

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.**

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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 January 9,
8 2018 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 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 FURTHER RESOLVED, The Board of Supervisors hereby declares that it reasonably
24 expects (i) to pay certain costs of the Facilities prior to the date of issuance of the Bonds and
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1 (ii) to use a portion of the proceeds of the Bonds for reimbursement of expenditures for the
2 Facilities that 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 \$91.9 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 (i) \$91.9 million plus (ii) the additional (if any) principal amount of Bonds
12 approved by this Board of Supervisors and the qualified electors of the annexation territory in
13 connection with the annexation of the annexation territory to the IRFD, so long as the Board
14 makes the finding specified in Section 53369.41(f) of the IRFD Law, and the Bonds shall bear
15 interest payable semi-annually or in such other manner as this Board of Supervisors shall
16 determine, at a rate not to exceed the maximum rate of interest as may be authorized by
17 applicable law at the time of sale of the Bonds, and the maximum underwriter's discount of the
18 Bonds shall be 2.0% of the par amount of the Bonds; and, be it

19 FURTHER RESOLVED, That the Board of Supervisors estimates, based on the
20 analysis set forth in the Infrastructure Financing Plan, that the incremental property tax
21 revenues that are expected to be available to the IRFD to pay principal of and interest on the
22 Bonds is \$91.9 million, and in accordance with IRFD Law Section 53369.41(f), the Board of
23 Supervisors hereby finds that the amount necessary to pay principal of and interest on the
24 maximum principal amount of Bonds specified in the preceding paragraph is less than or
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1 equal to the incremental property tax revenues that are expected to be available to the IRFD
2 to pay principal of and interest on the Bonds; and, be it

3 FURTHER RESOLVED, That the Board of Supervisors will call a special landowner
4 election for January 9, 2018, to consider the proposed authorization to issue Bonds. The
5 election will be consolidated with the election on the issue of the proposed formation of the
6 IRFD and approval of the proposed Infrastructure Financing Plan and appropriations limit for
7 the IRFD to be held on January 9, 2018. The Director of Elections is hereby designated as
8 the official to conduct the election in the IRFD and to receive all ballots until 7:00 p.m. on
9 January 9, 2018, and pursuant to IRFD Law Section 53369.20, the election shall be
10 conducted by personal service or mail-delivered ballot; and, be 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

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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: _____

 MARK D. BLAKE
 Deputy City Attorney
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