

1 [Resolution of Intention to Issue Bonds Related to Infrastructure and Revitalization Financing  
2 District No. 2 (Hoedown Yard)]

3 **Resolution of Intention to issue bonds for City and County of San Francisco**  
4 **Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard); and**  
5 **determining other matters in connection therewith.**

6  
7 WHEREAS, FC Pier 70, LLC (Forest City) and the City and County of San Francisco  
8 (the City), acting by and through the San Francisco Port Commission (the Port Commission),  
9 anticipate entering into a Disposition and Development Agreement (the DDA), which will  
10 govern the disposition and development of approximately 28 acres of land in the waterfront  
11 area of the City known as Pier 70 (the Project Site); and

12 WHEREAS, In the general election held on November 4, 2014, an initiative entitled, the  
13 “Union Iron Works Historic District Housing, Waterfront Parks, Jobs and Preservation  
14 Initiative” (Proposition F), was approved by the voters in the City; and

15 WHEREAS, Pursuant to Proposition F, the voters in the City approved a policy of the  
16 City, that the City encourage the timely development of the Project Site with a development  
17 project that includes certain major uses, including without limitation, new below market-rate  
18 homes affordable to middle- and low-income families and individuals, representing 30 percent  
19 of all new housing units (Affordable Housing); and

20 WHEREAS, Forest City and the City anticipate that Forest City will undertake pursuant  
21 to the DDA an obligation to construct Affordable Housing on the Project Site and an area of  
22 land in the vicinity of the Project Site and within Pier 70 commonly known as Parcel K South  
23 (Parcel K South) to satisfy the requirements for Affordable Housing under Proposition F; and

24 WHEREAS, Under Chapter 2.6 of Part 1 of Division 2 of Title 5 of the California,  
25 commencing with Government Code Section 53369 (IRFD Law), this Board of Supervisors is

1 authorized to establish an infrastructure and revitalization financing district and to act as the  
2 legislative body for an infrastructure and revitalization financing district; and

3 WHEREAS, Pursuant to the IRFD Law, this Board of Supervisors has adopted its  
4 “Resolution of intention to establish City and County of San Francisco Infrastructure and  
5 Revitalization Financing District No. 2 (Hoedown Yard) on land within the City and County of  
6 San Francisco commonly known as the Hoedown Yard to finance the construction of  
7 affordable housing within Pier 70 and Parcel K South; to call a public hearing on October 24,  
8 2017 on the formation of the district and to provide public notice thereof; and determining  
9 other matters in connection therewith” (Resolution of Intention to Establish IRFD), stating its  
10 intention to form (i) the “City and County of San Francisco Infrastructure and Revitalization  
11 Financing District No. 2 (Hoedown Yard)” (IRFD) pursuant to the IRFD Law, for the purpose of  
12 financing Affordable Housing within the Project Site and Parcel K South to satisfy the  
13 requirements for Affordable Housing under Proposition F as further provided in the Resolution  
14 of Intention to Establish IRFD (the Facilities); and

15 WHEREAS, In the Resolution of Intention to Establish IRFD, this Board of Supervisors  
16 made certain findings under the California Environmental Quality Act (CEQA) about the Final  
17 Environmental Impact Report (FEIR) for the construction of the Facilities within the Project  
18 Site and Parcel K South, and those findings are incorporated in this Resolution as if set forth  
19 in their entirety herein; and

20 WHEREAS, In addition, this Board of Supervisors has adopted its “Resolution  
21 authorizing and directing the Executive Director of the Port of San Francisco, or designee of  
22 the Executive Director of the Port of San Francisco, to prepare an infrastructure financing plan  
23 for the City and County of San Francisco Infrastructure and Revitalization Financing District  
24 No. 2 (Hoedown Yard) and determining other matters in connection therewith,” ordering  
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1 preparation of an infrastructure financing plan for the IRFD (the Infrastructure Financing Plan)  
2 consistent with the requirements of the IRFD Law; and

3 WHEREAS, The Infrastructure Financing Plan includes a list of Facilities to be financed  
4 by the IRFD; and

5 WHEREAS, Pursuant to IRFD Law Section 53369.40, the Board of Supervisors may,  
6 by majority vote, initiate proceedings to issue bonds pursuant to the IRFD Law by adopting a  
7 resolution stating its intent to issue the bonds, and pursuant to IRFD Law Section 53369.14,  
8 the Infrastructure Financing Plan must contain a detailed description of any intention to incur  
9 debt for financing facilities for the IRFD; and

10 WHEREAS, United States Income Tax Regulations section 1.150-2 provides generally  
11 that proceeds of tax-exempt debt are not deemed to be expended when such proceeds are  
12 used for reimbursement of expenditures made prior to the date of issuance of such debt  
13 unless certain procedures are followed, one of which is a requirement that (with certain  
14 exceptions), prior to the payment of any such expenditure, the issuer declares an intention to  
15 reimburse such expenditure; and

16 WHEREAS, It is in the public interest and for the public benefit that the Board of  
17 Directors, on behalf of the City, declares its official intent to reimburse the expenditures  
18 referenced herein; now, therefore, be it

19 RESOLVED, That the Board of Supervisors proposes issuing one or more series of  
20 bonds or other debt (Bonds) for the purpose of financing the costs of the Facilities, including  
21 acquisition and improvement costs and all costs incidental to or connected with the  
22 accomplishment of said purposes and of the financing thereof; and, be it

23 RESOLVED, The Board of Supervisors hereby declares that it reasonably expects (i) to  
24 pay certain costs of the Facilities prior to the date of issuance of the Bonds and (ii) to use a  
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1 portion of the proceeds of the Bonds for reimbursement of expenditures for the Facilities that  
2 are paid before the date of issuance of the Bonds; and, be it

3 FURTHER RESOLVED, That the Bonds will be paid from property tax revenues  
4 allocated to the IRFD; and, be it

5 FURTHER RESOLVED, That the Board of Supervisors hereby estimates that the cost  
6 of the Facilities will be \$315.8 million (in 2017 dollars), and that the estimated costs of  
7 preparing and issuing the Bonds will be equal to up to 10.0% of the par amount of the Bonds;  
8 and, be it

9 FURTHER RESOLVED, That this Board of Supervisors intends to authorize the  
10 issuance and sale of the Bonds in one or more series for the IRFD in the maximum aggregate  
11 principal amount of \$91.9 million, and the Bonds shall bear interest payable semi-annually or  
12 in such other manner as this Board of Supervisors shall determine, at a rate not to exceed the  
13 maximum rate of interest as may be authorized by applicable law at the time of sale of the  
14 Bonds, and the maximum underwriter's discount of the Bonds shall be 2.0% of the par amount  
15 of the Bonds; and, be it

16 FURTHER RESOLVED, That the Board of Supervisors estimates, based on the  
17 analysis set forth in the Infrastructure Financing Plan, that the incremental property tax  
18 revenues that are expected to be available to the IRFD to pay principal of and interest on the  
19 Bonds is \$315.8 million, and in accordance with IRFD Law Section 53369.41(f), the Board of  
20 Supervisors hereby finds that the amount necessary to pay principal of and interest on the  
21 maximum principal amount of Bonds specified in the preceding paragraph is less than or  
22 equal to the incremental property tax revenues that are expected to be available to the IRFD  
23 to pay principal of and interest on the Bonds; and, be it

1 FURTHER RESOLVED, That the Board of Supervisors will call a special landowner  
2 election for October 24, 2017, to consider the proposed authorization to issue Bonds; and, be  
3 it

4 FURTHER RESOLVED, The election will be consolidated with the election on the issue  
5 of the proposed formation of the IRFD and approval of the proposed Infrastructure Financing  
6 Plan and appropriations limit for the IRFD to be held on October 24, 2017. The Director of  
7 Elections is hereby designated as the official to conduct the election in the IRFD and to  
8 receive all ballots until 5:00 p.m. on October 24, 2017, and pursuant to IRFD Law Section  
9 53369.20, the election shall be conducted by personal service or mail-delivered ballot; and, be  
10 it

11 FURTHER RESOLVED, That all references in this Resolution to Bonds shall be  
12 deemed to include a reference to debt (as defined in the IRFD Law), to the extent applicable;  
13 and, be it

14 FURTHER RESOLVED, That this Resolution shall in no way obligate the Board of  
15 Supervisors to propose establishment of the IRFD or to authorize the issuance of bonds for  
16 the IRFD, and the authorization to issue bonds shall be subject to the approval of this Board  
17 of Supervisors by resolution following the elections of the qualified electors described above;  
18 and, be it

19 FURTHER RESOLVED, That the Clerk of the Board of Supervisors shall publish this  
20 resolution once a day for at least seven successive days in a newspaper published in the City  
21 at least six days a week, or at least once a week for two successive weeks in a newspaper  
22 published in the City less than six days a week, and if there are no newspapers meeting the  
23 foregoing criteria, this resolution shall be posted in three public places within the territory of the  
24 IRFD for two succeeding weeks; and, be it

1 FURTHER RESOLVED, That the Board of Supervisors has reviewed and considered  
2 the FEIR and finds that the FEIR is adequate for its use for the actions taken by this resolution  
3 and incorporates the FEIR and the CEQA findings contained in Resolution No. \_\_\_\_ of this  
4 Board of Supervisors; and, be it

5 FURTHER RESOLVED, That if any section, subsection, sentence, clause, phrase, or  
6 word of this resolution, or any application thereof to any person or circumstance, is held to be  
7 invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision  
8 shall not affect the validity of the remaining portions or applications of this resolution, this  
9 Board of Supervisors hereby declaring that it would have passed this resolution and each and  
10 every section, subsection, sentence, clause, phrase, and word not declared invalid or  
11 unconstitutional without regard to whether any other portion of this resolution or application  
12 thereof would be subsequently declared invalid or unconstitutional; and, be it

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

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

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

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3   APPROVED AS TO FORM:  
4   DENNIS J. HERRERA  
5   City Attorney

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8   By: \_\_\_\_\_

9           MARK D. BLAKE  
10          Deputy City Attorney  
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