

1 [Resolution of Intention to Issue Bonds Related to Infrastructure and Revitalization Financing  
2 District No. 2 (Hoedown Yard, Pier 70)]

3 **Resolution of intention to issue bonds for City and County of San Francisco**  
4 **Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard, Pier 70);**  
5 **determining other matters in connection therewith; and affirming the Planning**  
6 **Department’s determination, and making findings under the California Environmental**  
7 **Quality Act.**

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

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

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

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

1           WHEREAS, Under Chapter 2.6 of Part 1 of Division 2 of Title 5 of the California,  
2 commencing with Government Code Section 53369 (IRFD Law), this Board of Supervisors is  
3 authorized to establish an infrastructure and revitalization financing district and to act as the  
4 legislative body for an infrastructure and revitalization financing district; and

5           WHEREAS, Pursuant to the IRFD Law, this Board of Supervisors has adopted its  
6 “Resolution of intention to establish City and County of San Francisco Infrastructure and  
7 Revitalization Financing District No. 2 (Hoedown Yard) on land within the City and County of  
8 San Francisco commonly known as the Hoedown Yard to finance the construction of  
9 affordable housing within Pier 70 and Parcel K South; to provide for future annexation; to call  
10 a public hearing on April 17, 2018 on the formation of the district and to provide public notice  
11 thereof; and determining other matters in connection therewith” (Resolution of Intention to  
12 Establish IRFD), stating its intention to form the “City and County of San Francisco  
13 Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard)” (IRFD) pursuant to  
14 the IRFD Law, for the purpose of financing Affordable Housing within the Project Site and  
15 Parcel K South to satisfy the requirements for Affordable Housing under Proposition F as  
16 further provided in the Resolution of Intention to Establish IRFD (the Facilities); and

17           WHEREAS, In the Resolution of Intention to Establish IRFD, this Board of Supervisors  
18 declared its intent to provide for future annexations of property into the IRFD any time after  
19 formation of the IRFD, but only if the Board of Supervisors has completed the procedures set  
20 forth in the Infrastructure Financing Plan, which shall be based on the following: (i) this Board  
21 of Supervisors adopts a resolution of intention to annex property (the “annexation territory”)  
22 into the IRFD and describes the annexation territory to be included in the IRFD, (ii) the  
23 resolution of intention is mailed to each owner of land in the annexation territory and each  
24 affected taxing entity in the annexation territory, if any, in substantial compliance with Sections  
25 53369.11 and 53369.12 of the IRFD Law, (iii) this Board of Supervisors directs the Port to

1 prepare an amendment to the Infrastructure Financing Plan, if necessary, and the designated  
2 official prepares any such amendment, in substantial compliance with Sections 53369.13 and  
3 53369.14 of the IRFD Law, (iv) any amendment to the Infrastructure Financing Plan is sent to  
4 each owner of land and each affected taxing entity (if any) within the annexation territory, in  
5 substantial compliance with Sections 53369.15 and 53369.16 of the IRFD Law, (v) this Board  
6 of Supervisors notices and holds a public hearing on the proposed annexation, in substantial  
7 compliance with Sections 53369.17 and 53369.18 of the IRFD Law, (vi) this Board of  
8 Supervisors adopts a resolution proposing the adoption of any amendment to the  
9 Infrastructure Financing Plan and annexation of the annexation territory to the IRFD, and  
10 submits the proposed annexation to the qualified electors in the annexation territory, in  
11 substantial compliance with Sections 53369.20-53369.22 of the IRFD Law, with the ballot  
12 measure to include the question of the proposed annexation of the annexation territory into  
13 the IRFD, approval of the appropriations limit for the annexation territory and approval of the  
14 issuance of bonds for the annexation territory, and (vii) after canvass of returns of any  
15 election, and if two-thirds of the votes cast upon the question are in favor of the ballot  
16 measure, this Board may, by ordinance, adopt the amendment to the Infrastructure Financing  
17 Plan, if any, and approve the annexation of the annexation territory to the IRFD, in substantial  
18 compliance with Section 53369.23 of the IRFD Law; and

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

24 WHEREAS, In addition, this Board of Supervisors has adopted its "Resolution  
25 authorizing and directing the Executive Director of the Port of San Francisco, or designee of

1 the Executive Director of the Port of San Francisco, to prepare an infrastructure financing plan  
2 for the City and County of San Francisco Infrastructure and Revitalization Financing District  
3 No. 2 (Hoedown Yard) and determining other matters in connection therewith,” ordering  
4 preparation of an infrastructure financing plan for the IRFD (the Infrastructure Financing Plan)  
5 consistent with the requirements of the IRFD Law; and

6 WHEREAS, The Infrastructure Financing Plan includes a list of Facilities to be financed  
7 by the IRFD as Attachment I thereto; and

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

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

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

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

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

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

7 FURTHER RESOLVED, That the Board of Supervisors hereby estimates that the cost  
8 of the Facilities will be \$91.9 million (in 2017 dollars), and that the estimated costs of  
9 preparing and issuing the Bonds will be equal to up to 10.0% of the par amount of the Bonds;  
10 and, be it

11 FURTHER RESOLVED, That this Board of Supervisors intends to authorize the  
12 issuance and sale of the Bonds in one or more series for the IRFD in the maximum aggregate  
13 principal amount of (i) \$91.9 million plus (ii) the additional (if any) principal amount of Bonds  
14 approved by this Board of Supervisors and the qualified electors of the annexation territory in  
15 connection with the annexation of the annexation territory to the IRFD, so long as the Board  
16 makes the finding specified in Section 53369.41(f) of the IRFD Law, and the Bonds shall bear  
17 interest payable semi-annually or in such other manner as this Board of Supervisors shall  
18 determine, at a rate not to exceed the maximum rate of interest as may be authorized by  
19 applicable law at the time of sale of the Bonds, and the maximum underwriter's discount of the  
20 Bonds shall be 2.0% of the par amount of the Bonds; and, be it

21 FURTHER RESOLVED, That the Board of Supervisors estimates, based on the  
22 analysis set forth in the Infrastructure Financing Plan, that the incremental property tax  
23 revenues that are expected to be available to the IRFD to pay principal of and interest on the  
24 Bonds is \$91.9 million, and in accordance with IRFD Law Section 53369.41(f), the Board of  
25 Supervisors hereby finds that the amount necessary to pay principal of and interest on the

1 maximum principal amount of Bonds specified in the preceding paragraph is less than or  
2 equal to the incremental property tax revenues that are expected to be available to the IRFD  
3 to pay principal of and interest on the Bonds; and, be it

4 FURTHER RESOLVED, That the Board of Supervisors will call a special landowner  
5 election for April 17, 2018, to consider the proposed authorization to issue Bonds. The  
6 election will be consolidated with the election on the issue of the proposed formation of the  
7 IRFD and approval of the proposed Infrastructure Financing Plan and appropriations limit for  
8 the IRFD to be held on April 17, 2018. The Director of Elections is hereby designated as the  
9 official to conduct the election in the IRFD and to receive all ballots until 3:00 p.m. on April 17,  
10 2018, and pursuant to IRFD Law Section 53369.20, the election shall be conducted by  
11 personal service or mail-delivered ballot; and, be it

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

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

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

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

8 MARK D. BLAKE  
Deputy City Attorney  
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