized as Tower Units for purposes of this RMA. For example, if a Development Project proposes three buildings that are 140 feet, 90 feet, and 40 feet, respectively, all Residential Units within all three buildings will be categorized as Tower Units.

**“Tower Unit”** means a Residential Unit within a Tower Project.

**“Townhome Project”** means a Development Project that meets both of the following criteria: (i) the highest residential or mixed-use building proposed for development has a Building Height that is less than or equal to 50 feet, and (ii) the main entry doors for all ground floor Residential Units within such building will be directly accessible from a public street, private street, or courtyard instead of from a common corridor. All Residential Units within a Townhome Project will be categorized as Treasure Island Townhome Units or Yerba Buena Townhome Units for purposes of this RMA.

**“Transition Event”** shall be deemed to have occurred when the Administrator determines that either of the following events have occurred: (i) all Bonds secured by the levy and collection of Facilities Special Taxes in the CFD have been fully repaid, all Administrative Expenses from prior Fiscal Years have been paid or reimbursed to the City, and the Capital Reserve Requirement has been fully funded, or (ii) all Bonds secured by the levy and collection of Facilities Special Taxes in the CFD have been fully repaid, all Administrative Expenses from prior Fiscal Years have been paid or reimbursed to the City, and the Facilities Special Tax has been levied within Improvement Area No. 1 for one hundred (100) Fiscal Years.

**“Transition Year”** means the first Fiscal Year in which the Administrator determines that the Transition Event occurred in the prior Fiscal Year.

**“Treasure Island Townhome Unit”** means a Residential Unit within a Townhome Project proposed for development on Treasure Island.

**“Undeveloped Property”** means, in any Fiscal Year, all Taxable Parcels that are not Developed Property, Vertical DDA Property, or Expected Taxable Property.

**“Vertical DDA”** means a Vertical DDA or a Vertical LDDA, as defined in the DDA, for a Taxable Parcel.



**“Vertical DDA Property”** means, in any Fiscal Year, any Parcel that is not yet Developed Property against which a Vertical DDA has been recorded, and for which the Developer or the Vertical Developer has, by June 30 of the prior Fiscal Year, notified the Administrator of such recording.

**“Vertical Developer”** means a developer that has entered into a Vertical DDA for construction of vertical improvements on a Taxable Parcel.

**“Yerba Buena Townhome Unit”** means a Residential Unit within a Townhome Project proposed for development on Yerba Buena Island.

## **B. DATA FOR CFD ADMINISTRATION**

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor's Parcel numbers for all Taxable Parcels. The Administrator shall also determine: (i) whether each Taxable Parcel is Developed Property, Vertical DDA Property, Undeveloped Property, or Expected Taxable Property, (ii) within which Sub-Block each Assessor's Parcel is located, (iii) for Developed Property, the Residential Square Footage, Commercial/Retail Square Footage, and/or Hotel Square Footage on each Parcel, (iv) for Residential Property, the Residential Product Type and number of Market Rate Units and Inclusionary Units, (v) whether there are any delinquent Developer Maintenance Payments, and (vi) the Special Tax Requirement for the Fiscal Year.

The Administrator shall review Development Approval Documents and coordinate with TIDA, the Developer, and Vertical Developers to identify the number of Inclusionary Units within each building. If there are transfers of Inclusionary Units and Market Rate Units, the Administrator shall refer to Section D.2 to determine the Maximum Special Tax for each Parcel after such transfer. If, at any time after issuance of the first series of Bonds, it is determined that an increase in the number of Inclusionary Units will decrease Maximum IA1 Revenues to a point at which Required Coverage cannot be maintained, then some or all of the Inclusionary Units that were not originally part of the Expected Land Uses shall be designated as Expected Taxable Property and shall be subject to the levy of the Facilities Special Tax pursuant to Step 4 in Section F below. In such a case, the Administrator shall determine how many Inclusionary Units must be subject to the Facilities Special Tax in order to maintain Required Coverage, and TIDA and the City shall determine which Inclusionary Units will be Expected Taxable Property, and the Administrator shall update Attachment 2 accordingly.

If TIDA notifies the Administrator of a change in the number or location of Authority Housing Lots, then at the request of TIDA and the owner of any private Parcel(s) affected by the change, the Administrator shall (i) amend and replace Attachment 3 to reflect the then-current location and designation of Authority Housing Lots, and (ii) amend and replace Attachment 2 to reflect the then-current Expected Land Uses on, and the Expected Maximum Facilities Special Tax Revenues for, the Parcel(s) that are affected by the change. If, at any time after issuance of the first series of Bonds, it is determined that an increase in the number of Authority Housing Units will decrease Maximum IA1 Revenues to a point at which Required Coverage cannot be maintained, then some or all of the Authority Housing Lots that were not originally part of the Expected Land Uses shall



be designated as Expected Taxable Property and shall be subject to the levy of the Special Tax pursuant to Step 4 in Section F below. In such a case, the Administrator shall determine how many Authority Housing Units must be subject to the Special Tax in order to maintain Required Coverage, and TIDA shall determine which Authority Housing Lots will be Expected Taxable Property, and the Administrator shall update Attachment 2 accordingly.

If a Building Permit has been issued for development of a structure, and additional structures are anticipated to be built within the Sub-Block as shown in the Development Approval Documents, the Administrator shall, regardless of the definitions set forth herein, categorize the building(s) for which the Building Permit was issued as Developed Property and any remaining buildings for which Building Permits have not yet been issued as Vertical DDA Property for purposes of levying the Special Tax. If the buildings share an Assessor's Parcel, the Administrator shall take the sum of the Special Taxes determined for each building after application of the steps in Section F to determine the Special Tax levy for the Parcel.

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

In addition to the tasks set forth above, on an ongoing basis, the Administrator will review the Development Approval Documents for property in Improvement Area No. 1 and communicate with the Developer regarding proposed Land Use Changes. The Administrator will, upon receipt of each recorded Vertical DDA, and upon any proposed Land Use Change that is made known to the Administrator, update Attachment 2 to reflect the then-current Expected Land Uses on, and Expected Maximum Facilities Special Tax Revenues for, each Sub-Block.

## **C. MAXIMUM SPECIAL TAX**

### **I. *Undeveloped Property***

#### **1a. *Facilities Special Tax***

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

If an Assessor's Parcel contains a portion of one or more Sub-Blocks, the Maximum Facilities Special Tax shall be determined by allocating the Expected Maximum Facilities Special Tax Revenues for each Sub-Block proportionately among such Assessor's Parcels based on the Expected Land Uses on each Parcel, as determined by the Administrator. The Maximum IAI Revenues after such allocation shall not be less than the Maximum IAI Revenues prior to this allocation.

In the Transition Year and each Fiscal Year thereafter, no Facilities Special Tax shall be levied on Undeveloped Property in Improvement Area No. 1, unless there are delinquent Facilities Special Taxes on a Parcel of Undeveloped Property, in which case such delinquent Facilities Special Taxes can continue to be levied against the Parcel until they are collected.

**1b. Services Special Tax**

Prior to the Transition Year, there shall be no Services Special Tax levied on Undeveloped Property in Improvement Area No. 1. In the Transition Year and each Fiscal Year thereafter, the Maximum Services Special Tax for Undeveloped Property in Improvement Area No. 1 shall be \$65,200 per acre, which amount shall be escalated as set forth in Section D.2 below.

**2. Vertical DDA Property**

**2a. Facilities Special Tax**

Prior to the Transition Year, when a Parcel becomes Vertical DDA Property, the Administrator shall review the recorded Vertical DDA and coordinate with the Developer and/or the Vertical Developer to confirm the Expected Land Uses on the Sub-Block(s) covered by the Vertical DDA. Using the Base Facilities Special Taxes shown in Table 1 below, the Administrator shall calculate the Estimated Base Facilities Special Tax Revenues based on the Expected Land Uses reflected in the Vertical DDA and the square footage estimated by the Vertical Developer. Prior to issuance of the first series of Bonds, the Maximum Special Tax for each Parcel shall be the Estimated Base Facilities Special Tax Revenues for the Parcel.

<p style="text-align: center;"><b>Table 1</b> <b>Base Facilities Special Tax</b></p>		
<b>Land Use Category</b>	<b>Base Facilities Special Tax Before the Transition Year (in Fiscal Year 2016-17 dollars) *</b>	<b>Base Facilities Special Tax In and After the Transition Year (in Fiscal Year 2016-17 dollars) *</b>
Low-Rise Units	\$6.13 per square foot	\$0.00 per square foot
Mid-Rise Units	\$7.10 per square foot	\$0.00 per square foot
Tower Units	\$8.14 per square foot	\$0.00 per square foot
Treasure Island Townhome Units	\$5.39 per square foot	\$0.00 per square foot
Yerba Buena Townhome Units	\$5.82 per square foot	\$0.00 per square foot
Hotel Condominiums	\$5.93 per square foot	\$0.00 per square foot
Commercial/Retail Square Footage	\$1.50 per square foot	\$0.00 per square foot
Hotel Square Footage	\$3.00 per square foot	\$0.00 per square foot

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

After issuance of the first series of Bonds, for the Sub-Block(s) included in the Vertical DDA, the Administrator shall compare the Estimated Base Facilities Special Tax Revenues to the Expected Maximum Facilities Special Tax Revenues for the Sub-Block as reflected in Attachment 2, and:

- *If the Estimated Base Facilities Special Tax Revenues are greater than or equal to the Expected Maximum Facilities Special Tax Revenues, then the Maximum Facilities Special Tax for the Vertical DDA Property shall be the Estimated Base Facilities Special Tax Revenues. The Administrator shall update Attachment 2 to reflect this amount as the Expected Maximum Facilities Special Tax Revenues for the Sub-Block(s) in the Vertical DDA.*
- *If the Estimated Base Facilities Special Tax Revenues are less than the Expected Maximum Facilities Special Tax Revenues, but the Maximum IAI Revenues are still sufficient to provide Required Coverage, then the Maximum Facilities Special Tax for the Vertical DDA Property shall be the Estimated Base Facilities Special Tax Revenues. The Administrator shall revise Attachment 2 to reflect the decreased Expected Maximum Facilities Special Tax Revenues for the Sub-Block(s) within the Vertical DDA and the decreased Maximum IAI Revenues.*
- *If the Estimated Base Facilities Special Tax Revenues are less than the Expected Maximum Facilities Special Tax Revenues, and such reduction causes the Maximum IAI Revenues to be insufficient to provide Required Coverage, then the Base Facilities Special Taxes applied to each Land Use Category in the Vertical DDA shall be increased proportionately until the amount that can be levied on Expected Land Uses in the Vertical DDA, combined with the Expected Maximum Facilities Special Tax Revenues from other Sub-Blocks in*

Improvement Area No. 1, is sufficient to maintain Required Coverage. The Administrator shall revise Attachment 2 to reflect the new Expected Facilities Maximum Special Tax Revenues for the Sub-Block(s) within the Vertical DDA.

If it is determined that only a portion of a Sub-Block is included within a Vertical DDA, the Administrator shall refer to Attachments 1 and 2 to estimate the Expected Land Uses that should be assigned to the portion of the Sub-Block that is included within the Vertical DDA. The Administrator shall confirm this determination with the Review Authority, the Developer, and the Vertical Developer.

In the Transition Year and each Fiscal Year thereafter, no Facilities Special Tax shall be levied on Vertical DDA Property in Improvement Area No. 1, unless there are delinquent Facilities Special Taxes on a Parcel of Vertical DDA Property, in which case such delinquent Facilities Special Taxes can continue to be levied against the Parcel until they are collected.

## 2b. Services Special Tax

Prior to the Transition Year, there shall be no Services Special Tax levied on Vertical DDA Property in Improvement Area No. 1. In the Transition Year and each Fiscal Year thereafter, the Maximum Services Special Tax for a Parcel of Vertical DDA Property shall be determined by applying the Base Services Special Taxes identified in Table 2 below by the Expected Land Uses for the Parcel, as determined by the Administrator.

<b>Table 2</b> <b>Base Services Special Tax</b>		
<b>Land Use Category</b>	<b>Base Services Special Tax Before the Transition Year (in Fiscal Year 2016-17 dollars) *</b>	<b>Base Services Special Tax In and After the Transition Year (in Fiscal Year 2016-17 dollars) *</b>
Low-Rise Units	\$0.00 per square foot	\$1.69 per square foot
Mid-Rise Units	\$0.00 per square foot	\$1.96 per square foot
Tower Units	\$0.00 per square foot	\$2.26 per square foot
Treasure Island Townhome Units	\$0.00 per square foot	\$1.51 per square foot
Yerba Buena Townhome Units	\$0.00 per square foot	\$1.62 per square foot
Hotel Condominiums	\$0.00 per square foot	\$1.65 per square foot
Commercial/Retail Square Footage	\$0.00 per square foot	\$0.41 per square foot
Hotel Square Footage	\$0.00 per square foot	\$0.83 per square foot

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

### **3. *Developed Property***

#### **3a. *Facilities Special Tax***

Prior to the Transition Year, when a Building Permit is issued, the Administrator shall apply the following steps to determine the Maximum Facilities Special Tax for each Taxable Parcel that has been or will be created for land uses within the building:

*Step 1.* Review the Building Permit, condominium plan, architectural drawings, information provided by the Developer and/or Vertical Developer, and any other documents that identify the Building Height, number of Residential Units, square footage within each Land Use Category, and expected layout of Airspace Parcels within the building(s) that will be constructed pursuant to the Building Permit. If additional Building Permits will be issued for other buildings that are within the same Development Project, coordinate with the Review Authority, the Developer, and the Vertical Developer to determine the Building Height for buildings that remain to be developed within the Development Project in order to determine the appropriate Residential Product Type for all Residential Units within the Development Project.

*Step 2.* Determine the Residential Square Footage of each Residential Unit that will be constructed pursuant to the Building Permit, as well as the Commercial/Retail Square Footage and Hotel Square Footage within the building(s).

*Step 3.* Identify the number of Inclusionary Units within the building, as well as the Residential Square Footage of each Inclusionary Unit.

*Step 4.* Using the information from the first three steps, the Administrator shall separately calculate the following:

- For Market Rate Units in the building, multiply the applicable Base Facilities Special Tax from Table 1 for the Residential Product Type that applies to the Development Project by the total aggregate Residential Square Footage of all Market Rate Units expected within the building.
- Multiply the Base Facilities Special Tax from Table 1 for Commercial/Retail Square Footage by the total Commercial/Retail Square Footage expected in the building.
- Multiply the Base Facilities Special Tax from Table 1 for Hotel Square Footage by the total Hotel Square Footage expected in the building.
- If, based on the Expected Land Uses, the Administrator determines that there is Expected Taxable Property within the building, multiply the applicable Base Facilities Special Tax from Table 1 based on what had



been anticipated on the Expected Taxable Property by the square footage of the Expected Land Uses for that property.

Prior to issuance of the first series of Bonds, the Maximum Facilities Special Tax for each Taxable Parcel in the building shall be determined by adding all of the amounts calculated above. Steps 5 and 6 below shall not apply.

After issuance of the first series of Bonds, the Administrator shall apply Steps 5 and 6 to determine the Maximum Facilities Special Tax for each Taxable Parcel.

*Step 5.* Sum the amounts calculated in Step 4 to determine the Estimated Base Facilities Special Tax Revenues for the building(s) for which a Building Permit was issued.

*Step 6.* Compare the Estimated Base Facilities Special Tax Revenues from Step 5 to the Expected Maximum Facilities Special Tax Revenues for the property, and apply one of the following, as applicable:

- *If the Estimated Base Facilities Special Tax Revenues are greater than or equal to the Expected Maximum Facilities Special Tax Revenues, then the Maximum Facilities Special Tax for each Taxable Parcel that has been or will be created shall be determined by multiplying the applicable Base Facilities Special Tax by the square footage of each Land Use Category expected on each Taxable Parcel within the building(s) for which the Building Permit has been issued. The Administrator shall update Attachment 2 to reflect the adjusted Expected Maximum Facilities Special Tax Revenues for the Sub-Block and the increased Maximum IA1 Revenues.*
- *If the Estimated Base Facilities Special Tax Revenues are less than the Expected Maximum Facilities Special Tax Revenues, but the Maximum IA1 Revenues are still sufficient to provide Required Coverage, then the Maximum Facilities Special Tax for each Taxable Parcel that has been or will be created shall be determined by multiplying the applicable Base Facilities Special Tax by the square footage of each Land Use Category expected on each Taxable Parcel within the building(s) for which the Building Permit has been issued. The Administrator shall revise Attachment 2 to reflect the decreased Expected Maximum Facilities Special Tax Revenues for the Sub-Block(s) and the decreased Maximum IA1 Revenues.*
- *If the Estimated Base Facilities Special Tax Revenues are less than the Expected Maximum Facilities Special Tax Revenues, and such reduction causes the Maximum IA1 Revenues to be insufficient to provide Required Coverage, then the Base Facilities Special Taxes that were applied in Step 4 shall be increased proportionately until the amount that can be levied on*

Taxable Parcels within the building for which the Building Permit was issued, combined with the Expected Maximum Facilities Special Tax Revenues from other Sub-Blocks in Improvement Area No. 1, is sufficient to maintain Required Coverage.

After proportionately increasing the Base Facilities Special Taxes to an amount that will maintain Required Coverage, the Administrator shall use these adjusted per-square foot rates to calculate the Maximum Facilities Special Tax for each Taxable Parcel that has been, or is expected to be, created within the building(s) for which the Building Permit has been issued. The Administrator shall also revise Attachment 2 to reflect the new Expected Maximum Facilities Special Tax Revenues.

Until individual Assessor's Parcels are created for each Residential Unit and for any Commercial/Retail Square Footage, and/or Hotel Square Footage, within a building, the Administrator shall sum the Facilities Special Tax that, pursuant to Section F below, would be levied on all land uses on a Parcel and levy this aggregate Facilities Special Tax amount on the Parcel.

In the Transition Year and each Fiscal Year thereafter, no Facilities Special Tax shall be levied on Developed Property in Improvement Area No. 1, unless there are delinquent Facilities Special Taxes on a Parcel of Developed Property, in which case such delinquent Facilities Special Taxes can continue to be levied against the Parcel until they are collected.

### **3b. Services Special Tax**

Prior to the Transition Year, there shall be no Services Special Tax levied on Developed Property in Improvement Area No. 1. In the Transition Year, the Maximum Services Special Tax for a Parcel of Developed Property shall be determined by the Administrator as follows:

*If the Parcel had been taxed as Developed Property in the Fiscal Year prior to the Transition Year and the Administrator is not aware of any changes to land uses on the Parcel since the Facilities Special Tax was levied, the Administrator shall, based on the information that was used to prepare the prior year's Facilities Special Tax levy, apply the Base Services Special Taxes from Table 2 to the square footage within each Land Use Category on each Parcel to calculate the Maximum Services Special Tax for each Parcel, which amount shall be escalated in future Fiscal Years as set forth in Section D.2 below.*

*If the Parcel had been taxed as Developed Property in the Fiscal Year prior to the Transition Year and the Administrator is aware of changes to the Land Use Categories or square footage on the Parcel since the Facilities Special Tax was levied, the Administrator shall update the land use information and apply the Base Services Special Taxes from Table 2 to the square footage within each Land Use Category on each Parcel to calculate the Maximum Services Special Tax for each Parcel which amount shall be escalated in future Fiscal Years as set forth in Section D.2 below.*

*If the Parcel becomes Developed Property after the Transition Year, the Administrator shall update the land use information and apply the Base Services Special Taxes from Table 2 to the square footage within each Land Use Category on each Parcel to calculate the Maximum Services Special Tax for each Parcel, which amount shall be escalated in future Fiscal Years as set forth in Section D.2 below.*

**4. *Expected Taxable Property***

**4a. *Facilities Special Tax***

Prior to the Transition Year, the Maximum Facilities Special Tax assigned to any Parcel of Expected Taxable Property shall be the Expected Maximum Facilities Special Tax Revenues that were assigned to the Parcel (as determined by the Administrator) based on the Expected Land Uses prior to the Administrator determining that such Parcel had become Expected Taxable Property. In the Transition Year and each Fiscal Year thereafter, no Facilities Special Tax shall be levied on Expected Taxable Property.

**4b. *Services Special Tax***

Prior to the Transition Year, there shall be no Services Special Tax levied on Expected Taxable Property. In the Transition Year and each Fiscal Year thereafter, the Maximum Services Special Tax assigned to any Parcel of Expected Taxable Property shall be determined by the Administrator by applying the Base Services Special Tax to each Land Use Category that is built on each Parcel of Expected Taxable Property, and such determination shall be conclusive and binding.

**D. CHANGES TO THE MAXIMUM SPECIAL TAX**

**1. *Annual Escalation of Facilities Special Tax***

Beginning July 1, 2017 and each July 1 thereafter, the Base Facilities Special Taxes in Table 1, the Expected Maximum Facilities Special Tax Revenues in Attachment 2, and the Maximum Facilities Special Tax assigned to each Parcel in Improvement Area No. 1 shall be increased by 2% of the amount in effect in the prior Fiscal Year.

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

Beginning July 1, 2017 and each July 1 thereafter until the Transition Year, the Base Services Special Taxes in Table 2 shall be increased by 3.4% of the amount in effect in the prior Fiscal Year. On July 1 of the Transition Year and each July 1 thereafter, the Base Services Special Taxes and the Maximum Services Special Tax assigned to each Parcel in Improvement Area No. 1 shall be escalated by the Escalator.

### **3. *Inclusionary Unit and Market Rate Unit Transfers***

If, in any Fiscal Year after issuance of the first series of Bonds, the Administrator determines that a Residential Unit that had previously been designated as an Inclusionary Unit no longer qualifies as such, the Maximum Facilities Special Tax on the Residential Unit shall be increased to the Maximum Facilities Special Tax that would be levied on a Market Rate Unit of the same square footage. If, after issuance of the first series of Bonds, a Market Rate Unit becomes an Inclusionary Unit after it has been taxed in prior Fiscal Years as a Market Rate Unit and, by exempting the Inclusionary Unit, the Administrator determines that Maximum IA1 Revenues will be reduced to a point at which Required Coverage cannot be maintained, then the Inclusionary Unit shall be designated as Expected Taxable Property and shall be subject to the levy of the Facilities Special Tax pursuant to Step 4 in Section F below.

### **4. *Changes in Land Use Category on a Parcel of Developed Property***

If the square footage on any Parcel that had been taxed as Developed Property in a prior Fiscal Year is rezoned or otherwise changes Land Use Category, the Administrator shall multiply the applicable Base Special Taxes by the square footage within each of the new Land Use Category(ies); if the first series of Bonds has not yet been issued, this amount shall be the Maximum Special Tax for the Parcel. If the first series of Bonds has been issued, the Administrator shall apply the remainder of this Section D.4.

If the amount determined is greater than the Maximum Facilities Special Tax that applied to the Parcel prior to the Land Use Change, the Administrator shall increase the Maximum Facilities Special Tax for the Parcel to the amount calculated for the new Land Use Category(ies). If the amount determined is less than the Maximum Facilities Special Tax that applied prior to the Land Use Change, there will be no change to the Maximum Facilities Special Tax for the Parcel. Under no circumstances shall the Maximum Facilities Special Tax on any Parcel of Developed Property be reduced, regardless of changes in Land Use Category or square footage on the Parcel, including reductions in square footage that may occur due to demolition, fire, water damage, or acts of God.

### **5. *Reduction in Maximum Facilities Special Taxes Prior to First Bond Sale***

As set forth in, and subject to the requirements of, Section 2.3(n) of the Financing Plan, the Maximum Facilities Special Taxes assigned to Taxable Parcels in Improvement Area No. 1 may be proportionately or disproportionately reduced once prior to issuance of the first series of Bonds. Such reduction shall be made without a vote of the qualified CFD electors following: (i) initiation upon written request of TICD, and (ii) consultation with the City and TIDA regarding such request. The reduction shall be codified by recordation of an amended Notice of Special Tax Lien against all Taxable Parcels within Improvement Area No. 1.

## **E. ANNEXATIONS**

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



- Step 1.** Working with City staff and the landowner, the Administrator shall determine the Expected Land Uses for the area to be annexed.
- Step 2.** The Administrator shall prepare and keep on file updated Attachments 1, 2, and 3 to reflect the annexed property and identify the revised Expected Land Uses and Maximum IA1 Revenues. After the annexation is complete, the application of Sections C and F of this RMA shall be based on the adjusted Expected Land Uses and Maximum IA1 Revenues including the newly annexed property.
- Step 3.** The Administrator shall ensure that a Notice of Special Tax Lien is recorded against all Parcels that are annexed to the CFD.

**F. METHOD OF LEVY OF THE SPECIAL TAX**

Each Fiscal Year, the 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 or TIDA makes a finding that all Qualified Project Costs have been funded pursuant to the Financing Plan, or (ii) 42 years after the first series of Bonds was issued for Improvement Area No. 1, the Maximum Special Tax shall be levied 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.
- In all Fiscal Years after the earlier of: (i) the Fiscal Year in which the City or TIDA makes a finding that all Qualified Project Costs have been funded pursuant to the Financing Plan, or (ii) 42 years after the first series of Bonds was issued for Improvement Area No. 1, the Special Tax shall be levied Proportionately on each Parcel of Developed Property, up to 100% of the Maximum Special Tax for each Parcel of Developed Property until the amount levied is equal to the Special Tax Requirement.
- Step 2.* If additional revenue is needed after Step 1 in order to meet the Special Tax Requirement after Capitalized Interest has been applied to reduce the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Vertical DDA Property, up to 100% of the Maximum Special Tax for each Parcel of Vertical DDA Property for such Fiscal Year.
- Step 3.* If additional revenue is needed after Step 2 in order to meet the Special Tax Requirement after Capitalized Interest has been applied to reduce the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Undeveloped Property, up to 100% of the Maximum Special Tax for each Parcel of Undeveloped Property for such Fiscal Year.
- Step 4:* If additional revenue is needed after Step 3 in order to meet the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of



Expected Taxable Property, up to 100% of the Maximum Special Tax for each Parcel of Expected Taxable Property.

#### **G. COLLECTION OF SPECIAL TAX**

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 Tax, 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. The Special Tax bill for any Parcel subject to a leasehold interest will be sent to the same party that receives the possessory interest tax bill associated with the leasehold.

The Facilities Special Tax shall be levied and collected until the earlier of: (i) the Fiscal Year in which the City determines that all Qualified Project Costs have been funded pursuant to the Financing Plan and all other Authorized Expenditures that will be funded by the CFD have been funded, and (ii) the Transition Year. The Services Special Tax shall be levied and collected in perpetuity beginning in the Transition Year. Pursuant to Section 53321(d) of the Act, the Facilities Special Tax levied against a Parcel used for private residential purposes shall under no circumstances increase more than ten percent (10%) as a consequence of delinquency or default by the owner of any other Parcel or Parcels and shall, in no event, exceed the Maximum Special Tax in effect for the Fiscal Year in which the Special Tax is being levied.

#### **H. EXEMPTIONS**

Notwithstanding any other provision of this RMA, no Special Tax shall be levied on: (i) Public Property or Association Property, except Public Property or Association Property that is determined to be Expected Taxable Property or a Hotel Project, (ii) Authority Housing Lots or Inclusionary Units unless any such lots or units have been determined to be Expected Taxable Property, (iii) Parcels that are or are intended to be used as streets, walkways, alleys, rights of way, parks, or open space, and (iv) the Yerba Buena Officers Quarters.

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

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

#### **J. SPECIAL TAX APPEALS**

Any taxpayer who wishes to challenge the accuracy of computation of the Special Tax in any Fiscal Year may file an application with the Administrator. The Administrator, in consultation with the City Attorney, shall promptly review the taxpayer's application. If the Administrator concludes that the computation of the 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 the Special Tax 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.


## **ATTACHMENT 1**

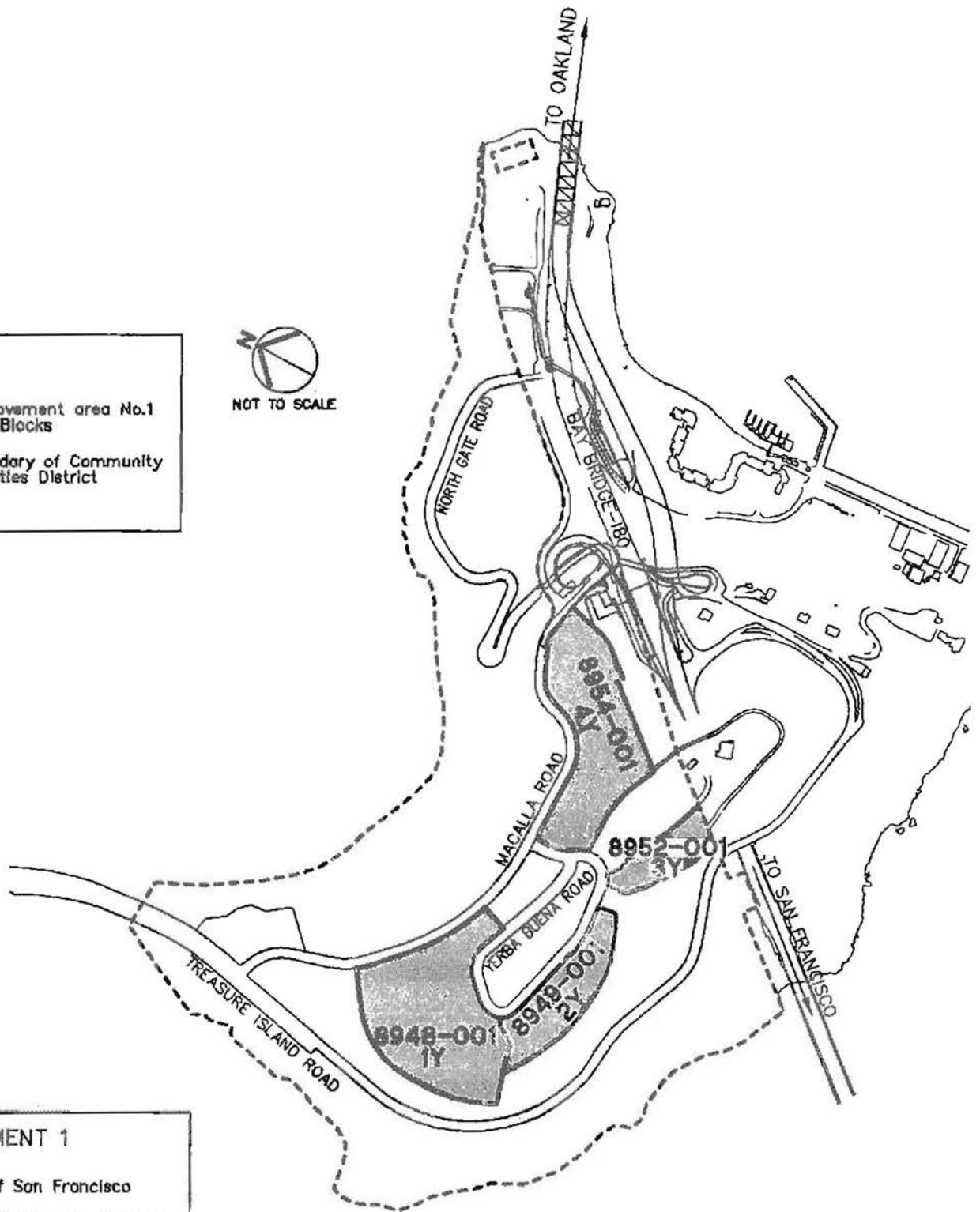
### **IMPROVEMENT AREA NO. 1 OF THE CITY AND COUNTY OF SAN FRANCISCO COMMUNITY FACILITIES DISTRICT NO. 2016-1 (TREASURE ISLAND)**

#### **IDENTIFICATION OF SUB-BLOCKS IN IMPROVEMENT AREA NO. 1**

**Legend**

 Improvement area No.1 sub-Blocks

 Boundary of Community Facilities District



**ATTACHMENT 1**

City and County of San Francisco

Community Facilities District No. 2016-1  
(Treasure Island)

Identification of Sub-Blocks

## **ATTACHMENT 2**

### **IMPROVEMENT AREA NO. 1 OF THE CITY AND COUNTY OF SAN FRANCISCO COMMUNITY FACILITIES DISTRICT NO. 2016-1 (TREASURE ISLAND)**

#### **EXPECTED LAND USES AND EXPECTED MAXIMUM FACILITIES SPECIAL TAX REVENUES FOR EACH SUB-BLOCK IN IMPROVEMENT AREA NO. 1**



# ATTACHMENT 2

## Improvement Area No. 1 of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)

### Expected Land Uses and Expected Maximum Facilities Special Tax Revenues by Sub-Block

Sub-Block /1	Expected Land Use	Expected Number of Residential Units	Expected Square Footage	Base Facilities Special Tax (FY 2016-17) /2	Expected Maximum Facilities Special Tax Revenues (FY 2016-17) /2
1Y	Yerba Buena Townhome Project:				
	Market Rate Unit	94	223,515	\$5.82	\$1,300,857
	Inclusionary Unit	0	0	\$0.00	\$0
	Total	94			\$1,300,857
2Y	Hotel	N/A	40,000	\$3.00	\$120,000
	Total	0			\$120,000
3Y	Yerba Buena Townhome Project:				
	Market Rate Unit	10	24,220	\$5.82	\$140,960
	Inclusionary Unit	0	0	\$0.00	\$0
	Total	10			\$140,960
4Y	Yerba Buena Townhome Project:				
	Market Rate Unit	58	127,158	\$5.82	\$740,060
	Inclusionary Unit	3	6,852	\$0.00	\$0
	Low-Rise Project				
	Market Rate Unit	101	116,950	\$6.13	\$716,904
	Inclusionary Unit	11	13,495	\$0.00	\$0
	Total	173			\$1,456,963

Maximum IA1 Revenues (Fiscal Year 2016-17 \$)	277	\$3,018,781
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/1 See Attachment 1 for the geographic area associated with each Sub-Block.

/2 Beginning July 1, 2017 and each July 1 thereafter the Base Facilities Special Taxes shall be escalated as set forth in Section D.1.

## **ATTACHMENT 3**

### **IMPROVEMENT AREA NO. 1 OF THE CITY AND COUNTY OF SAN FRANCISCO COMMUNITY FACILITIES DISTRICT NO. 2016-1 (TREASURE ISLAND)**

#### **IDENTIFICATION OF AUTHORITY HOUSING LOTS IN IMPROVEMENT AREA NO. 1**

*[No Authority Housing Lots are expected within Improvement Area No. 1.]*

CITY AND COUNTY OF SAN FRANCISCO  
Community Facilities District No. 2016-1  
(Treasure Island)

OFFICIAL BALLOT  
SPECIAL TAX ELECTION

Improvement Area No. 1

This ballot is for a special, landowner election. You must return this ballot in the enclosed postage paid envelope to the office of the Director of Elections of the City and County of San Francisco no later than the hour of 3:00 p.m. on January 24, 2017, either by mail or in person. The office of the Director of Elections of the City and County of San Francisco is located at 1 Dr. Carlton B. Goodlett Place, San Francisco, California 94102.

To vote, mark a cross (X) on the voting line after the word "YES" or after the word "NO". All marks otherwise made are forbidden. All distinguishing marks are forbidden and make the ballot void.

If you wrongly mark, tear, or deface this ballot, return it to the Director of Elections of the City and County of San Francisco and obtain another.

Shall the City and County of San Francisco ("City") levy a special tax solely on lands within Improvement Area No. 1 of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island) ("Improvement Area") in accordance with the rate and method contained in the Board of Supervisors resolution entitled "Resolution of formation of City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island), Improvement Area No. 1 and a Future Annexation Area, and determining other matters in connection therewith" ("Formation Resolution"), commencing in the City's fiscal year 2017-18, to pay for the public facilities and the public services specified in the Formation Resolution and to pay the costs of the City in administering the Improvement Area; shall the annual appropriations limit of the Improvement Area be established in the amount of \$90 million; and shall the City issue bonds and incur other debt ("bonds") for the Improvement Area in one or more series in the maximum aggregate principal amount of \$250 million with interest at a rate or rates not to exceed the maximum interest rate permitted by law at the time of sale of such bonds on behalf of the Improvement Area, the proceeds of which bonds will be used to acquire and/or construct certain facilities and pay for the costs of issuing the bonds and related expenses?

YES: \_\_\_\_\_

NO: \_\_\_\_\_

By execution in the space provided below, you also indicate your waiver of (i) the time limit pertaining to the conduct of the election, (ii) any requirement for analysis and arguments with respect to the ballot measure, and (iii) any irregularity in the proceedings that may be claimed as a result of the application of such waivers.

Number of Votes: 3

Number of acreage: 2.61

Property Owner:

TREASURE ISLAND DEVELOPMENT AUTHORITY  
a California nonprofit public benefit corporation

By: \_\_\_\_\_

Name: Robert P. Beck

Title: Treasure Island Director

Land Owner and Voter:

TREASURE ISLAND DEVELOPMENT AUTHORITY  
Attn: Robert P. Beck, Treasure Island Director  
One Avenue of the Palms  
Treasure Island  
San Francisco, CA 94130

**First Class Mail**

To: **Director of Elections  
City and County of San Francisco  
1 Dr. Carlton B. Goodlett Place  
City Hall  
San Francisco, CA 94102**

I hereby declare under penalty of perjury that the voter listed on the enclosed ballot is the owner of record or the authorized representative of the land owner entitled to vote said ballot.

Executed on \_\_\_\_\_, 2017  
at \_\_\_\_\_, California.  
  
By: \_\_\_\_\_

Attention: This envelope contains an official ballot and is to be opened only by the canvassing board with respect to the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island) special election to be held on January 24, 2017.



**CITY AND COUNTY OF SAN FRANCISCO  
Community Facilities District No. 2016-1  
(Treasure Island)**

**AFFIDAVIT OF MAILING BALLOT  
FOR SPECIAL LANDOWNER ELECTION**

I, Brenda R. Foster, the undersigned, under penalty of perjury, certify as follows, in accordance with Government Code Section 53326(d):

That for and on behalf of the Director of Elections of the City and County of San Francisco (the "City"), and on January 11, 2017, I caused to be mailed the Official Ballot for special landowner election, postage prepaid, to all qualified electors in the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island), whose names and addresses appear on the last equalized assessment roll for general taxes, or are known to said Director of Elections, at their respective addresses as same appeared on said roll or as known to said Director of Elections, a copy of which Ballot and a copy of which letters are attached as Exhibit A.

Executed on January 11, 2017

A handwritten signature in black ink, reading "Brenda R. Foster". The signature is written in a cursive style with a long horizontal line extending from the end of the name.

Brenda R. Foster,  
Jones Hall, A Professional Law Corporation

**EXHIBIT A**  
**BALLOTS AND LETTERS**

CITY AND COUNTY OF SAN FRANCISCO  
Community Facilities District No. 2016-1  
(Treasure Island)

OFFICIAL BALLOT  
SPECIAL TAX ELECTION

Improvement Area No. 1

This ballot is for a special, landowner election. You must return this ballot in the enclosed postage paid envelope to the office of the Director of Elections of the City and County of San Francisco no later than the hour of 3:00 p.m. on January 24, 2017, either by mail or in person. The office of the Director of Elections of the City and County of San Francisco is located at 1 Dr. Carlton B. Goodlett Place, San Francisco, California 94102.

To vote, mark a cross (X) on the voting line after the word "YES" or after the word "NO". All marks otherwise made are forbidden. All distinguishing marks are forbidden and make the ballot void.

If you wrongly mark, tear, or deface this ballot, return it to the Director of Elections of the City and County of San Francisco and obtain another.

Shall the City and County of San Francisco ("City") levy a special tax solely on lands within Improvement Area No. 1 of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island) ("Improvement Area") in accordance with the rate and method contained in the Board of Supervisors resolution entitled "Resolution of formation of City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island), Improvement Area No. 1 and a Future Annexation Area, and determining other matters in connection therewith" ("Formation Resolution"), commencing in the City's fiscal year 2017-18, to pay for the public facilities and the public services specified in the Formation Resolution and to pay the costs of the City in administering the Improvement Area; shall the annual appropriations limit of the Improvement Area be established in the amount of \$90 million; and shall the City issue bonds and incur other debt ("bonds") for the Improvement Area in one or more series in the maximum aggregate principal amount of \$250 million with interest at a rate or rates not to exceed the maximum interest rate permitted by law at the time of sale of such bonds on behalf of the Improvement Area, the proceeds of which bonds will be used to acquire and/or construct certain facilities and pay for the costs of issuing the bonds and related expenses?

YES: \_\_\_\_\_

NO: \_\_\_\_\_

By execution in the space provided below, you also indicate your waiver of (i) the time limit pertaining to the conduct of the election, (ii) any requirement for analysis and arguments with respect to the ballot measure, and (iii) any irregularity in the proceedings that may be claimed as a result of the application of such waivers.

Number of Votes: 3

Number of acreage: 2.61

Property Owner:

TREASURE ISLAND DEVELOPMENT AUTHORITY  
a California nonprofit public benefit corporation

By: \_\_\_\_\_

Name: Robert P. Beck

Title: Treasure Island Director

CITY AND COUNTY OF SAN FRANCISCO  
Community Facilities District No. 2016-1  
(Treasure Island)

OFFICIAL BALLOT  
SPECIAL TAX ELECTION

Improvement Area No. 1

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If you wrongly mark, tear, or deface this ballot, return it to the Director of Elections of the City and County of San Francisco and obtain another.

Shall the City and County of San Francisco ("City") levy a special tax solely on lands within Improvement Area No. 1 of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island) ("Improvement Area") in accordance with the rate and method contained in the Board of Supervisors resolution entitled "Resolution of formation of City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island), Improvement Area No. 1 and a Future Annexation Area, and determining other matters in connection therewith" ("Formation Resolution"), commencing in the City's fiscal year 2017-18, to pay for the public facilities and the public services specified in the Formation Resolution and to pay the costs of the City in administering the Improvement Area; shall the annual appropriations limit of the Improvement Area be established in the amount of \$90 million; and shall the City issue bonds and incur other debt ("bonds") for the Improvement Area in one or more series in the maximum aggregate principal amount of \$250 million with interest at a rate or rates not to exceed the maximum interest rate permitted by law at the time of sale of such bonds on behalf of the Improvement Area, the proceeds of which bonds will be used to acquire and/or construct certain facilities and pay for the costs of issuing the bonds and related expenses?

YES: \_\_\_\_\_

NO: \_\_\_\_\_

By execution in the space provided below, you also indicate your waiver of (i) the time limit pertaining to the conduct of the election, (ii) any requirement for analysis and arguments with respect to the ballot measure, and (iii) any irregularity in the proceedings that may be claimed as a result of the application of such waivers.

Number of Votes: 14

Number of acreage: 13.26

Property Owner:  
TREASURE ISLAND SERIES 1, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
Name: Jonathan M. Jaffe  
Its: Vice President

By: \_\_\_\_\_  
Name: Christopher Meany  
Title: Authorized Signatory





JONES HALL

January 11, 2017

475 Sansome Street  
Suite 2700  
San Francisco, CA 94111  
t. 415.391 5780  
f. 415.276 2088

Treasure Island Series 1, LLC  
c/o Kheey Lake  
Wilson Meany  
Four Embarcadero Center, Suite 3330  
San Francisco, CA 94111

Re: City and County of San Francisco Community Facilities District No. 2016-1  
(Treasure Island); Improvement Area No. 1 of the City and County of San  
Francisco Community Facilities District No. 2016-1 (Treasure Island)

Dear Property Owner:

As you know, the City and County of San Francisco (the "City") has begun the formation of the above-referenced community facilities district (the "CFD") and the above-referenced improvement area ("Improvement Area No. 1") that includes your property. The next steps will be the public hearings and property owner election, which will all happen at the same meeting of the Board of Supervisors (the "Board of Supervisors") of the City on January 24, 2017. In anticipation of the hearing and the election, the City sends you:

1. **Notice of Public Hearings.** There will be two hearings on January 24, 2017. They will be on the formation of the CFD and Improvement Area No. 1, and the authorization of bonds.

2. **Proposed Resolution of Formation.** This is the resolution that the Board of Supervisors proposes to adopt after the hearings. It will form the CFD and Improvement Area No. 1, subject to a favorable property owner vote. The facilities and the services to be financed are shown in Exhibit A to it and the method of special tax apportionment is shown in Exhibit B. Please review both exhibits carefully to make sure what is being financed and how the special tax will affect your property. If the formation process is completed, this tax will be recorded against your property.

3. **Official Ballot.** I attach a special election ballot, reflecting property ownership information provided by you to us. This is the ballot that you must use to vote for the special tax, the appropriations limit and the bonds for Improvement Area No. 1. Please note the number of votes shown at the lower right side. Each owner has one vote for each acre of land or portion of an acre of land he or she owns in Improvement Area No. 1. If you feel that the number of votes is not correct, please contact the person shown below. Mark your ballot and put it in the ballot envelope provided.

4. **Official Ballot Envelope.** The marked official ballot must be put in the enclosed ballot envelope. Please complete and sign the envelope. Then either mail it or return it in

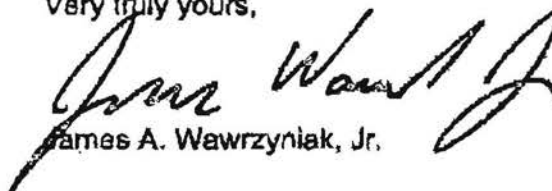


person to the office of the Director of Elections of the City and County of San Francisco not later than 3:00 p.m. on January 24, 2017. The address of the office of the Director of Elections of the City and County of San Francisco is shown on the envelope.

The ballots will be counted by the Director of Elections at the Board of Supervisors meeting on January 24, 2017. If there is approval by two-thirds of the votes cast, the City will proceed with the issuance of the bonds to finance the public facilities for Improvement Area No. 1 and the levy of special taxes to finance facilities and services.

The election date cannot be postponed, continued or extended, so please be sure that your ballot is received by the Director of Elections of the City and County of San Francisco by the time specified above. If you have any questions about any of this, please contact: Nadia Sesay, Director of the Office of Public Finance, City and County of San Francisco, 1 Dr. Carlton B. Goodlett Place, San Francisco, California 94102; Telephone: (415) 554-5956.

Very truly yours,



James A. Wawrzyniak, Jr.

Enclosures

cc: via email-PDF  
John Amtz, Director of Elections  
Alisa Somera, Legislative Deputy, San Francisco Board of Supervisors



JONES HALL

January 11, 2017

475 Sansome Street

Suite 1700

San Francisco, CA 94111

t. 415.391.5780

f. 415.276.2088

Treasure Island Development Authority  
Attn: Robert P. Beck, Treasure Island Director  
One Avenue of the Palms  
Treasure Island  
San Francisco, CA 94130

Re: City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island); Improvement Area No. 1 of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)

Dear Property Owner:

As you know, the City and County of San Francisco (the "City") has begun the formation of the above-referenced community facilities district (the "CFD") and the above-referenced improvement area ("Improvement Area No. 1") that includes your property. The next steps will be the public hearings and property owner election, which will all happen at the same meeting of the Board of Supervisors (the "Board of Supervisors") of the City on January 24, 2017. In anticipation of the hearing and the election, the City sends you:

1. **Notices of Public Hearings.** There will be two hearings on January 24, 2017. They will be on the formation of the CFD and Improvement Area No. 1, and the authorization of bonds.
2. **Proposed Resolution of Formation.** This is the resolution that the Board of Supervisors proposes to adopt after the hearings. It will form the CFD and Improvement Area No. 1, subject to a favorable property owner vote. The facilities and the services to be financed are shown in Exhibit A to it and the method of special tax apportionment is shown in Exhibit B. Please review both exhibits carefully to make sure what is being financed and how the special tax will affect your property. If the formation process is completed, this tax will be recorded against your property.
3. **Official Ballot.** I attach a special election ballot, reflecting property ownership information provided by you to us. This is the ballot that you must use to vote for the special tax, the appropriations limit and the bonds for Improvement Area No. 1. Please note the number of votes shown at the lower right side. Each owner has one vote for each acre of land or portion of an acre of land he or she owns in Improvement Area No. 1. If you feel that the number of votes is not correct, please contact the person shown below. Mark your ballot and put it in the ballot envelope provided.
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EXHIBIT A

4874

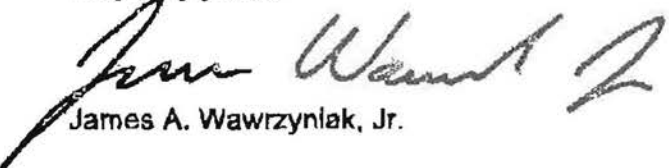


person to the office of the Director of Elections of the City and County of San Francisco not later than 3:00 p.m. on January 24, 2017. The address of the office of the Director of Elections of the City and County of San Francisco is shown on the envelope.

The ballots will be counted by the Director of Elections at the Board of Supervisors meeting on January 24, 2017. If there is approval by two-thirds of the votes cast, the City will proceed with the Issuance of the bonds to finance the public facilities for Improvement Area No. 1 and the levy of special taxes to finance facilities and services.

The election date cannot be postponed, continued or extended, so please be sure that your ballot is received by the Director of Elections of the City and County of San Francisco by the time specified above. If you have any questions about any of this, please contact: Nadia Sesay, Director of the Office of Public Finance, City and County of San Francisco, 1 Dr. Carlton B. Goodlett Place, San Francisco, California 94102; Telephone: (415) 554-5956.

Very truly yours,



James A. Wawrzyniak, Jr.

Enclosures

cc: *via email-PDF*  
John Arntz, Director of Elections  
Allse Somera, Legislative Deputy, San Francisco Board of Supervisors



City and County of San Francisco  
**Department of Elections**

John Arntz, Director

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January 13, 2017

Honorable Members  
San Francisco Board of Supervisors  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco, California 94102

Re: Registered Voters within Boundaries of Proposed "City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)" and "City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island)"

Dear Honorable Supervisors:

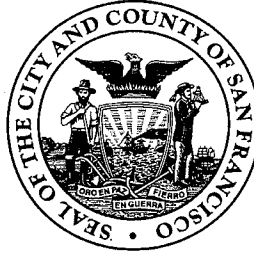
This letter confirms that on December 22, 2016 and on January 13, 2017, I have reviewed the records of registered voters for the territory that is encompassed within the boundaries of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island) (the "CFD") and the City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) (the "IRFD"), as such territory is shown on the boundary maps for the CFD and the IRFD, respectively, reference to which maps is hereby made and by this reference incorporated herein.

Based on this review, I hereby certify that on each of the aforementioned dates, there were no registered voters within the boundaries of either the CFD or the IRFD, respectively.

Respectfully,



John Arntz, Director



## NOTICE OF PUBLIC HEARINGS

### BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO

NOTICE IS HEREBY GIVEN THAT, in accordance with California Government Code, Sections 53322(a) and 53346, the Board of Supervisors of the City and County of San Francisco, as a Committee of the Whole, will hold public hearings to consider the following proposals and said public hearings will be held as follows, at which time all interested parties may attend and be heard:

**Date:** Tuesday, January 24, 2017

**Time:** 3:00 p.m.

**Location:** Legislative Chamber, City Hall, Room 250  
1 Dr. Carlton B. Goodlett, Place, San Francisco, CA

**Subject:** **File No. 161362.** Hearing of the Board of Supervisors sitting as a Committee of the Whole on January 24, 2017, at 3:00 p.m., to hold public hearings to consider the following to form Community Facilities District No. 2016-1 and incur bonded indebtedness for Community Facilities District No. 2016-1: (File Nos. 161122, 161123, 161124, 161125, 161126, and 161127) a Resolution of formation of Community Facilities District No. 2016-1, Improvement Area No. 1 and a future annexation area; a Resolution determining necessity to incur bonded indebtedness and other debt in an amount not to exceed \$5,000,000,000 for the Community Facilities District; a Resolution calling a special election in the City and County of San Francisco Community Facilities District; a Resolution declaring results of the special election and directing recording of notice of special tax lien for the Community Facilities District; an Ordinance levying special taxes within the Community Facilities District; and a Resolution authorizing the issuance and sale of special tax bonds for Improvement Area No. 1 of the Community Facilities District in an aggregate principal amount not to exceed \$250,000,000.



On December 6, 2016, pursuant to the Mello-Roos Community Facilities Act of 1982, as amended ("Mello-Roos Act"), the Board of Supervisors ("Board of Supervisors") of the City and County of San Francisco ("City"), State of California adopted a resolution of intention ("Resolution of Intention") to establish (i) "City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)" ("CFD"), (ii) "Improvement Area No. 1 of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)" ("Improvement Area No. 1"), and (iii) a future annexation area for the CFD ("Future Annexation Area").

Also on December 6, 2016, the Board of Supervisors adopted a resolution of intention to incur bonded indebtedness and other debt in an amount not to exceed \$5.0 billion for the CFD, Improvement Area No. 1 and the Future Annexation Area under the Mello-Roos Act (the "Bond Resolution").

Under the Mello-Roos Act, the Resolution of Intention and the Bond Resolution, the Board of Supervisors gives notice as follows:

1. The text of the Resolution of Intention, with Exhibits A and B thereto, as adopted by the Board of Supervisors, is on file with the Clerk of the Board of Supervisors and reference is made thereto for the particular provisions thereof. The text of the Resolution of Intention is summarized as follows:

a. Under the Mello-Roos Act, this Board of Supervisors is undertaking proceedings for the establishment of the CFD, Improvement Area No. 1 and the Future Annexation Area, the boundaries of which are shown on a map on file with the City.

b. The purpose of the CFD, Improvement Area No. 1 and the Future Annexation Area is to provide for the financing of (i) certain public facilities ("Facilities") as more fully described in the Resolution of Intention and Exhibit A thereto and (ii) certain public services ("Services") as more fully described in the Resolution of Intention and Exhibit A thereto.

c. Initially, the method of financing the Facilities and the Services is through the imposition and levy of a special tax ("Special Tax") to be apportioned on the properties in Improvement Area No. 1 under the rate and method of apportionment described in the Resolution of Intention and Exhibit B thereto.

d. The Resolution of Intention directed the preparation of a CFD Report that shows the Facilities and the Services and the estimated costs of the Facilities and the Services. The CFD Report will be made a permanent part of the record of the public hearing specified below. Reference is made to the CFD Report as filed with the Clerk of the Board of Supervisors.

e. Property within the Future Annexation Area will be annexed to the CFD, and may be designated as one or more improvement areas (each, a "Future Improvement Area"), and a special tax will be levied on such property, only with the

unanimous approval (each, a "Unanimous Approval") of the owner or owners of each parcel or parcels at the time that parcel or those parcels are annexed, in accordance with the annexation approval procedures specified in the Resolution of Intention.

f. As set forth below, the Board of Supervisors will hold a public hearing on the establishment of the CFD, Improvement Area No. 1 and the Future Annexation Area, the Facilities, the Services and the Special Tax.

2. The public hearing will be held on the date and at the time specified above, or as soon as possible thereafter, in the Legislative Chamber, City Hall, Room 250, 1 Dr. Carlton B. Goodlett, Place, San Francisco, CA 94102.

3. At the hearing, the testimony of all interested persons or taxpayers, including all persons owning property within Improvement Area No. 1, for or against the establishment of the CFD and Improvement Area No. 1, the Special Tax to be levied in Improvement Area No. 1, the extent of the CFD and Improvement Area No. 1 and the furnishing of the specified Facilities and Services, will be heard. Any person interested may file a protest in writing as provided in Section 53323 of the Mello-Roos Act. Any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and shall clearly set forth the irregularities and defects to which objection is made. All written protests must be filed with the Clerk of the Board of Supervisors on or before the time fixed for the hearing.

If 50% or more of the registered voters, or six registered voters, whichever is more, residing in the territory proposed to be included in Improvement Area No. 1, or the owners of one-half or more of the area of land in the territory proposed to be included in Improvement Area No. 1 and not exempt from the Special Tax to be levied in Improvement Area No. 1, file written protests against the establishment of Improvement Area No. 1 and the protests are not withdrawn to reduce the value of the protests to less than a majority, the Board of Supervisors shall take no further action to create the CFD and Improvement Area No. 1 or levy the Special Tax in Improvement Area No. 1 for a period of one year from the date of decision of the Board of Supervisors, and, if the majority protests of the registered voters or landowners are only against the furnishing of a type or types of Facilities or Services within the CFD and Improvement Area No. 1, or against levying a specified part of the Special Tax in Improvement Area No. 1, those types of Facilities or Services or the specified part of the Special Tax to be levied in Improvement Area No. 1 will be eliminated from the proceedings to form the CFD and Improvement Area No. 1.

In addition, at the hearing, the testimony of all interested persons for and against the establishment of the Future Annexation Area or the levying of special taxes within any portion of the Future Annexation Area annexed in the future to the CFD will be heard. If 50% or more of the registered voters, or 6 registered voters, whichever is more, residing within the proposed territory of the CFD, or if 50% or more of the registered voters, or 6 registered voters, whichever is more, residing in the territory proposed to be included in the Future Annexation Area, or the owners of 50% or more of the area of land in the territory proposed to be included in the CFD or in the Future

Annexation Area, file written protests against the establishment of the Future Annexation Area and the protests are not withdrawn to reduce the value of the protests to less than a majority, the Board of Supervisors shall take no further action to create the Future Annexation Area for a period of one year from the date of decision of the Board of Supervisors.

4. If there is no majority protest, the Board of Supervisors may submit the levy of the Special Tax in Improvement Area No. 1 for voter approval at a special election. The Special Tax requires the approval of 2/3rds of the votes cast at a special election by the property owner voters of Improvement Area No. 1, with each owner having one vote for each acre or portion thereof such owner owns in Improvement Area No. 1 not exempt from the Special Tax.

5. Reference is hereby made to the entire text of the Bond Resolution, a complete copy of which is on file with the Clerk of the Board of Supervisors. The text of the Bond Resolution is summarized as follows:

a. The Board of Supervisors has adopted the Resolution of Intention stating its intention to form the CFD, Improvement Area No. 1 and the Future Annexation Areas for the purpose of financing, among other things, all or part of the Facilities, as further provided in that Resolution of Intention.

b. The Board of Supervisors estimates the amount required to finance the costs of the Facilities to be not more than \$5.0 billion and, in order to finance such costs, it is necessary to (i) incur bonded indebtedness and other debt (as defined in the Mello-Roos Act) in the amount of not more than \$5.0 billion on behalf of the CFD and the improvement areas therein (including Future Improvement Areas (as such term is defined herein)), (ii) for Improvement Area No. 1, to incur bonded indebtedness and other debt (as defined in the Mello-Roos Act) in the amount of not more than \$250 million ("Improvement Area No. 1 Indebtedness Limit"), and (iii) for the portion of the CFD that is not in Improvement Area No. 1, to incur bonded indebtedness and other debt (as defined in the Mello-Roos Act) in the amount of not more than \$4.75 billion ("Non-Improvement Area No. 1 Indebtedness Limit").

c. The proposed bonded indebtedness and other debt is to finance the Facilities, including acquisition and improvement costs and all costs incidental to or connected with the accomplishment of such purposes and of the financing thereof, as permitted by the Mello-Roos Act.

d. The Board of Supervisors, acting as legislative body for the CFD, intends to authorize the issuance and sale of bonds and other forms of debt (as defined in the Mello-Roos Act) payable from the Improvement Area No. 1 Special Tax in one or more series in the aggregate principal amount of not more than the Improvement Area No. 1 Indebtedness Limit. The Board of Supervisors, acting as legislative body for the CFD, intends to authorize the issuance and sale of bonds and other forms of debt (as defined in the Mello-Roos Act) payable from special taxes levied in the portion of the CFD that is

not in Improvement Area No. 1 in one or more series in the maximum aggregate principal amount of not more than the Non-Improvement Area No. 1 Indebtedness.

e. In the event all or a portion of the Future Annexation Area is annexed as one or more future improvement areas (each, a "Future Improvement Area"), the maximum indebtedness of each such Future Improvement Area shall be identified and approved in the unanimous approval executed by property owners in connection with their annexation to the CFD at the time of the annexation (each, a "Unanimous Approval") and in accordance with the Annexation Approval Procedures described in the Resolution of Intention referred to above, and the amount of the maximum indebtedness for the Future Improvement Area shall be subtracted from the Non-Improvement Area No. 1 Indebtedness Limit, which shall result in a corresponding reduction in the Non-Improvement Area No. 1 Indebtedness Limit.

f. The Board of Supervisors, acting as legislative body for the CFD, intends to authorize the issuance and sale of bonds and other forms of debt (as defined in the Mello-Roos Act) payable from a special tax levied in each Future Improvement Area in one or more series in the aggregate principal amount determined at the time of annexation of such territory as a separate improvement area (not to exceed the Non-Improvement Area No. 1 Indebtedness Limit in the aggregate).

6. The Board of Supervisors will hold a public hearing on the necessity of incurring the above amount of bonded indebtedness and other debt for the CFD, Improvement Area No. 1 and the Future Annexation Area on the date and at the time specified above, or as soon as possible thereafter, in the Legislative Chamber, City Hall, Room 250, 1 Dr. Carlton B. Goodlett, Place, San Francisco, CA 94102.

7. At public hearing the testimony of all interested persons, including voters and/or persons owning property in the area of the proposed CFD, Improvement Area No. 1 and the Future Annexation Area for and against the proposed bonded debt and other debt, will be heard.

In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments prior to the time the hearing begins. These comments will be made as part of the official public record in this matter and shall be brought to the attention of the Board of Supervisors. Written comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA, 94102. Information relating to this matter is available in the Office of the Clerk of the Board and agenda information relating to this matter will be available for public review on Friday, January 20, 2017.

  
for Angela Calvillo  
Clerk of the Board

## GOVERNMENT

**NOTICE OF PUBLIC HEARING** Tuesday, January 10, 2017 - 1:30 PM City Hall, Room 400, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102, at a Regular Meeting of the San Francisco Public Utilities Commission (SFPUC), the governing board of the publicly owned utility operations of the City and County of San Francisco: Notice is hereby given that the SFPUC will conduct a public hearing to consider proposed rules and regulations by the San Francisco Public Utilities Commission (SFPUC) regarding excessive residential water use during drought periods. The detailed agenda and related files will be available at least 72 hours before the scheduled meetings at the SFPUC website [www.sfwater.org](http://www.sfwater.org), or by calling (415) 554-3165. All interested parties are invited to attend the public hearing and present their views. Persons who are unable to attend the public hearing may also submit to the City, by the time the proceedings begin, written comments regarding the subject of the hearing. These comments will be brought to the attention of the Commission and will become part of the official public record. Written comments can be sent to Donna Hood, Commission Secretary, SFPUC, 525 Golden Gate Ave., 13th Floor, SF, CA 94102. The Draft Excessive Residential Water Use Rules and Regulations can be viewed and printed from the SFPUC website at [www.sfwater.org/waterwaste](http://www.sfwater.org/waterwaste).

### NOTICE OF PUBLIC HEARINGS BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO

NOTICE IS HEREBY GIVEN THAT, in accordance with California Government Code, Sections 53322(a) and 53346, the Board of Supervisors of the City and County of San Francisco, as a Committee of the Whole, will hold public hearings to consider the following proposals and said public hearings will be held as follows, at which time all interested parties may attend and be heard:

**Date:** Tuesday, January 24, 2017 Time: 3:00 p.m.  
**Location:** Legislative Chamber, City Hall, Room 250 1 Dr. Carlton B. Goodlett, Place, San Francisco, CA  
**Subject:** File No. 161362. Hearing of the Board of Supervisors sitting as a Committee of the Whole on January 24, 2017, at 3:00 p.m., to hold public hearings to consider the following to form Community Facilities District No. 2016-1 and incur bonded indebtedness for Community Facilities District No. 2016-1: (File Nos. 161122, 161123, 161124, 161125, 161126, and 161127) a Resolution of formation of Community Facilities District No. 2016-1, Improvement Area No. 1 and a future annexation area; a Resolution determining necessity to incur bonded indebtedness and other debt in an amount not to exceed \$5,000,000,000

for the Community Facilities District; a Resolution calling a special election in the City and County of San Francisco Community Facilities District; a Resolution declaring results of the special election and directing recording of notice of special tax lien for the Community Facilities District; an Ordinance levying special taxes within the Community Facilities District; and a Resolution authorizing the issuance and sale of special tax bonds for Improvement Area No. 1 of the Community Facilities District in an aggregate principal amount not to exceed \$250,000,000. On December 6, 2016, pursuant to the Mello-Roos Community Facilities Act of 1982, as amended ("Mello-Roos Act"), the Board of Supervisors ("Board of Supervisors") of the City and County of San Francisco ("City"), State of California adopted a resolution of intention ("Resolution of Intention") to establish (i) "City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)" ("CFD"), (ii) "Improvement Area No. 1 of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)" ("Improvement Area No. 1"), and (iii) a future annexation area for the CFD ("Future Annexation Area"). Also on December 6, 2016, the Board of Supervisors adopted a resolution of intention to incur bonded indebtedness and other debt in an amount not to exceed \$5.0 billion for the CFD, Improvement Area No. 1 and the Future Annexation Area under the Mello-Roos Act (the "Bond Resolution"). Under the Mello-Roos Act, the Resolution of Intention and the Bond Resolution, the Board of Supervisors gives notice as follows:

1. The text of the Resolution of Intention, with Exhibits A and B thereto, as adopted by the Board of Supervisors, is on file with the Clerk of the Board of Supervisors and reference is made thereto for the particular provisions thereof. The text of the Resolution of Intention is summarized as follows:

a. Under the Mello-Roos Act, this Board of Supervisors is undertaking proceedings for the establishment of the CFD, Improvement Area No. 1 and the Future Annexation Area, the boundaries of which are shown on a map on file with the City.

b. The purpose of the CFD, Improvement Area No. 1 and the Future Annexation Area is to provide for the financing of (i) certain public facilities ("Facilities") as more fully described in the Resolution of Intention and Exhibit A thereto and (ii) certain public services ("Services") as more fully described in the Resolution of Intention and Exhibit B thereto. c. Initially, the method of financing the Facilities and the Services is through the imposition and levy of a special tax ("Special Tax") to be apportioned on the properties in Improvement Area No. 1 under the rate and method of apportionment described in the Resolution of Intention and Exhibit B thereto. d. The Resolution of Intention directed the preparation of a CFD Report that shows the Facilities and the Services and the estimated costs of the Facilities and the Services.

The CFD Report will be made a permanent part of the record of the public hearing specified below. Reference is made to the CFD Report as filed with the Clerk of the Board of Supervisors.

e. Property within the Future Annexation Area will be annexed to the CFD, and may be designated as one or more improvement areas (each, a "Future Improvement Area"), and a special tax will be levied on such property, only with the unanimous approval (each, a "Unanimous Approval") of the owner or owners of each parcel or parcels at the time that parcel or those parcels are annexed, in accordance with the annexation approval procedures specified in the Resolution of Intention.

f. As set forth below, the Board of Supervisors will hold a public hearing on the establishment of the CFD, Improvement Area No. 1 and the Future Annexation Area, the Facilities, the Services and the Special Tax.

2. The public hearing will be held on the date and at the time specified above, or as soon as possible thereafter, in the Legislative Chamber, City Hall, Room 250, 1 Dr. Carlton B. Goodlett, Place, San Francisco, CA 94102.

3. At the hearing, the testimony of all interested persons or taxpayers, including all persons owning property within Improvement Area No. 1, for or against the establishment of the CFD and Improvement Area No. 1, the Special Tax to be levied in Improvement Area No. 1, the extent of the CFD and Improvement Area No. 1 and the furnishing of the specified Facilities and Services, will be heard. Any person interested may file a protest in writing as provided in Section 53323 of the Mello-Roos Act. Any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and shall clearly set forth the irregularities and defects to which objection is made. All written protests must be filed with the Clerk of the Board of Supervisors on or before the time fixed for the hearing.

If 50% or more of the registered voters, or six registered voters, whichever is more, residing in the territory proposed to be included in Improvement Area No. 1, or the owners of one-half or more of the area of land in the territory proposed to be included in Improvement Area No. 1 and not exempt from the Special Tax to be levied in Improvement Area No. 1, file written protests against the establishment of Improvement Area No. 1 and the protests are not withdrawn to reduce the value of the protests to less than a majority, the Board of Supervisors shall take no further action to create the CFD and Improvement Area No. 1 or levy the Special Tax in Improvement Area No. 1 for a period of one year from the date of decision of the Board of Supervisors, and, if the majority protests of the registered voters or landowners are only against the furnishing of a type or types of Facilities or Services within the CFD and Improvement Area No. 1, or against levying a specified part of the Special Tax in Improvement Area No. 1, those types of Facilities or Services, or the specified part of the Special Tax to be levied in Improvement Area No. 1

will be eliminated from the proceedings to form the CFD and Improvement Area No. 1. In addition, at the hearing, the testimony of all interested persons for and against the establishment of the Future Annexation Area or the levying of special taxes within any portion of the Future Annexation Area annexed in the future to the CFD will be heard. If 50% or more of the registered voters, or 6 registered voters, whichever is more, residing within the proposed territory of the CFD, or if 50% or more of the registered voters, or 6 registered voters, whichever is more, residing in the territory proposed to be included in the Future Annexation Area, or the owners of 50% or more of the area of land in the territory proposed to be included in the CFD or in the Future Annexation Area, file written protests against the establishment of the Future Annexation Area and the protests are not withdrawn to reduce the value of the protests to less than a majority, the Board of Supervisors shall take no further action to create the Future Annexation Area for a period of one year from the date of decision of the Board of Supervisors.

4. If there is no majority protest, the Board of Supervisors may submit the levy of the Special Tax in Improvement Area No. 1 for voter approval at a special election. The Special Tax requires the approval of 2/3rds of the votes cast at a special election by the property owner voters of Improvement Area No. 1, with each owner having one vote for each acre or portion thereof such owner owns in Improvement Area No. 1 not exempt from the Special Tax.

5. Reference is hereby made to the entire text of the Bond Resolution, a complete copy of which is on file with the Clerk of the Board of Supervisors. The text of the Bond Resolution is summarized as follows:

a. The Board of Supervisors has adopted the Resolution of Intention stating its intention to form the CFD, Improvement Area No. 1 and the Future Annexation Areas for the purpose of financing, among other things, all or part of the Facilities, as further provided in that Resolution of Intention.

b. The Board of Supervisors estimates the amount required to finance the costs of the Facilities to be not more than \$5.0 billion and, in order to finance such costs, it is necessary to (i) incur bonded indebtedness and other debt (as defined in the Mello-Roos Act) in the amount of not more than \$5.0 billion on behalf of the CFD and the improvement areas therein (including Future Improvement Areas (as such term is defined herein)), (ii) for Improvement Area No. 1, to incur bonded indebtedness and other debt (as defined in the Mello-Roos Act) in the amount of not more than \$250 million ("Improvement Area No. 1 Indebtedness Limit"), and (iii) for the portion of the CFD that is not in Improvement Area No. 1, to incur bonded indebtedness and other debt (as defined in the Mello-Roos Act) in the amount of not more than \$4.75 billion ("Non-Improvement Area No. 1 Indebtedness Limit").

c. The proposed bonded indebtedness and other debt is to finance the Facilities, including acquisition and

improvement costs and all costs incidental to or connected with the accomplishment of such purposes and of the financing thereof, as permitted by the Mello-Roos Act.

d. The Board of Supervisors, acting as legislative body for the CFD, intends to authorize the issuance and sale of bonds and other forms of debt (as defined in the Mello-Roos Act) payable from the Improvement Area No. 1 Special Tax in one or more series in the aggregate principal amount of not more than the Improvement Area No. 1 Indebtedness Limit. The Board of Supervisors, acting as legislative body for the CFD, intends to authorize the issuance and sale of bonds and other forms of debt (as defined in the Mello-Roos Act) payable from special taxes levied in the portion of the CFD that is not in Improvement Area No. 1 in one or more series in the maximum aggregate principal amount of not more than the Non-Improvement Area No. 1 Indebtedness.

e. In the event all or a portion of the Future Annexation Area is annexed as one or more future improvement areas (each, a "Future Improvement Area"), the maximum indebtedness of each such Future Improvement Area shall be identified and approved in the unanimous approval executed by property owners in connection with their annexation to the CFD at the time of the annexation (each, a "Unanimous Approval") and in accordance with the Annexation Approval Procedures described in the Resolution of Intention referred to above, and the amount of the maximum indebtedness for the Future Improvement Area shall be subtracted from the Non-Improvement Area No. 1 Indebtedness Limit, which shall result in a corresponding reduction in the Non-Improvement Area No. 1 Indebtedness Limit.

f. The Board of Supervisors, acting as legislative body for the CFD, intends to authorize the issuance and sale of bonds and other forms of debt (as defined in the Mello-Roos Act) payable from a special tax levied in each Future Improvement Area in one or more series in the aggregate principal amount determined at the time of annexation of such territory as a separate improvement area (not to exceed the Non-Improvement Area No. 1 Indebtedness Limit in the aggregate).

6. The Board of Supervisors will hold a public hearing on the necessity of incurring the above amount of bonded indebtedness and other debt for the CFD, Improvement Area No. 1 and the Future Annexation Area on the date and at the time specified above, or as soon as possible thereafter, in the Legislative Chamber, City Hall, Room 250, 1 Dr. Carlton B. Goodlett, Place, San Francisco, CA 94102.

7. At public hearing the testimony of all interested persons, including voters and/or persons owning property in the area of the proposed CFD, Improvement Area No. 1 and the Future Annexation Area for and against the proposed bonded debt and other debt, will be heard.

In accordance with Administrative Code, Section

67.7-1, persons who are unable to attend the hearing on this matter may submit written comments prior to the time the hearing begins. These comments will be made as part of the official public record in this matter and shall be brought to the attention of the Board of Supervisors. Written comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA, 94102. Information relating to this matter is available in the Office of the Clerk of the Board and agenda information relating to this matter will be available for public review on Friday, January 20, 2017. Angela Calvillo Clerk of the Board

### NOTICE OF PUBLIC HEARING BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO

NOTICE IS HEREBY GIVEN THAT, in accordance with California Government Code, Section 53369.17, the Board of Supervisors of the City and County of San Francisco, as a Committee of the Whole, will hold a public hearing to consider the following proposals and said public hearing will be held as follows, at which time all interested parties may attend and be heard:

**Date:** Tuesday, January 24, 2017 Time: 3:00 p.m.  
**Location:** Legislative Chamber, City Hall, Room 250 1 Dr. Carlton B. Goodlett, Place, San Francisco, CA  
**Subject:** File No. 161361.

Hearing of the Board of Supervisors sitting as a Committee of the Whole on January 24, 2017, at 3:00 p.m., to hold a public hearing to consider the following to form Treasure Island Infrastructure and Revitalization Financing District No. 1: (File Nos. 161117, 161118, 161119, 161120, 161121) a Resolution proposing adoption of the Infrastructure Financing Plan and formation of the Infrastructure and Revitalization Financing District; a Resolution calling a special election for the Infrastructure and Revitalization Financing District; a Resolution declaring results of the special election; an Ordinance forming the Infrastructure and Revitalization Financing District, and adopting an Infrastructure Financing Plan for such district; and a Resolution authorizing issuance of bonds for the Infrastructure and Revitalization Financing District and project areas therein, in an aggregate principal amount not to exceed \$780,000,000.

On December 6, 2016, the Board of Supervisors (the "Board of Supervisors") of the City and County of San Francisco (the "City") adopted its "Resolution of Intention to establish City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) and project areas therein to finance the construction and/or acquisition of capital improvements on Treasure Island; to provide for annexation; to call a public hearing on the formation of the district and project areas therein and to provide public notice thereof; and determining

other matters in connection therewith" ("Resolution of Intention to Establish IRFD"), stating its intention to form the "City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island)" (the "IRFD") pursuant to Government Code Section 53369 et seq. (the "IRFD Law"). The City intends to form the IRFD for the purpose of financing certain public improvements (the "Facilities") as further provided in the Resolution of Intention to Establish IRFD and summarized herein.

Also on December 6, 2016, the Board of Supervisors adopted its "Resolution authorizing and directing the Director of the Office of Public Finance, or designee thereof, to prepare an infrastructure financing plan for City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island) and project areas therein and determining other matters in connection therewith," ordering preparation of an infrastructure financing plan (the "Infrastructure Financing Plan") consistent with the requirements of the IRFD Law. The Infrastructure Financing Plan is available for public inspection in the office of the Clerk of the Board of Supervisors, 1 Dr. Carlton B. Goodlett Place, City Hall, San Francisco, California and on the website of the Clerk of the Board of Supervisors.

Under the IRFD Law, the Board of Supervisors gives notice as follows:

1. **Facilities to be Financed.** The IRFD will be used to finance costs of the acquisition, construction and improvement of any facilities authorized by Section 53369.3 of the IRFD Law, including, but not limited to, facilities acquired from third parties (such as acquisition, abatement and demolition costs, a supplemental fire water supply system, low pressure water facilities, water tank facilities, recycled water facilities, storm drainage system, separated sanitary sewer, joint trench, earthwork, retaining walls, highway ramps, roadways, pathways, curbs and gutters, traffic facilities, streetscapes, shoreline improvements, parks, a ferry terminal, hazardous soil removal, community facilities, other amounts specifically identified in the DDA as a Qualified Project Cost and Hard Costs, Soft Costs and Pre-Development Costs as defined in the Conveyance Agreement), and authorized payments (consisting of the contribution to the City and other public agencies for costs related to open space improvements, transportation and transit facilities, and design and construction of ramps and access roads). The category of facilities labeled "Acquired from Third Parties" reflects current assumptions of the City and TIDA. The IRFD shall be authorized to finance the listed facilities whether they are acquired from third parties or constructed by the City or TIDA.

2. **Financial Arrangements.** The IRFD will finance the public works described above with tax increment revenue received by the IRFD from the City (and from no other affected taxing entities), and the proceeds of bonds or other indebtedness issued or incurred by or for the IRFD

that is payable from tax increment revenue received by the IRFD.

3. **Boundaries of the IRFD.** The boundaries of the IRFD are described in a map of the proposed boundaries that is part of the Infrastructure Financing Plan on file with the Clerk of the Board of Supervisors, to which map reference is hereby made. It is anticipated that the ultimate boundaries of the IRFD, following anticipated annexations to the IRFD, will encompass the entirety of the development parcels comprising the development project on Treasure Island and Yerba Buena Island in the City. The process for the annexation of additional parcels into the IRFD is described in the Resolution of Intention to Establish IRFD, which by this reference is incorporated herein.

4. **Public Hearing.** The public hearing will be held on the date and at the time specified above, or as soon as possible thereafter, in the Legislative Chamber, City Hall, Room 250, 1 Dr. Carlton B. Goodlett, Place, San Francisco, CA 94102. At the hearing, any persons having any objections to the proposed Infrastructure Financing Plan, or the regularity of any of the prior proceedings relating to the IRFD, may appear before the Board of Supervisors and object to the adoption of the proposed Infrastructure Financing Plan by the Board of Supervisors. The Board of Supervisors will consider all evidence and testimony for and against the adoption of the Infrastructure Financing Plan.

In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments prior to the time the hearing begins. These comments will be made as part of the official public record in this matter and shall be brought to the attention of the Board of Supervisors. Written comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA, 94102. Information relating to this matter is available in the Office of the Clerk of the Board and agenda information relating to this matter will be available for public review on Friday, January 20, 2017. Angela Calvillo Clerk of the Board

### CITY AND COUNTY OF SAN FRANCISCO BOARD OF SUPERVISORS

NOTICE IS HEREBY GIVEN that on December 6, 2016, the Board of Supervisors adopted the following legislation, and approved by the Mayor on December 16, 2016: **Resolution of intention to issue bonds for City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island); and determining other matters in connection therewith.** WHEREAS, Naval Station Treasure Island ("NSTI") is a former United States Navy base located in the City and County of San Francisco ("City") that consists of two islands connected by a causeway: (1) Treasure Island, and (2) an approximately



RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO

2016 DEC 21 AM 10:01

BY \_\_\_\_\_



City Hall  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. 554-5184  
Fax No. 554-5163  
TDD/TTY No. 544-5227

## PROOF OF MAILING

Legislative File No. 161361, 161362

Description of Items: Certified copies of Resolution No. 503-16; hearing notices for File Nos. 161361 and 161362. Related to Treasure Island Infrastructure and Revitalization Financing District No. 1 and Community Facilities District No. 2016-1 Committee of the Whole hearings on January 24, 2017.

Recipients indicated on the attached memo.

I, John Carroll, an employee of the City and County of San Francisco, mailed the above described document(s) by depositing the sealed items with the United States Postal Service (USPS) with the postage fully prepaid as follows:

Date: December 21, 2016

Time: 10:00 a.m.

USPS Location: Clerk's office USPS pickup mailbox.

Mailbox/Mailslot Pick-Up Times (if applicable): N/A

Signature: \_\_\_\_\_

A handwritten signature in black ink, appearing to read "John Carroll", written over a horizontal line.

Instructions: Upon completion, original must be filed in the above referenced file.



## **Affected Taxing Entities**

### **CITY**

City and County of San Francisco  
Attn: Mayor Ed Lee  
1 Dr. Carlton B. Goodlett Place  
City Hall, Room 200  
San Francisco, Ca. 94102

### **BART**

San Francisco Bay Area Rapid Transit District  
Attn: Grace Crunican, General Manager  
300 Lakeside Drive, 23rd Floor  
Oakland, CA 94612

### **CC:**

San Francisco Bay Area Rapid Transit District  
Attn: Kenneth A. Duron, District Secretary  
300 Lakeside Drive, 23rd Floor  
Oakland, California 94612

San Francisco Bay Area Rapid Transit District  
Attn: Rosemarie V. Poblete, Controller-Treasurer  
300 Lakeside Drive, 23rd Floor  
Oakland, CA 94612

### **BAAQMD**

Bay Area Air Quality Management District  
Attn: Jack Broadbent, Executive Officer  
375 Beale Street, Suite 600  
San Francisco, CA 94105

**Landowners**

**TREASURE ISLAND SERIES 1, LLC,**  
**a Delaware limited liability company**

Treasure Island Series 1, LLC  
Attn: Kofi Bonner  
One Sansome Street, Suite 3200  
San Francisco, CA 94104

Treasure Island Series 1, LLC  
Attn: Chris Meany  
4 Embarcadero Center, Suite 3300  
San Francisco, CA 94111

**TREASURE ISLAND DEVELOPMENT AUTHORITY,**  
**a California nonprofit public benefit corporation**

Treasure Island Development Authority  
One Avenue of the Palms  
Treasure Island  
San Francisco, CA 94130

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BJ - Brent Jalipa  
CCSF BD OF SUPERVISORS (OFFICIAL NOTICES)  
1 DR CARLTON B GOODLETT PL #244  
SAN FRANCISCO, CA 94102

### COPY OF NOTICE

Notice Type: GPN GOVT PUBLIC NOTICE  
Ad Description: File No. 161362 - CFD Hearing Notice

To the right is a copy of the notice you sent to us for publication in the SAN FRANCISCO EXAMINER. Thank you for using our newspaper. Please read this notice carefully and call us with any corrections. The Proof of Publication will be filed with the County Clerk, if required, and mailed to you after the last date below. Publication date(s) for this notice is (are):

12/25/2016

The charge(s) for this order is as follows. An invoice will be sent after the last date of publication. If you prepaid this order in full, you will not receive an invoice.

EXM# 2959119

#### NOTICE OF PUBLIC HEARINGS BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO

NOTICE IS HEREBY GIVEN THAT, in accordance with California Government Code, Sections 53322(a) and 53346, the Board of Supervisors of the City and County of San Francisco, as a Committee of the Whole, will hold public hearings to consider the following proposals and said public hearings will be held as follows, at which time all interested parties may attend and be heard:

**Date:** Tuesday, January 24, 2017 **Time:** 3:00 p.m.  
**Location:** Legislative Chamber, City Hall, Room 250 1 Dr. Carlton B. Goodlett, Place, San Francisco, CA

**Subject:** File No. 161362. Hearing of the Board of Supervisors sitting as a Committee of the Whole on January 24, 2017, at 3:00 p.m., to hold public hearings to consider the following to form Community Facilities District No. 2016-1 and incur bonded indebtedness for Community Facilities District No. 2016-1: (File Nos. 161122, 161123, 161124, 161125, 161126, and 161127) a Resolution of formation of Community Facilities District No. 2016-1, Improvement Area No. 1 and a future annexation area; a Resolution determining necessity to incur bonded indebtedness and other debt in an amount not to exceed \$5,000,000,000 for the Community Facilities District; a Resolution calling a special election in the City and County of San Francisco Community Facilities District; a Resolution declaring results of the special election and directing recording of notice of special tax lien for the Community Facilities District; an Ordinance levying special taxes within the Community Facilities District; and a Resolution authorizing the issuance and sale of special tax bonds for Improvement Area No. 1 of the Community Facilities District in an aggregate principal amount not to exceed \$250,000,000. On December 6, 2016, pursuant to the Mello-Roos Community Facilities Act of 1982, as amended ("Mello-Roos Act"), the Board of Supervisors ("Board of Supervisors") of the City and County of San Francisco ("City"), State of California

adopted a resolution of intention ("Resolution of Intention") to establish (i) "City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)" ("CFD"), (ii) "Improvement Area No. 1 of the City and County of San Francisco Community Facilities District No. 2016-1 (Treasure Island)" ("Improvement Area No. 1"), and (iii) a future annexation area for the CFD ("Future Annexation Area").

Also on December 6, 2016, the Board of Supervisors adopted a resolution of intention to incur bonded indebtedness and other debt in an amount not to exceed \$5.0 billion for the CFD, Improvement Area No. 1 and the Future Annexation Area under the Mello-Roos Act (the "Bond Resolution"). Under the Mello-Roos Act, the Resolution of Intention and the Bond Resolution, the Board of Supervisors gives notice as follows:

1. The text of the Resolution of Intention, with Exhibits A and B thereto, as adopted by the Board of Supervisors, is on file with the Clerk of the Board of Supervisors and reference is made thereto for the particular provisions thereof. The text of the Resolution of Intention is summarized as follows:

a. Under the Mello-Roos Act, this Board of Supervisors is undertaking proceedings for the establishment of the CFD, Improvement Area No. 1 and the Future Annexation Area, the boundaries of which are shown on a map on file with the City.

b. The purpose of the CFD, Improvement Area No. 1 and the Future Annexation Area is to provide for the financing of (i) certain public facilities ("Facilities") as more fully described in the Resolution of Intention and Exhibit A thereto and (ii) certain public services ("Services") as more fully described in the Resolution of Intention and Exhibit B thereto.

c. Initially, the method of financing the Facilities and the Services is through the imposition and levy of a special tax ("Special Tax") to be apportioned on the properties in Improvement Area No. 1 under the rate and method of apportionment described in the Resolution of Intention and Exhibit B thereto.

d. The Resolution of Intention directed the preparation of a CFD Report that shows the Facilities and



the Services and the estimated costs of the Facilities and the Services. The CFD Report will be made a permanent part of the record of the public hearing specified below. Reference is made to the CFD Report as filed with the Clerk of the Board of Supervisors.

e. Property within the Future Annexation Area will be annexed to the CFD, and may be designated as one or more improvement areas (each, a "Future Improvement Area"), and a special tax will be levied on such property, only with the unanimous approval (each, a "Unanimous Approval") of the owner or owners of each parcel or parcels at the time that parcel or those parcels are annexed, in accordance with the annexation approval procedures specified in the Resolution of Intention.

f. As set forth below, the Board of Supervisors will hold a public hearing on the establishment of the CFD, Improvement Area No. 1 and the Future Annexation Area, the Facilities, the Services and the Special Tax.

2. The public hearing will be held on the date and at the time specified above, or as soon as possible thereafter, in the Legislative Chamber, City Hall, Room 250, 1 Dr. Carlton B. Goodlett, Place, San Francisco, CA 94102.

3. At the hearing, the testimony of all interested persons or taxpayers, including all persons owning property within Improvement Area No. 1, for or against the establishment of the CFD and Improvement Area No. 1, the Special Tax to be levied in Improvement Area No. 1, the extent of the CFD and Improvement Area No. 1 and the furnishing of the specified Facilities and Services, will be heard. Any person interested may file a protest in writing as provided in Section 53323 of the Mello-Roos Act. Any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and shall clearly set forth the irregularities and defects to which objection is made. All written protests must be filed with the Clerk of the Board of Supervisors on or before the time fixed for the hearing.

If 50% or more of the registered voters, or six registered voters, whichever is more, residing in the territory proposed to be included in Improvement Area No. 1, or the owners of

one-half or more of the area of land in the territory proposed to be included in Improvement Area No. 1 and not exempt from the Special Tax to be levied in Improvement Area No. 1, file written protests against the establishment of Improvement Area No. 1 and the protests are not withdrawn to reduce the value of the protests to less than a majority, the Board of Supervisors shall take no further action to create the CFD and Improvement Area No. 1 or levy the Special Tax in Improvement Area No. 1 for a period of one year from the date of decision of the Board of Supervisors, and, if the majority protests of the registered voters or landowners are only against the furnishing of a type or types of Facilities or Services within the CFD and Improvement Area No. 1, or against levying a specified part of the Special Tax in Improvement Area No. 1, those types of Facilities or Services or the specified part of the Special Tax to be levied in Improvement Area No. 1 will be eliminated from the proceedings to form the CFD and Improvement Area No. 1.

In addition, at the hearing, the testimony of all interested persons for and against the establishment of the Future Annexation Area or the levying of special taxes within any portion of the Future Annexation Area annexed in the future to the CFD will be heard. If 50% or more of the registered voters, or 6 registered voters, whichever is more, residing within the proposed territory of the CFD, or if 50% or more of the registered voters, or 6 registered voters, whichever is more, residing in the territory proposed to be included in the Future Annexation Area, or the owners of 50% or more of the area of land in the territory proposed to be included in the CFD or in the Future Annexation Area, file written protests against the establishment of the Future Annexation Area and the protests are not withdrawn to reduce the value of the protests to less than a majority, the Board of Supervisors shall take no further action to create the Future Annexation Area for a period of one year from the date of decision of the Board of Supervisors.

4. If there is no majority protest, the Board of

Supervisors may submit the levy of the Special Tax in Improvement Area No. 1 for voter approval at a special election. The Special Tax requires the approval of 2/3rds of the votes cast at a special election by the property owner voters of Improvement Area No. 1, with each owner having one vote for each acre or portion thereof such owner owns in Improvement Area No. 1 not exempt from the Special Tax.

5. Reference is hereby made to the entire text of the Bond Resolution, a complete copy of which is on file with the Clerk of the Board of Supervisors. The text of the Bond Resolution is summarized as follows:

a. The Board of Supervisors has adopted the Resolution of Intention stating its intention to form the CFD, Improvement Area No. 1 and the Future Annexation Areas for the purpose of financing, among other things, all or part of the Facilities, as further provided in that Resolution of Intention.

b. The Board of Supervisors estimates the amount required to finance the costs of the Facilities to be not more than \$5.0 billion and, in order to finance such costs, it is necessary to (i) incur bonded indebtedness and other debt (as defined in the Mello-Roos Act) in the amount of not more than \$5.0 billion on behalf of the CFD and the improvement areas therein (including Future Improvement Areas (as such term is defined herein)), (ii) for Improvement Area No. 1, to incur bonded indebtedness and other debt (as defined in the Mello-Roos Act) in the amount of not more than \$250 million ("Improvement Area No. 1 Indebtedness Limit"), and (iii) for the portion of the CFD that is not in Improvement Area No. 1, to incur bonded indebtedness and other debt (as defined in the Mello-Roos Act) in the amount of not more than \$4.75 billion ("Non-Improvement Area No. 1 Indebtedness Limit").

c. The proposed bonded indebtedness and other debt is to finance the Facilities, including acquisition and improvement costs and all costs incidental to or connected with the accomplishment of such purposes and of the financing thereof, as permitted by the Mello-Roos Act.

d. The Board of Supervisors, acting as legislative body for

the CFD, intends to authorize the issuance and sale of bonds and other forms of debt (as defined in the Mello-Roos Act) payable from the Improvement Area No. 1 Special Tax in one or more series in the aggregate principal amount of not more than the Improvement Area No. 1 Indebtedness Limit. The Board of Supervisors, acting as legislative body for the CFD, intends to authorize the issuance and sale of bonds and other forms of debt (as defined in the Mello-Roos Act) payable from special taxes levied in the portion of the CFD that is not in Improvement Area No. 1 in one or more series in the maximum aggregate principal amount of not more than the Non-Improvement Area No. 1 Indebtedness Limit.

e. In the event all or a portion of the Future Annexation Area is annexed as one or more future improvement areas (each, a "Future Improvement Area"), the maximum indebtedness of each such Future Improvement Area shall be identified and approved in the unanimous approval executed by property owners in connection with their annexation to the CFD at the time of the annexation (each, a "Unanimous Approval") and in accordance with the Annexation Approval Procedures described in the Resolution of Intention referred to above, and the amount of the maximum indebtedness for the Future Improvement Area shall be subtracted from the Non-Improvement Area No. 1 Indebtedness Limit, which shall result in a corresponding reduction in the Non-Improvement Area No. 1 Indebtedness Limit.

f. The Board of Supervisors, acting as legislative body for the CFD, intends to authorize the issuance and sale of bonds and other forms of debt (as defined in the Mello-Roos Act) payable from a special tax levied in each Future Improvement Area in one or more series in the aggregate principal amount determined at the time of annexation of such territory as a separate improvement area (not to exceed the Non-Improvement Area No. 1 Indebtedness Limit in the aggregate).

6. The Board of Supervisors will hold a public hearing on the necessity of incurring the above amount of bonded indebtedness and other debt

for the CFD, Improvement Area No. 1 and the Future Annexation Area on the date and at the time specified above, or as soon as possible thereafter, in the Legislative Chamber, City Hall, Room 250, 1 Dr. Carlton B. Goodlett, Place, San Francisco, CA 94102.

7. At public hearing the testimony of all interested persons, including voters and/or persons owning property in the area of the proposed CFD, Improvement Area No. 1 and the Future Annexation Area for and against the proposed bonded debt and other debt, will be heard.

In accordance with Administrative Code, Section 67.7-1, persons who are unable to attend the hearing on this matter may submit written comments prior to the time the hearing begins. These comments will be made as part of the official public record in this matter and shall be brought to the attention of the Board of Supervisors. Written

comments should be addressed to Angela Calvillo, Clerk of the Board, City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA, 94102. Information relating to this matter is available in the Office of the Clerk of the Board and agenda information relating to this matter will be available for public review on Friday, January 20, 2017. Angela Calvillo Clerk of the Board



TO: Angela Calvillo, Clerk of the Board of Supervisors  
FROM: Mayor Edwin M. Lee  
RE: Infrastructure and Revitalization Financing District & Community Facilities District Legislation  
DATE: October 18, 2016

RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO  
2016 OCT 18 PM 3:28  
BY AK

Attached for introduction to the Board of Supervisors is legislation necessary to initiate the formation of financing districts required to provide public financing of eligible expenses incurred in the development of the former Naval Station Treasure Island:

1. Resolution Authorizing Issuance of Bonds Related to Infrastructure and Revitalization Financing District No. 1 (Treasure Island).
2. Resolution Calling Special Election Related to Infrastructure and Revitalization Financing District No. 1 (Treasure Island).
3. Resolution Proposing Adoption of Infrastructure Financing Plan---Infrastructure and Revitalization Financing District No. 1 (Treasure Island).
4. Ordinance Creating Infrastructure and Revitalization Financing District No. 1 (Treasure Island) and Adopting an Infrastructure Financing Plan
5. Resolution Calling Special Election---Community Facilities District No. 2016-1 (Treasure Island)
6. Resolution Declaring Results of Special Election Related to Infrastructure and Revitalization Financing District No. 1 (Treasure Island)
7. Ordinance Levying Special Taxes Community Facilities District No. 2016-1 (Treasure Island)
8. Resolution Authorizing Issuance and Sale of Special Tax Bonds---Community District No. 2016-1 (Treasure Island)---Not to Exceed \$250 million
9. Resolution Declaring Results--- Community Facilities District No. 2016-1 (Treasure Island)
10. Resolution of Formation--- Community Facilities District No. 2016-1 (Treasure Island)
11. Resolution Determining Necessity to Incur Bonded Indebtedness---Community Facilities District No. 2016-1 (Treasure Island)---\$5.0 Billion
12. Resolution Authorizing Issuance and Sale of Special Tax Bonds---Community District No. 2016-1 (Treasure Island)

I respectfully request that these items be heard at the December 6, 2016 Board of Supervisors meeting.

Should you have any questions, please contact Nicole Elliott at (415) 554-7940.