

File No. 180784

Committee Item No. _____

Board Item No. 43

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: _____

Date: _____

Board of Supervisors Meeting

Date: October 16, 2018

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 checked="" 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 checked="" 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

- | | | |
|--------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>BOS Reso No. 234-18, 236-18</u> |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Planning Commission Motion No. 19976</u> |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Planning Commission Reso No. 19978</u> |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Department of Elections Letter - 10/09/18</u> |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |

Prepared by: Lisa Lew

Date: October 11, 2018

Prepared by: _____

Date: _____

1 [Resolution Declaring Results of Special Election Related to Infrastructure and Revitalization
2 Financing District No. 2 (Hoedown Yard, Pier 70)]

3 **Resolution declaring results of special elections 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, Under Chapter 2.6 of Part 1 of Division 2 of Title 5 of the California
10 Government Code, commencing with Section 53369 ("IRFD Law"), the Board of Supervisors
11 is authorized to establish an infrastructure and revitalization financing district and to act as the
12 legislative body for an infrastructure and revitalization financing district; and

13 WHEREAS, Pursuant to the IRFD Law and for the purpose of financing certain facilities
14 ("Facilities"), the Board of Supervisors has adopted a resolution "Resolution proposing
15 adoption of infrastructure financing plan and formation of City and County of San Francisco
16 Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard, Pier 70); providing
17 for future annexation; determining other matters in connection therewith; and affirming the
18 Planning Department's determination, and making findings under the California Environmental
19 Quality Act" (the Resolution Proposing Formation), proposing (i) the formation of "City and
20 County of San Francisco Infrastructure and Revitalization Financing District No. 2 (Hoedown
21 Yard)" ("IRFD"), pursuant to the IRFD Law, in each case, pursuant to the IRFD Law to
22 finance the Facilities, (ii) approval of an infrastructure financing plan for the IRFD
23 ("Infrastructure Financing Plan"), (iii) a process for the future annexation of territory to the
24 IRFD and (iv) an annual appropriations limit, as defined by subdivision (h) of Section 8 of
25 Article XIII B of the California Constitution, for the IRFD; and

1 WHEREAS, The Board of Supervisors has also adopted a resolution entitled
2 "Resolution of intention to issue bonds for City and County of San Francisco Infrastructure
3 and Revitalization Financing District No. 2 (Hoedown Yard, Pier 70); determining other
4 matters in connection therewith; and affirming the Planning Department's determination, and
5 making findings under the California Environmental Quality Act" ("Resolution of Intention to
6 Issue Bonds"), proposing issuance from time to time of one or more series of bonds or other
7 debt for the IRFD ("Bonds") for the purpose of financing the costs of the Facilities, as specified
8 in the Resolution of Intention to Issue Bonds in the maximum aggregate principal amount (i)
9 \$91.9 million (in 2017 dollars) plus (ii) the principal amount of Bonds approved by the Board
10 of Supervisors and the qualified electors of the annexation territory in connection with the
11 annexation of the annexation territory to the IRFD, so long as the Board makes the finding
12 specified in IRFD Law, Section 53369.41(f); and

13 WHEREAS, Pursuant to the provisions of the Resolution Proposing Formation and the
14 Resolution of Intention to Issue Bonds, and pursuant to a "Resolution calling special election
15 for City and County of San Francisco Infrastructure and Revitalization Financing District No. 2
16 (Hoedown Yard, Pier 70); determining other matters in connection therewith; and affirming the
17 Planning Department's determination, and making findings under the California Environmental
18 Quality Act" ("Election Resolution") adopted by the Board of Supervisors, the propositions to
19 establish the IRFD, to approve the Infrastructure Financing Plan, to establish an annual
20 appropriations limit for the IRFD and authorization to issue or incur Bonds for the IRFD were
21 submitted to the qualified electors in the IRFD as required by the provisions of the IRFD Law;
22 and

23 WHEREAS, Pursuant to the terms of the Election Resolution, which are by this
24 reference incorporated herein, the special election has been held and the Director of Elections
25 of the City and County of San Francisco has on file a Canvass and Statement of Results of

1 Election ("Canvass") regarding the special election, a copy of which is attached hereto as
2 Exhibit A; and

3 WHEREAS, The Board of Supervisors has reviewed the Canvass, and finds it
4 appropriate and wishes to declare the results of the special election; now, therefore, be it

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

6 FURTHER RESOLVED, That the qualified electors at the special election within the
7 IRFD were presented with the propositions to establish the IRFD, to establish the annual
8 appropriations limit for the IRFD in the amount of \$91.9 million (in 2017 dollars), and
9 authorization to issue or incur Bonds from time to time in one or more series for the IRFD in
10 the maximum aggregate principal amount of (i) \$91.9 million (in 2017 dollars) plus (ii) the
11 principal amount of Bonds approved by the Board of Supervisors and the qualified electors of
12 the annexation territory in connection with the annexation of the annexation territory to the
13 IRFD, so long as the Board makes the finding specified in IRFD Law, Section 53369.41(f), all
14 pursuant to the Resolution Proposing Formation and the Resolution of Intention to Issue
15 Bonds; and, be it

16 FURTHER RESOLVED, That the Board of Supervisors hereby approves the Canvass
17 and finds that it shall be a permanent part of the record of its proceedings for the IRFD; and
18 pursuant to the Canvass, the issues presented at the special election within the IRFD were
19 approved by the qualified electors by more than two-thirds of the votes cast at the special
20 election; and, be it

21 FURTHER RESOLVED, That in the "Resolution of Intention to establish City and
22 County of San Francisco Infrastructure and Revitalization Financing District No. 2 (Hoedown
23 Yard, Pier 70) on land within the City and County of San Francisco commonly known as the
24 Hoedown Yard to finance the construction of affordable housing within Pier 70 and Parcel K
25 South; to provide for future annexation; to call a public hearing on September 11, 2018, on the

1 formation of the district and to provide public notice thereof; determining other matters in
2 connection therewith; and affirming the Planning Department's determination, and making
3 findings under the California Environmental Quality Act," the Board of Supervisors made
4 certain findings under the California Environmental Quality Act about the Final Environmental
5 Impact Report for the Pier 70 Mixed-Use District Project, and those findings are incorporated
6 in this Resolution as if set forth in their entirety herein; and, be it

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

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

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

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

8
9 APPROVED AS TO FORM:
10 DENNIS J. HERRERA
City Attorney

11
12
13 By: _____

14 MARK D. BLAKE
Deputy City Attorney

15 n:\port\as2018\1100292\01300915.docx
16
17
18
19
20
21
22
23
24
25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

EXHIBIT A

CANVASS AND STATEMENT OF RESULT OF ELECTION

CITY AND COUNTY OF SAN FRANCISCO
Infrastructure and Revitalization Financing District No. 2
(Hoedown Yard)

I hereby certify that on September 11, 2018, I canvassed the returns of the election held on September 11, 2018, in City and County of San Francisco Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard) ("IRFD") and the total number of ballots cast in the IRFD and the total number of votes cast for and against the measures are as follows and the totals as shown for and against the measures are full, true and correct:

BALLOT MEASURE NO. 1: Shall the Board of Supervisors form "City and County of San Francisco Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard)" (the IRFD) as proposed in the Board of Supervisors resolution entitled "Resolution proposing adoption of infrastructure financing plan and formation of City and County of San Francisco Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard, Pier 70); providing for future annexation; determining other matters in connection therewith; and affirming the Planning Department's determination, and making findings under the California Environmental Quality Act" adopted on September 11, 2018 (the Resolution Proposing Formation)?

Qualified Landowner Votes	Votes Cast	Votes cast YES	Votes cast NO
------------------------------	---------------	-------------------	------------------

BALLOT MEASURE NO. 2: Shall the Board of Supervisors approve the infrastructure financing plan for the IRFD, as proposed for approval by the Board of Supervisors in the Resolution Proposing Formation?

Qualified Landowner Votes	Votes Cast	Votes cast YES	Votes cast NO
------------------------------	---------------	-------------------	------------------

BALLOT MEASURE NO. 3: Shall the annual appropriations limit of the IRFD be established in the amount of \$91.9 million, as set forth in the Resolution Proposing Formation?

Qualified Landowner Votes	Votes Cast	Votes cast YES	Votes cast NO
------------------------------	---------------	-------------------	------------------

BALLOT MEASURE NO. 4:
Shall the City and County of San Francisco be authorized from time to time to issue one or more series of bonds and other debt (Bonds) for the IRFD in the maximum aggregate principal amount of (i) \$91.9 million (in 2017 dollars) plus (ii) the principal amount of Bonds approved by the Board of Supervisors and the qualified electors of annexation territory in connection with each annexation of annexation territory to the IRFD, so long as the Board makes

1 the finding specified in Section 53369.41(f) of the IRFD Law, all as
 2 set forth in the Board of Supervisors resolution entitled "Resolution
 3 of intention to issue bonds for City and County of San Francisco
 4 Infrastructure and Revitalization Financing District No. 2 (Hoedown
 5 Yard, Pier 70); determining other matters in connection therewith;
 6 and affirming the Planning Department's determination, and
 7 making findings under the California Environmental Quality Act,"
 8 with interest at a rate or rates not to exceed the maximum interest
 9 rate permitted by law at the time of sale of such series of Bonds,
 10 the proceeds of which Bonds will be used to acquire and/or
 11 construct certain facilities and pay for the costs of issuing each
 12 series of the Bonds and related expenses?

Qualified Landowner Votes	Votes Cast	Votes cast YES	Votes cast NO
------------------------------	---------------	-------------------	------------------

13
 14
 15
 16
 17 **IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND** this ___ day of ___, 20__.

18
 19
 20 By: _____
 Director of Elections

**CITY AND COUNTY OF SAN FRANCISCO
BOARD OF SUPERVISORS
BUDGET AND LEGISLATIVE ANALYST**

1390 Market Street, Suite 1150, San Francisco, CA 94102 (415) 552-9292
FAX (415) 252-0461

REVISED 9/7/2018

September 7, 2018

TO: Members of the Board of Supervisors
FROM: Budget and Legislative Analyst's Office
SUBJECT: September 11, 2018 Board of Supervisors Meeting

TABLE OF CONTENTS

Item	File		Page
14 & 15	18-0773	Establishing Sub-Project Areas G-2, G-3 and G-4 and Adopting Appendix G-2 to Infrastructure Financing Plan (Port of San Francisco, Pier 70	
	18-0781	Authorizing Issuance of Port Infrastructure Financing District Bonds (Port of San Francisco, Pier 70) - Not to Exceed \$273,900,000, \$196,100,000 and \$323,300,000 for Sub-Project Area G-2, Sub-Project Area G-3, and Sub-Project Area G-4, Respectively	1
17, 18, 21 & 22	18-0779	Proposing Adoption of Infrastructure Financing Plan – Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard, Pier 70	
	18-0780	Approving Infrastructure and Revitalization Financing Plan – Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard, Pier 70)	
	18-0772	Creating Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard, Pier 70) - Adopting an Infrastructure Financing Plan	
	18-0782	Authorizing Issuance of Bonds Related to Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard, Pier 70) - Not to Exceed \$91,900,000	10

<p>Items 14 and 15 Files 18-0773 and 18-0781</p>	<p>Department: Port</p>
<p>EXECUTIVE SUMMARY</p>	
<p style="text-align: center;">Legislative Objectives</p>	
<ul style="list-style-type: none"> • File 18-0773 is an ordinance establishing three subproject areas - Subproject Area G-2, Subproject Area G-3, and Subproject Area G-4 - in Port Infrastructure Financing District (IFD) No. 2; and approving Appendix G-2 to the Infrastructure Financing Plan. ▪ File 18-0781 is a resolution approving the issuance of Port Infrastructure Financing District Bonds, and the Indentures of Trust and Pledge Agreements. The Port Infrastructure Financing District Bonds would be paid by incremental property tax revenue allocated to the IFD and generated within each of the subproject areas in amounts not-to-exceed (a) \$273,900,000 for Subproject Area G-2; (b) \$196,100,000 for Subproject Area G-3; and (d) \$323,300,000 for Subproject Area G-4. <p>The proposed resolution approves the sale of bonds in one or more series, but the bonds shall not be issued until the Board of Supervisors has approved the terms of the sale, and has approved the associated documents.</p>	
<p style="text-align: center;">Key Points</p>	
<ul style="list-style-type: none"> • The Port's IFD No. 2 provides for incremental property tax revenues generated by development on Port property (including bonds secured by these revenues) to be used for construction of public improvements. The Board of Supervisors formed Port IFD No. 2 in February 2016, and approved the agreement between the Port and Forest City to develop the Pier 70 Waterfront Site in October 2017. The three proposed IFD subproject areas – G-2, G-3, and G-4 – are for phase 1, 2, and 3 respectively of the development of the Pier 70 Waterfront Site. Property tax increment will be allocated to public improvements within the three subproject areas, as well as to Pier 70-wide improvements. • 100 percent of the City and the Educational Revenue Augmentation Fund (ERAF) share of property tax increment will be allocated to the subproject areas. The total limit on the property tax increment that can be allocated to the IFD from the subproject areas over their 45-year terms is \$3.0 billion. 20 percent of the property tax increment must be set-aside for shoreline restoration, removal of bay fill, public access to the waterfront, and/or environmental remediation of the waterfront. 	
<p style="text-align: center;">Fiscal Impact</p>	
<ul style="list-style-type: none"> • The proposed resolution (File 18-0781) authorizes the issuance of bonds in a not-to-exceed amount of \$793.3 million, which is 3x the anticipated bond issuance of \$216 million. According to the Port, this authorization accounts for property assessments that exceed projections, lower interest rates, and new waterfront projects. According to the Port's bond counsel, the proposed resolution limits the use of bonds to pay for the costs of public improvements described in the Infrastructure Financing Plan. 	
<p style="text-align: center;">Recommendation</p>	
<ul style="list-style-type: none"> • Approve the proposed ordinance and resolution. 	

MANDATE STATEMENT / BACKGROUND**Mandate Statement**

California Government Code Section 53395.8 authorizes the establishment of an Infrastructure Financing District (IFD) on Port property. Section 53395.8(c)(3) designates the Board of Supervisors as the legislative body for the Port IFD.

Port IFD No. 2 and Pier 70

Pier 70 is an approximately 69-acre site on the Port's Central and Southern Waterfront, bounded by Mariposa, Illinois, and 22nd Streets. In 2014, Pier 70 was listed as the Union Iron Works Historic District on the National Register of Historic Places. Pier 70 includes the Ship Repair Facility¹, the Historic Core², Crane Cove Park³, Irish Hill⁴, and the Waterfront Site for mixed use development. On October 31, 2017, the Board of Supervisors approved several pieces of legislation to establish the Pier 70 Mixed-Use District Project, and provide for the development of the 28-acre Waterfront Site within Pier 70.

The Board of Supervisors formed the Port IFD No. 2 in February 2016 and adopted the Infrastructure Financing Plan (Ordinance 27-16).⁵ IFD No. 2 provides for project areas, including Project Area G on Pier 70. Project Area G currently has one subproject area – Subproject Area G-1 – covering the Pier 70 Historic Core. At that time, the Board of Supervisors approved the issuance of up to \$25.1 million in bonds to be repaid by the City's share of incremental property tax generated by development with the Pier 70 Historic Core (or Subproject Area G-1) to pay for street and sidewalk improvements, electrical improvements to Building 102, and improvements to Crane Cove Park. The Infrastructure Financing Plan provided for issuance of the bonds in FY 2021-22.

DETAILS OF PROPOSED LEGISLATION

File 18-0773: The proposed ordinance establishes three subproject areas - Subproject Area G-2, Subproject Area G-3, and Subproject Area G-4 - in Port Infrastructure Financing District No. 2; and approves Appendix G-2 to the Infrastructure Financing Plan.

File 18-0781: The proposed resolution approves the issuance of Port Infrastructure Financing District Bonds, and the Indentures of Trust and Pledge Agreements. The Port Infrastructure

¹ The Port issued a Request for Proposals in July 2017 to select a new operator for the ship repair facility.

² The Historic Core of the Union Iron Works Historic District consists of the Bethlehem Steel Main Office Building and Powerhouse, the Union Iron Works Administration building, and the Union Iron Works Machine Shop and Foundry. The Board of Supervisors approved a 66 year lease with Orton Development, Inc., in 2014 to rehabilitate the five buildings. Rehabilitation of these historic buildings (except for the Powerhouse) is anticipated to be completed and the buildings ready for occupancy between fall 2017 and late 2018.

³ Crane Cove Park is a 9-acre waterfront park; construction of phase 1 of the park, which is partially funded by 2008 Clean and Safe Neighborhood General Obligation Bonds, is expected to be completed in March 2018.

⁴ Irish Hill Park is a 1.5 acre site adjacent to Illinois Street planned for open space. Irish Hill is a contributing resource to the Historic District.

⁵ Infrastructure Financing District No. 1 was Rincon Hill Area, authorized by the Board of Supervisors in 2011.

Financing District Bonds would be paid by incremental property tax revenue allocated to the IFD and generated within each of the subproject areas in amounts not-to-exceed:

- \$273,900,000 for Subproject Area G-2;
- \$196,100,000 for Subproject Area G-3; and
- \$323,300,000 for Subproject Area G-4.

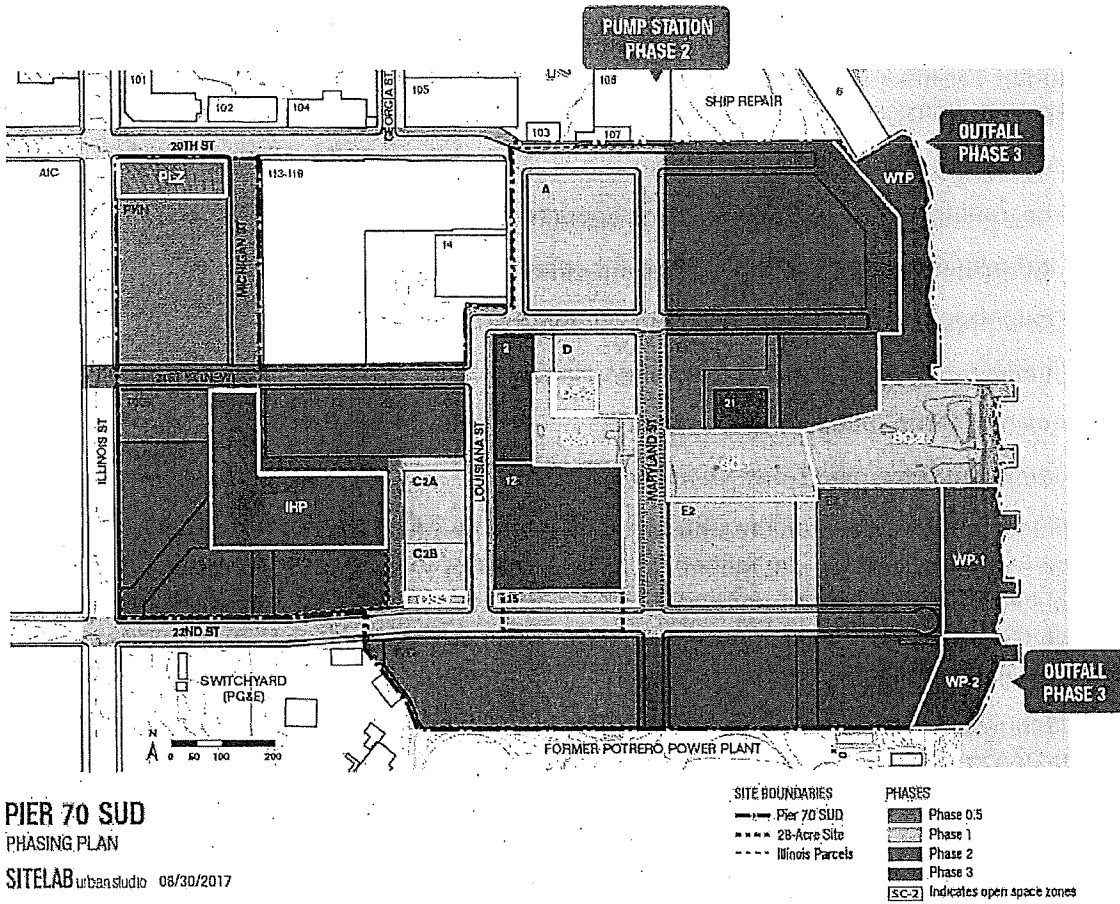
According to the proposed resolution, the Board of Supervisors may increase the maximum amount of the bonds by adopting a resolution. The bonds may be issued on behalf of the IFD or may be issued on behalf of a special tax district to be established at a later date.

The proposed resolution approves the sale of bonds in one or more series, but the bonds shall not be issued until the Board of Supervisors has approved the terms of the sale, and has approved the associated documents.

Subproject Areas

The Board of Supervisors approved the intent to establish the three IFD Subproject Areas G-2, G-3, and G-4 in July 2018. The three subproject areas encompass the 28-acre Waterfront Site project within the Union Iron Works Historic District, bounded by Illinois Street on the west, the Bay on the east, 20th Street on the north, and 22nd Street and the former Potrero Power Plant on the south, as shown in Exhibit 1 below.

Exhibit 1: Proposed Waterfront Site Project



The project is divided into three phases.

- Subproject Area G-2 incorporates phase 1 development. Phase 1 extends from approximately 2018 to 2021.
- Subproject Area G-3 incorporates phase 2 development from approximately 2022 to 2024.
- Subproject Area G-4 incorporates phase 3 development from approximately 2025 to 2028.

Public Improvements and Facilities to be Funded by the IFD Subproject Areas

Forest City is responsible to develop (or cause to be developed) horizontal infrastructure for the 28-acre Waterfront Site, subject to reimbursement with IFD tax increment and proposed Community Facilities Districts (CFD) assessments, including bonds issued against the IFD tax increment and CFD assessments. Horizontal infrastructure work consists of:

- Demolition and abatement
- Site grading, drainage, and utility infrastructure
- Geotechnical improvements for seismic stability
- Low pressure water system and non-potable water system
- Pedestrian, bicycle, and transportation access
- Auxiliary Water Supply System (AWSS)
- Combined sewer and storm water system

Infrastructure work in each of the phases consists of the following improvements within the respective subproject areas: demolition and abatement of existing structures; earthwork, soil disposal, and retaining walls; work on AWSS, low pressure water, reclaimed water, and combined sewer/storm water systems; street, park and open space improvements; and historical building rehabilitation.

Phase I (Subproject Area G-2) is from approximately 2018 to 2021. Phase II (Subproject Area G-3) is from 2022 to 2024. Phase III (Subproject Area G-4) is from 2025 to 2028.

Additional Pier 70-wide work to be funded by the proposed IFD subproject areas, subject to Board of Supervisors approval, include improvements to Irish Hill Park, rehabilitation of Buildings 106 and 111, shipyard electrical work and improvements, improvements to Crane Cove Park not funded by general obligation bonds, and public realm improvements.

Port IFD Guidelines

The Board of Supervisors approved guidelines in 2013 for establishment of the Port IFD (File 13-0264). These guidelines include (among other provisions):

- The Infrastructure Financing Plan to be developed by the Port must include a projection of revenues to the City's General Fund that will be generated by the project area.
- If the State's IFD law allows allocation of the State share of property tax increment to a waterfront district, then the City must allocate to the waterfront district the share of City property tax increment that maximizes the State allocation.
- Property tax increment allocated to public improvements should be sufficient to attract developer equity and market rate development in the project area.
- Property tax increment in excess of the allocation to public improvement in the project area will be allocated to the City's General Fund.

- Annual property tax increment will be allocated to maintain public infrastructure and improvements only if other sources are not available or sufficient.

Proposed Infrastructure Financing Plan Provisions

Approval of the proposed ordinance (File 18-0773) approves Appendix G-2 of the Infrastructure Financing Plan for Subproject Areas G-2, G-3, and G-4, which includes:

- The property tax increment would be allocated to the IFD from each subproject area for 45 years beginning in the fiscal year in which the property tax increment generated by the subproject area equals at least \$100,000.
- The amount of the property tax increment in each year would be the difference between the assessed taxable property value in FY 2015-16 and the assessed taxable property value in the tax year.
- The entire City and the Educational Revenue Augmentation Fund (ERAF) share of property tax increment generated in the subproject areas will be allocated to the subproject areas.
- The total limit on the property tax increment that can be allocated to the IFD from the subproject areas over their 45-year terms is \$3.0 billion, of which \$845 million is the limit on the ERAF share and \$2.15 billion is the limit on the City’s share, as shown below. These limits reflect projected total property tax increment plus a contingency factor of approximately 90 percent to account for variables such as higher assessed values of taxable property due to resales.

Subproject Area	City Share	ERAF	Total
G-2	\$747,000,000	\$293,000,000	\$1,040,000,000
G-3	553,500,000	217,000,000	770,500,000
G-4	855,000,000	335,000,000	1,190,000,000
Total	\$2,155,500,000	\$845,000,000	\$3,000,500,000

- 20 percent of the property tax increment must be set-aside for shoreline restoration, removal of bay fill, public access to the waterfront, and/or environmental remediation of the waterfront in accordance with California Government Code. The 20 percent allocation requirement applies to IFD Project Area G as a whole. Because the Infrastructure Financing Plan for IFD Subproject Area G-1 (covering the Historic Core of the Union Iron Works Historic District), approved by the Board of Supervisors in February 2016, allocates 64 percent of the property tax increment to Crane Park and other waterfront projects, the Port may allocate less than 20 percent of property tax increment generated by Subproject Areas G-2, G-3, and G-4.

- Bonds issued by the IFD and secured by the City’s share of the property tax increment must be repaid within 45 years. The IFD cannot issue new bonds secured by the ERAF share of the property tax increment after 20 years.

FISCAL IMPACT

Sources and Uses of Funds

Estimated sources and uses of funds are \$1.0 billion (2017 dollars), as shown in Exhibit 2 below.

Exhibit 2: Sources and Uses of Funds

	2017 Dollars
Sources	
Annual Tax Increment	\$596,720,000
Bond Proceeds	137,429,000
Developer Capital	133,832,000
Advances of Land Proceeds	164,931,000
Total Sources	\$1,032,912,000
Uses	
Bond Debt Service	\$253,893,000
Interest on Advanced Funds	22,975,000
Repayment Developer Capital	121,166,000
Repayment Advances of Land Proceeds	101,663,000
Subproject Areas Public Improvements	287,909,000
Pier 70 Wide Public Improvements	53,041,000
Sea Level Rise Protection	130,379,000
Educational Revenue Augmentation Fund ⁶	61,886,000
Total Uses	\$1,032,912,000

Source: Infrastructure Financing Plan

Timing of Sources and Uses

The developer, Forest City, will contribute capital to pay for project costs, prior to property tax increment and other project funds becoming available. The Infrastructure Financing Plan assumes that the developer will contribute \$133.8 million in developer capital through FY 2028-29.

Beginning in FY 2018-19, the Infrastructure Financing Plan assumes that proceeds from the sale of land or prepayment of ground leases will become available to begin paying for project costs, including repayment of the developer capital.

⁶ The \$61.9 million allocation to ERAF is the estimated amount of ERAF tax increment that is not needed to pay ERAF-secured debt.

Beginning in FY 2019-20, the Infrastructure Financing Plan assumes that the Port will begin issuing bonds, secured by property tax increment generated by Subproject Area G-2. Bond proceeds will be a source of funds to pay for public project costs.

Estimates of Annual Property Tax Increment Generated by Subproject Areas G-2, G-3, G-4

Incremental property taxes generated by development of Subproject Areas G-2, G-3, and G-4 depend on the assessed value of this development. A report prepared by Berkson Associates for the Port in August 2017 estimates that development in Subproject Areas G-2, G-3, and G-4 will have an assessed value of \$1.7 billion (2017 dollars), resulting in annual property tax increment of \$17 million (based on 1.0 percent property tax rate), of which 90 percent⁷ equals \$15.6 million (2017 dollars). The actual assessed value and associated property taxes will depend on the mix of residential and commercial properties, and when each of these properties is completed and enrolled in the City's tax rolls.

The Infrastructure Financing Plan⁸ estimates that Subproject Areas G-2, G-3, and G-4 would begin to generate incremental property taxes (which would be allocated to the IFD) in FY 2023-24, FY 2028-29, and FY 2029-20 respectively. However, according to the plan, the actual commencement date for when property tax increment would be allocated to the IFD would depend on the fiscal year in which each subproject area generated property tax increment of \$100,000 or more.⁹

Bond Issuance

The proposed resolution (File 17-0879) provides for the intent to issue bonds, secured by property tax increment. The bond authorization would be for up to \$793.3 million, including

- \$273.9 million for Subproject Area G-2;
- \$196.1 million for Subproject Area G-3; and
- \$323.3 million for Subproject Area G-4.

According to the Infrastructure Financing Plan, the Port anticipates issuing IFD bonds for Subproject Areas G-2, G-3, and G-4 of up to \$216 million¹⁰. The Port is requesting bond authorization of up to \$793.3 million, or more than 3x the anticipated bond issuance, to account for (a) property assessments that exceed projections, (b) issuance of additional bonds to pay for sea level rise and other projects, and (c) interest rates that are lower than the underwritten level. According to the Port, the Port is requesting a higher bonding cap to allow for flexibility should the project generate more incremental property tax revenues or the cost of funds is lower than projected.

⁷Based on approximately 65 percent City share and 25 percent ERAF share

⁸ The Infrastructure Financing Plan for Subproject Areas G-2, G-3, and G-4 was prepared by the Port's consultant, Century Urban, and submitted to the Port in October 2017.

⁹ The Berkson report estimated annual property tax increment of \$15.6 million (2017 dollars).

¹⁰ The Infrastructure Financing Plan assumes an interest rate of 7 percent, a term of 30 years, issuance costs/reserves of 13 percent, and an annual debt service cover ratio of 1:1 to 1:3. Estimated net loan proceeds to be applied to projects is \$169.6 million. The amount of \$216 million is included on Table 4; page 37 of the Infrastructure Financing Plan.

According to the Port's bond counsel, the proposed resolution limits the use of bonds to pay for the costs of public improvements described in the Infrastructure Financing Plan, as noted below:

- Bond authorization for Subproject Area G-2 is 273.9 million and the estimated cost of facilities in Appendix G-2 for Subproject Area G-2 is \$141.3 million;
- Bond authorization for Subproject Area G-3 is \$196.1 million and the estimated cost of facilities in Appendix G-3 for Subproject Area G-3 is \$72.97 million; and
- Bond authorization for Subproject Area G-4 is \$323.3 million and the estimated cost of facilities in Appendix G-3 for Subproject Area G-3 is \$46.3 million.

The bond authorization under the proposed resolution may also be applied to Pier 70-wide projects, in addition to the projects in the three subproject areas, subject to future Board of Supervisors approval.

POLICY CONSIDERATION

According to the Infrastructure Financing Plan, bonds may be issued by the IFD or by CFDs formed within the Pier 70 IFD Subproject Areas G-2, G-3, and G-4. While the proposed legislation states the City's intention to issue IFD bonds, the Infrastructure Financing Plan assumes that IFD or CFD bonds may be issued, and that property tax increment will be used to repay the bonds. The type of bond to be issued will be determined based on market conditions at the time of issuance. The Infrastructure Financing Plan provides for bonds to be issued in FY 2019-20, although Subproject Area G-2 may not generate property tax increment until FY 2023-24 to secure the bonds. Legislation to approve formation of CFDs within the three Pier 70 subproject areas has not been introduced.

RECOMMENDATION

Approve the proposed ordinance and resolution.

<p>Items 17, 18, 21 and 22 Files 18-0779, 18-0780, 18-0772 and 18-0782</p>	<p>Department: Port</p>
<p>EXECUTIVE SUMMARY</p>	
<p style="text-align: center;">Legislative Objectives</p>	
<p>File 18-0779 is a resolution (a) proposing adoption of the Infrastructure Financing Plan and formation of the City and County of San Francisco Infrastructure and Revitalization Financing District (IRFD) No. 2 (Hoedown Yard); (b) providing for the future annexation of property into the Infrastructure and Revitalization District subject to conditions set forth in the Infrastructure Financing Plan; (c) providing for the Board of Supervisors to establish by ordinance the date on which the allocation of tax increment shall begin; (d) setting the annual appropriations limit at \$91.9 million, which will be submitted to the qualified electors; and (e) providing for the proposition to establish the IRFD, the proposition to approve the Infrastructure Financing Plan, and the appropriations limit to be submitted to the qualified voters</p>	
<p>File 18-0780 is a resolution approving the Infrastructure Financing Plan for the Infrastructure and Revitalization Financing District No. 2.</p>	
<p>File 18-0772 is an ordinance creating the City and County of San Francisco Infrastructure and Revitalization Financing District (IRFD) No. 2 (Hoedown Yard) to finance the construction of affordable housing within Pier 70 and Parcel K South.</p>	
<p>File 18-0782 is a resolution authorizing issuance of IRFD bonds, paid by incremental property tax revenue allocated to the City and generated within the Hoedown Yard, in amounts not-to-exceed \$91,900,000. The proposed resolution approves the sale of bonds in one or more series, but the bonds shall not be issued until the Board of Supervisors has approved the terms of the sale, and has approved the associated documents.</p>	
<p style="text-align: center;">Key Points</p>	
<ul style="list-style-type: none"> • The City has an option to purchase the Hoedown Yard, adjacent to Pier 70 and owned by PG&E, or sell the option to purchase to a third party, but the City has not exercised that option. In order for the proposed IRFD to be formed on the Hoedown Yard, PG&E will need to vote in favor of the IRFD. • The Infrastructure Financing Plan assumes that the Hoedown Yard will be developed with condominium units, which will generate property tax increment revenue to fund affordable housing development. According to the Plan, 323 housing units would be developed; affordable to households with income at 60 percent of the Area Median Income. • The Board of Supervisors approved legislation establishing the Board's intent to form an Infrastructure and Revitalization Financing District (IRFD) and issue bonds in July 2018. 	
<p style="text-align: center;">Fiscal Impact</p>	
<ul style="list-style-type: none"> ▪ The requested authorization of \$91.9 million is more than four times the anticipated bond issuance of \$22.2 million. The Port is requesting a higher bonding cap to allow for flexibility if the project generates more incremental property tax revenues or the cost of funds is lower than projected. 	
<p style="text-align: center;">Recommendation</p>	
<ul style="list-style-type: none"> ▪ Approve the proposed ordinance and resolutions. 	

MANDATE STATEMENT

California Government Code Section 53369 authorizes the Board of Supervisors to establish an Infrastructure and Revitalization Financing District (IRFD) on Port property and to act as the legislative body for the IRFD.

BACKGROUND

The Hoedown Yard comprises two parcels owned by the Pacific Gas and Electric Company (PG&E) totaling approximately 3 acres adjacent to the 28-acre Pier 70 Waterfront Site. The Board of Supervisors approved an option agreement between the City and PG&E in 2014 (File 14-0750) in which the City could exercise the option for approximately \$8,283,726, or sell the option through a competitive sale to a third party. The sale of the Hoedown Yard option to a third party is subject to future Board of Supervisors approval.

The Board of Supervisors approved several pieces of legislation to establish the Pier 70 Special Use District Project, which includes the Hoedown Yard, in October 2017.

DETAILS OF PROPOSED LEGISLATION

File 18-0779 is a resolution (a) proposing adoption of the Infrastructure Financing Plan and formation of the City and County of San Francisco Infrastructure and Revitalization Financing District (IRFD) No. 2 (Hoedown Yard); (b) providing for the future annexation of property into the Infrastructure and Revitalization District subject to conditions set forth in the Infrastructure Financing Plan; (c) providing for the Board of Supervisors to establish by ordinance the date on which the allocation of tax increment shall begin; (d) setting the annual appropriations limit at \$91.9 million, which will be submitted to the qualified electors; and (e) providing for the proposition to establish the IRFD, the proposition to approve the Infrastructure Financing Plan, and the appropriations limit to be submitted to the qualified voters.

File 18-0780 is a resolution approving the Infrastructure Financing Plan for the Infrastructure and Revitalization Financing District No. 2.

File 18-0772 is an ordinance creating the City and County of San Francisco Infrastructure and Revitalization Financing District (IRFD) No. 2 (Hoedown Yard) to finance the construction of affordable housing within Pier 70 and Parcel K South.

File 18-0782 is a resolution authorizing issuance of IRFD bonds, paid by incremental property tax revenue allocated to the City and generated within the Hoedown Yard, in amounts not-to-exceed \$91,900,000.

According to the proposed resolution, the Board of Supervisors may increase the maximum amount of the bonds by adopting a resolution. The bonds may be issued on behalf of the IFD or may be issued on behalf of a special tax district to be established at a later date.

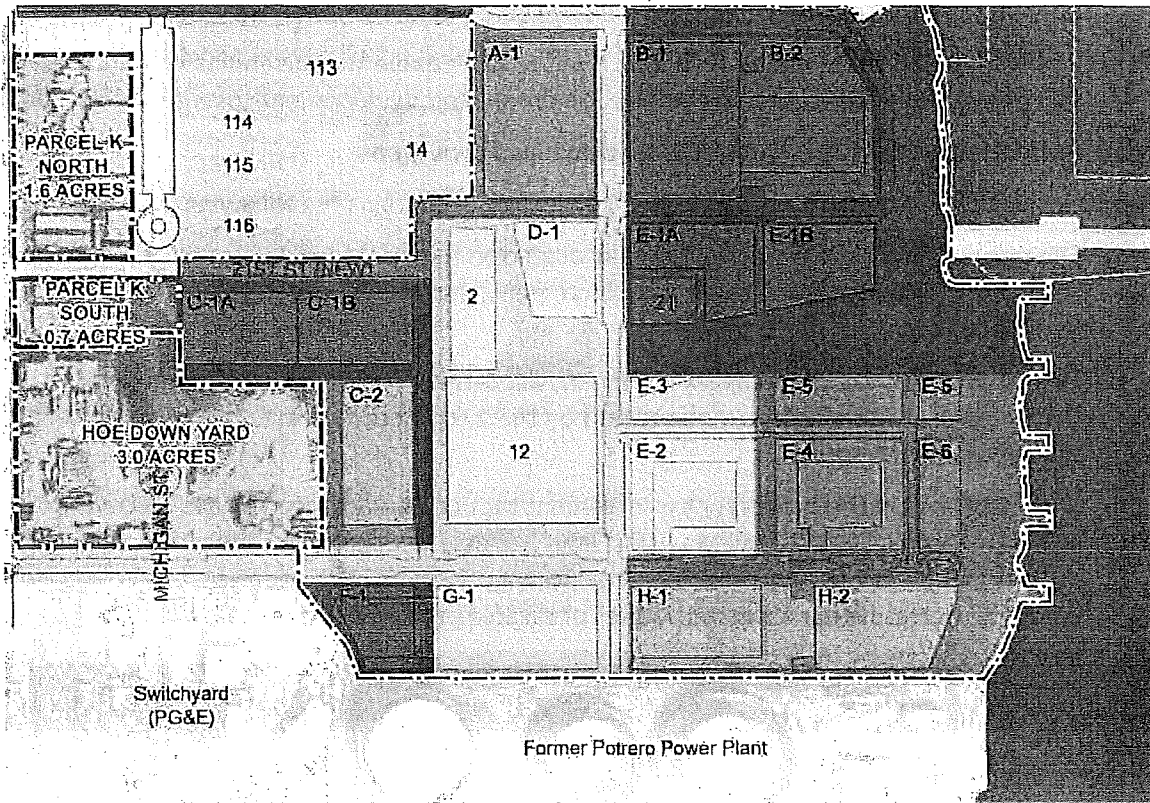
The proposed resolution approves the sale of bonds in one or more series, but the bonds shall not be issued until the Board of Supervisors has approved the terms of the sale, and has approved the associated documents.

The Board of Supervisors approved legislation establishing the Board’s intent to form an Infrastructure and Revitalization Financing District (IRFD) and issue bonds in July 2018.

Hoedown Yard

The Hoedown Yard is bounded by Illinois Street on the west, 22nd Street on the south, Irish Hill and Parcel K South on the north, and the Waterfront Site on the east, as shown in Exhibit 1 below.

Exhibit 1: Hoedown Yard Site



The Infrastructure Financing Plan assumes that the Hoedown Yard will be developed with 330 condominium units, within 349,353 gross building square feet, which will generate property tax increment revenue under the IRFD to fund affordable housing development on the Waterfront Site and Parcel K South. Because affordable housing will not be developed on the Hoedown Yard site, the condominiums will also be assessed a 28 percent in-lieu fee payable to the Mayor’s Office and Housing and Community Development (MOHCD) for development of affordable housing outside of the Pier 70 Special Use District.

Affordable Housing to be Funded by the IRFD

According to the Infrastructure Financing Plan, 323 affordable housing units would be developed as follows:

- 105 below market rate units on a portion of Parcel C-2 (Parcel C2A), affordable to households with income at 60 percent of the area median income. The projected development costs are \$32 million to \$33 million.
- 138 below market rate units on Parcel C1B, affordable to households with income at 60 percent of the area median income. The projected development costs are \$43 million.
- 80 below market rate units on Parcel K South, affordable to households with income at 60 percent of the area median income. The projected development costs are \$25 million.

Proposed Hoedown Yard Infrastructure Financing Plan Provisions

The proposed Hoedown Yard Infrastructure Financing Plan contains the following provisions:

- The property tax increment would be allocated to the IRFD for 40 years beginning in the fiscal year in which the property tax increment generated by Hoedown Yard equals at least \$100,000.
- The amount of the property tax increment allocated to the IRFD in each year would be 64.59 percent of the revenue generated by the 1.0 percent tax rate on the incremental assessed property value.
- The total limit on the property tax increment that can be allocated to the IRFD over the 40-year term is \$315.8 million. This limit reflects the projected total allocated tax increment of \$157.9 million plus a contingency factor of 100 percent to account for variables such as higher assessed values of taxable property due to resales.

FISCAL IMPACT**Sources and Uses of Funds**

Estimated sources and uses of IRFD funds are approximately \$88 million (2017 dollars), as shown in Exhibit 2 below.

Exhibit 2: Sources and Uses of Funds

	2017 Dollars
Sources	
Annual Tax Increment	\$70,170,000
Bond Proceeds	18,263,000
Total Sources	\$88,433,000
Uses	
Bond Debt Service	\$33,158,000
Affordable Housing	18,969,000
General Fund ^a	36,306,000
Total Uses	\$88,433,000

^a Excess tax increment is allocated to the General Fund

Source: Infrastructure Financing Plan

Timing of Sources and Uses

Beginning in FY 2023-24, the Infrastructure Financing Plan assumes that the Port will begin issuing IRFD bonds, secured by property tax increment generated by Hoedown Yard development, as discussed further below. Bond proceeds will be a source of funds to pay for affordable housing and related facilities and to re-pay bond debt. Excess tax increment revenue would be allocated to the City's General Fund.

Estimates of Annual Property Tax Increment Generated by Hoedown Yard

Incremental property taxes generated by development of Hoedown Yard depend on the assessed value of the development. A report prepared by Berkson Associates for the Port in August 2017 estimates that development of Hoedown Yard will result in total assessed value of \$225 million (2017 dollars), resulting in annual property tax increment of \$2.25 million (based on 1.0 percent property tax rate), of which 65 percent¹ equals \$1.46 million (2017 dollars). The actual assessed value and associated property taxes will depend on the number of residential properties and when each of these properties is completed and enrolled in the City's tax rolls.

The Infrastructure Financing Plan² estimates that Hoedown Yard would begin to generate incremental property taxes (which would be allocated to the IRFD) in FY 2024-25 and FY 2026-27, to coincide with the expected completion of two phases of development. However, according to the plan, the actual commencement date for when property tax increment would be allocated to the IRFD would depend on the fiscal year in which Hoedown Yard generated property tax increment of \$100,000 or more.

¹ Based on approximately 64.59 percent City allocation share.

² The Infrastructure Financing Plan for Hoedown Yard was prepared by the Port's consultant, Century Urban, and submitted to the Port in October 2017.

Bond Issuance

The proposed resolution (File 18-0782) authorizes the issuance bonds, secured by property tax increment, up to \$91,900,000. According to the Infrastructure Financing Plan, the Port anticipates issuing IRFD bonds for Hoedown Yard of up to \$22.2 million³. The requested bond authorization of up to \$91.9 million is more than four times the anticipated bond issuance to account for (a) property assessments that exceed projections and (b) interest rates that are lower than the underwritten level. According to the Port, the Port is requesting a higher bonding cap to allow for flexibility should the project generate more incremental property tax revenues or the cost of funds is lower than projected.

According to the Port's bond counsel, the proposed resolution limits the use of bonds to pay for the costs of authorized facilities, including acquisition, improvements, and associated costs.

POLICY CONSIDERATION

As noted above, Hoedown Yard is currently owned by PG&E and the City has an option to purchase the property or sell the option to purchase to a third party, but the City has not exercised that option as of September 2018. In order for the proposed IRFD to be formed on the Hoedown Yard, PG&E will need to vote in favor of the IRFD.

RECOMMENDATION

Approve the proposed ordinance and resolutions.

³ The Infrastructure Financing Plan assumes an interest rate of 7 percent, a term of 30 years, issuance costs/reserves of 13 percent, and an annual debt service cover ratio of 1.1:1 to 1.3:1. Estimated bond proceeds to be applied to affordable housing and debt service totals \$22.2 million.

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

3 **Resolution of Intention to establish City and County of San Francisco Infrastructure**
4 **and Revitalization Financing District No. 2 (Hoedown Yard, Pier 70) on land within the**
5 **City and County of San Francisco commonly known as the Hoedown Yard to finance**
6 **the construction of affordable housing within Pier 70 and Parcel K South; to provide for**
7 **future annexation; to call a public hearing on September 11, 2018, on the formation of**
8 **the district and to provide public notice thereof; determining other matters in**
9 **connection therewith; and affirming the Planning Department's determination, and**
10 **making findings under the California Environmental Quality Act.**

11
12 NOTE: Additions are single-underline italics Times New Roman;
13 deletions are ~~strike through italics Times New Roman~~.
14 Board amendment additions are double-underlined;
Board amendment deletions are ~~strikethrough normal~~.

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

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

23 WHEREAS, Pursuant to Proposition F, the voters in the City approved a policy of the
24 City, that the City encourage the timely development of the Project Site with a development
25 project that includes certain major uses, including without limitation, new below market-rate

1 homes affordable to middle- and low-income families and individuals, representing 30 percent
2 of all new housing units (Affordable Housing); and

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

7 WHEREAS, At its hearing on August 24, 2017, and prior to recommending the
8 proposed Planning Code amendments for approval, by Motion No. 19976, the Planning
9 Commission certified a Final Environmental Impact Report (FEIR) for the Pier 70 Mixed-Use
10 District Project (Project) pursuant to the California Environmental Quality Act (CEQA)
11 (California Public Resources Code Section 21000 et seq.), the CEQA Guidelines (14 Cal.
12 Code Reg. Section 15000 et seq.), and Chapter 31 of the Administrative Code. A copy of said
13 Motion is on file with the Clerk of the Board of Supervisors in File No. 170930, and, is
14 incorporated herein by reference. In accordance with the actions contemplated herein, this
15 Board of Supervisors has reviewed the FEIR, concurs with its conclusions, affirms the
16 Planning Commission's certification of the FEIR, and finds that the actions contemplated
17 herein are within the scope of the Project described and analyzed in the FEIR; and

18 WHEREAS, In recommending the proposed Planning Code Amendments for approval
19 by this Board of Supervisors at its hearing on August 24, 2017, by Motion No. 19977, the
20 Planning Commission also adopted findings under CEQA, including a statement of overriding
21 consideration, and a Mitigation Monitoring and Reporting Program (MMRP). A copy of said
22 Motion and MMRP are on file with the Clerk of the Board of Supervisors in File No. 170930,
23 and is incorporated herein by reference. This Board of Supervisors hereby adopts and
24 incorporates by reference as though fully set forth herein the Planning Commission's CEQA
25 approval findings, including the statement of overriding considerations. This Board of

1 Supervisors also adopts and incorporates by reference as though fully set forth herein the
2 Project's MMRP; and

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

7 WHEREAS, Pursuant to the Financing Plan and the IRFD Law, the Board of
8 Supervisors wishes to establish an infrastructure and revitalization financing district on a
9 portion of land within the City commonly known as the Hoedown Yard to finance the
10 construction of Affordable Housing on the Project Site and Parcel K South to satisfy the
11 requirements for Affordable Housing under Proposition F; and

12 WHEREAS, The IRFD Law provides that the legislative body of an infrastructure and
13 revitalization financing district may, at any time, add territory to a district or amend the
14 infrastructure financing plan for the district by conducting the same procedures for the
15 formation of a district or approval of bonds as provided in the IRFD Law, and the Board of
16 Supervisors wishes to establish the procedure for future annexation of certain additional land
17 within the City, specifically certain land that is currently owned by the City that is used as a
18 public; and

19 WHEREAS, IRFD Law Section 53369.14(d)(5) provides that the legislative body of a
20 proposed infrastructure and revitalization financing district may specify, by ordinance, the date
21 on which the allocation of tax increment will begin, and the Board of Supervisors accordingly
22 wishes to specify the date on which the allocation of tax increment will begin for the proposed
23 infrastructure district; now, therefore, be it

1 RESOLVED, That this Board of Supervisors proposes to conduct proceedings to
2 establish an infrastructure and revitalization financing district pursuant to the IRFD Law; and,
3 be it

4 FURTHER RESOLVED, That the name proposed for the infrastructure and
5 revitalization financing district is "City and County of San Francisco Infrastructure and
6 Revitalization Financing District No. 2 (Hoedown Yard)" (the IRFD); and, be it

7 FURTHER RESOLVED, That the proposed boundaries of the IRFD are as shown on
8 the map of the IRFD on file with the Clerk of the Board of Supervisors in File No. 170880,
9 which boundaries are hereby preliminarily approved and to which map reference is hereby
10 made for further particulars; and, be it

11 FURTHER RESOLVED, That the type of facilities proposed to be financed by the IRFD
12 pursuant to the IRFD Law shall consist of Affordable Housing and related facilities to be
13 located within the Project Site and Parcel K South, as more particularly described on Exhibit A
14 hereto and hereby incorporated herein (the Facilities), and the Facilities are authorized to be
15 financed by the IRFD by IRFD Law Sections 53369.2 and 53369.3, and the Board of
16 Supervisors hereby finds each of the following: that the Facilities (i) are of communitywide
17 significance, (ii) will not supplant facilities already available within the proposed boundaries of
18 the IRFD, except for those that are essentially nonfunctional, obsolete, hazardous, or in need
19 of upgrading or rehabilitation, and (iii) will supplement existing facilities as needed to serve
20 new developments; and, be it

21 FURTHER RESOLVED, That the Board of Supervisors hereby declares that, pursuant
22 to the IRFD Law, incremental property tax revenue from the City to finance the Facilities, but
23 no tax increment revenues from the other affected taxing entities (as defined in the IRFD Law)
24 within the IRFD, if any, will be used by the IRFD to finance the Facilities, and the incremental
25

1 property tax financing will be described in an infrastructure financing plan (the Infrastructure
2 Financing Plan) to be prepared for this Board of Supervisors under the IRFD Law; and, be it

3 FURTHER RESOLVED, That in accordance with IRFD Law Sections 53369.5(b) and
4 53369.14(d)(5), the Board of Supervisors shall establish, by ordinance, the date on which the
5 allocation of tax increment shall begin for the IRFD (the Commencement Date), with the
6 Commencement Date being the first day of the fiscal year following the fiscal year in which the
7 IRFD has generated and the City has received at least \$100,000 of tax increment; and, be it

8 FURTHER RESOLVED, That future annexations of property into the IRFD may occur
9 at any time after formation of the IRFD, but only if the Board of Supervisors has completed the
10 procedures set forth in the Infrastructure Financing Plan, which shall be based on the
11 following: (i) this Board of Supervisors adopts a resolution of intention to annex property (the
12 "annexation territory") into the IRFD and describes the annexation territory to be included in
13 the IRFD, (ii) the resolution of intention is mailed to each owner of land in the annexation
14 territory and each affected taxing entity in the annexation territory, if any, in substantial
15 compliance with Sections 53369.11 and 53369.12 of the IRFD Law, (iii) this Board of
16 Supervisors directs the Executive Director of the Port to prepare an amendment to the
17 Infrastructure Financing Plan, if necessary, and the Executive Director of the Port prepares
18 any such amendment, in substantial compliance with Sections 53369.13 and 53369.14 of the
19 IRFD Law, (iv) any amendment to the Infrastructure Financing Plan is sent to each owner of
20 land and each affected taxing entity (if any) within the annexation territory, in substantial
21 compliance with Sections 53369.15 and 53369.16 of the IRFD Law, (v) this Board of
22 Supervisors notices and holds a public hearing on the proposed annexation, in substantial
23 compliance with Sections 53369.17 and 53369.18 of the IRFD Law, (vi) this Board of
24 Supervisors adopts a resolution proposing the adoption of any amendment to the
25 Infrastructure Financing Plan and annexation of the annexation territory to the IRFD, and

1 submits the proposed annexation to the qualified electors in the annexation territory, in
2 substantial compliance with Sections 53369.20-53369.22 of the IRFD Law, with the ballot
3 measure to include the questions of the proposed annexation of the annexation territory into
4 the IRFD, approval of the appropriations limit for the annexation territory and approval of the
5 issuance of bonds for the annexation territory, and (vii) after canvass of returns of any
6 election, and if two-thirds of the votes cast upon the question are in favor of the ballot
7 measure, this Board may, by ordinance, adopt the amendment to the Infrastructure Financing
8 Plan, if any, and approve the annexation of the annexation territory to the IRFD, in substantial
9 compliance with Section 53369.23 of the IRFD Law; and, be it

10 FURTHER RESOLVED, That Tuesday, September 11, 2018 at 3:00 p.m. or as soon as
11 possible thereafter, in the Board of Supervisors Chamber, 1 Dr. Carlton B. Goodlett Place,
12 City Hall, San Francisco, California, be, and the same are hereby appointed and fixed as the
13 time and place when and where this Board of Supervisors, as legislative body for the IRFD,
14 will conduct a public hearing on the proposed establishment of the IRFD and the proposed
15 future annexation of territory to the IRFD; and, be it

16 FURTHER RESOLVED, That the Clerk of the Board of Supervisors is hereby directed
17 to mail a copy of this Resolution to each owner of land (as defined in the IRFD Law) within the
18 IRFD (but not to any affected taxing entities because there are none as of the date of this
19 Resolution), and in addition, in accordance with IRFD Law Section 53369.17, the Clerk of the
20 Board of Supervisors is hereby directed to cause notice of the public hearing to be published
21 not less than once a week for four successive weeks in a newspaper of general circulation
22 published in the City, and the notice shall state that the IRFD will be used to finance
23 affordable housing within in the City, briefly describe such affordable housing and the other
24 Facilities, briefly describe the proposed financial arrangements, including the proposed
25 commitment of incremental tax revenue, describe the boundaries of the proposed IRFD,

1 reference the process for future annexation and state the day, hour, and place when and
2 where any persons having any objections to the proposed Infrastructure Financing Plan, or
3 the regularity of any of the prior proceedings, may appear before this Board of Supervisors
4 and object to the adoption of the proposed Infrastructure Financing Plan for the IRFD or
5 process for future annexation to the IRFD by the Board of Supervisors; and, be it

6 FURTHER RESOLVED, That this Resolution shall in no way obligate the Board of
7 Supervisors to establish the IRFD, and the establishment of the IRFD shall be subject to the
8 approval of this Board of Supervisors by resolution following the holding of the public hearing
9 referred to above and a vote of the qualified electors in the IRFD; and, be it

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

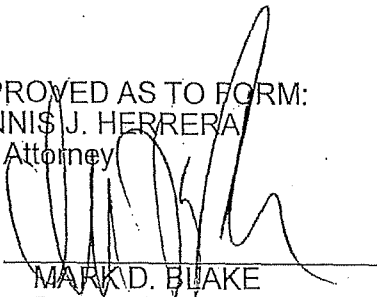
18 FURTHER RESOLVED, That the Mayor, the Controller, the Director of the Office of
19 Public Finance, the Clerk of the Board of Supervisors, the Executive Director of the Port of
20 San Francisco and any and all other officers of the City are hereby authorized, for and in the
21 name of and on behalf of the City, to do any and all things and take any and all actions,
22 including execution and delivery of any and all documents, assignments, certificates,
23 requisitions, agreements, notices, consents, instruments of conveyance, warrants and
24 documents, which they, or any of them, may deem necessary or advisable in order to
25 effectuate the purposes of this Resolution; provided however that any such actions be solely

1 intended to further the purposes of this Resolution, and are subject in all respects to the terms
2 of the Resolution; and, be it

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

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

10
11 APPROVED AS TO FORM:
12 DENNIS J. HERRERA
13 City Attorney

14 By: 
15 MARK D. BLAKE
16 Deputy City Attorney

17 n:\portlas2018\1100292\01290495.docx

EXHIBIT A

DESCRIPTION OF FACILITIES

It is intended that the IRFD (including any annexation territory annexed therein by future annexations) will be authorized to finance all or a portion of the costs of the acquisition, construction and improvement of any facilities authorized by Section 53369.3 of the IRFD Law, including, but not limited to, affordable housing projects and supporting infrastructure and amenities.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25



City and County of San Francisco

Tails

Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 170880

Date Passed: July 24, 2018

Resolution of Intention to establish City and County of San Francisco Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard, Pier 70) on land within the City and County of San Francisco commonly known as the Hoedown Yard to finance the construction of affordable housing within Pier 70 and Parcel K South; to provide for future annexation; to call a public hearing on September 11, 2018, on the formation of the district and to provide public notice thereof; determining other matters in connection therewith; and affirming the Planning Department's determination, and making findings under the California Environmental Quality Act.

November 09, 2017 Budget and Finance Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE

November 09, 2017 Budget and Finance Committee - RECOMMENDED AS AMENDED

November 28, 2017 Board of Supervisors - CONTINUED

Ayes: 11 - Breed, Cohen, Farrell, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Tang and Yee

December 05, 2017 Board of Supervisors - AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE

Ayes: 11 - Breed, Cohen, Farrell, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Tang and Yee

December 05, 2017 Board of Supervisors - RE-REFERRED AS AMENDED

Ayes: 11 - Breed, Cohen, Farrell, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Tang and Yee

July 12, 2018 Budget and Finance Sub-Committee - AMENDED


July 12, 2018 Budget and Finance Sub-Committee - RECOMMENDED AS AMENDED

July 24, 2018 Board of Supervisors - ADOPTED

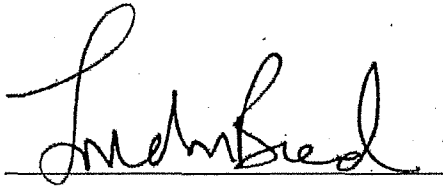
Ayes: 9 - Cohen, Brown, Kim, Mandelman, Peskin, Ronen, Safai, Stefani and Yee
Excused: 2 - Fewer and Tang

File No. 170880

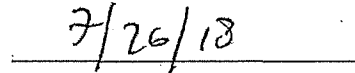
I hereby certify that the foregoing
Resolution was ADOPTED on 7/24/2018 by
the Board of Supervisors of the City and
County of San Francisco.



Angela Calvillo
Clerk of the Board



London N. Breed
Mayor



Date Approved

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 NOTE: Additions are single-underline italics Times New Roman;
10 deletions are ~~strike-through italics Times New Roman~~.
11 Board amendment additions are double-underlined;
12 Board amendment deletions are ~~strikethrough normal~~.

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

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

20 WHEREAS, Pursuant to Proposition F, the voters in the City approved a policy of the
21 City, that the City encourage the timely development of the Project Site with a development
22 project that includes certain major uses, including without limitation, new below market-rate
23 homes affordable to middle- and low-income families and individuals, representing 30 percent
24 of all new housing units (Affordable Housing); and
25

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

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

9 WHEREAS, Pursuant to the IRFD Law, this Board of Supervisors has adopted its
10 "Resolution of intention to establish City and County of San Francisco Infrastructure and
11 Revitalization Financing District No. 2 (Hoedown Yard) on land within the City and County of
12 San Francisco commonly known as the Hoedown Yard to finance the construction of
13 affordable housing within Pier 70 and Parcel K South; to provide for future annexation; to call
14 a public hearing on September 11, 2018 on the formation of the district and to provide public
15 notice thereof; determining other matters in connection therewith; and affirming the Planning
16 Department's determination, and making findings under the California Environmental Quality
17 Act" (Resolution of Intention to Establish IRFD), stating its intention to form the "City and
18 County of San Francisco Infrastructure and Revitalization Financing District No. 2 (Hoedown
19 Yard)" (IRFD) pursuant to the IRFD Law, for the purpose of financing Affordable Housing
20 within the Project Site and Parcel K South to satisfy the requirements for Affordable Housing
21 under Proposition F as further provided in the Resolution of Intention to Establish IRFD (the
22 Facilities); and

23 WHEREAS, In the Resolution of Intention to Establish IRFD, this Board of Supervisors
24 declared its intent to provide for future annexations of property into the IRFD any time after
25 formation of the IRFD, but only if the Board of Supervisors has completed the procedures set

1 forth in the Infrastructure Financing Plan, which shall be based on the following: (i) this Board
2 of Supervisors adopts a resolution of intention to annex property (the "annexation territory")
3 into the IRFD and describes the annexation territory to be included in the IRFD, (ii) the
4 resolution of intention is mailed to each owner of land in the annexation territory and each
5 affected taxing entity in the annexation territory, if any, in substantial compliance with Sections
6 53369.11 and 53369.12 of the IRFD Law, (iii) this Board of Supervisors directs the Port to
7 prepare an amendment to the Infrastructure Financing Plan, if necessary, and the designated
8 official prepares any such amendment, in substantial compliance with Sections 53369.13 and
9 53369.14 of the IRFD Law, (iv) any amendment to the Infrastructure Financing Plan is sent to
10 each owner of land and each affected taxing entity (if any) within the annexation territory, in
11 substantial compliance with Sections 53369.15 and 53369.16 of the IRFD Law, (v) this Board
12 of Supervisors notices and holds a public hearing on the proposed annexation, in substantial
13 compliance with Sections 53369.17 and 53369.18 of the IRFD Law, (vi) this Board of
14 Supervisors adopts a resolution proposing the adoption of any amendment to the
15 Infrastructure Financing Plan and annexation of the annexation territory to the IRFD, and
16 submits the proposed annexation to the qualified electors in the annexation territory, in
17 substantial compliance with Sections 53369.20-53369.22 of the IRFD Law, with the ballot
18 measure to include the question of the proposed annexation of the annexation territory into
19 the IRFD, approval of the appropriations limit for the annexation territory and approval of the
20 issuance of bonds for the annexation territory, and (vii) after canvass of returns of any
21 election, and if two-thirds of the votes cast upon the question are in favor of the ballot
22 measure, this Board may, by ordinance, adopt the amendment to the Infrastructure Financing
23 Plan, if any, and approve the annexation of the annexation territory to the IRFD, in substantial
24 compliance with Section 53369.23 of the IRFD Law; and
25

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

6 WHEREAS, In addition, this Board of Supervisors has adopted its "Resolution
7 authorizing and directing the Executive Director of the Port of San Francisco, or designee of
8 the Executive Director of the Port of San Francisco, to prepare an infrastructure financing plan
9 for the City and County of San Francisco Infrastructure and Revitalization Financing District
10 No. 2 (Hoedown Yard); determining other matters in connection therewith; and affirming the
11 Planning Department's determination, and making findings under the California Environmental
12 Quality Act," ordering preparation of an infrastructure financing plan for the IRFD (the
13 Infrastructure Financing Plan) consistent with the requirements of the IRFD Law; and

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

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

21 WHEREAS, United States Income Tax Regulations section 1.150-2 provides generally
22 that proceeds of tax-exempt debt are not deemed to be expended when such proceeds are
23 used for reimbursement of expenditures made prior to the date of issuance of such debt
24 unless certain procedures are followed, one of which is a requirement that (with certain
25

1 exceptions), prior to the payment of any such expenditure, the issuer declares an intention to
2 reimburse such expenditure; and

3 WHEREAS, It is in the public interest and for the public benefit that the Board of
4 Supervisors, on behalf of the City, declares its official intent to reimburse the expenditures
5 referenced herein; now, therefore, be it

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

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

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

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

20 FURTHER RESOLVED, That this Board of Supervisors intends to authorize the
21 issuance and sale of the Bonds in one or more series for the IRFD in the maximum aggregate
22 principal amount of (i) \$91.9 million plus (ii) the additional (if any) principal amount of Bonds
23 approved by this Board of Supervisors and the qualified electors of the annexation territory in
24 connection with the annexation of the annexation territory to the IRFD, so long as the Board
25 makes the finding specified in Section 53369.41(f) of the IRFD Law, and the Bonds shall bear

1 interest payable semi-annually or in such other manner as this Board of Supervisors shall
2 determine, at a rate not to exceed the maximum rate of interest as may be authorized by
3 applicable law at the time of sale of the Bonds, and the maximum underwriter's discount of the
4 Bonds shall be 2.0% of the par amount of the Bonds; and, be it

5 FURTHER RESOLVED, That the Board of Supervisors estimates, based on the
6 analysis set forth in the Infrastructure Financing Plan, that the incremental property tax
7 revenues that are expected to be available to the IRFD to pay principal of and interest on the
8 Bonds is \$91.9 million, and in accordance with IRFD Law Section 53369.41(f), the Board of
9 Supervisors hereby finds that the amount necessary to pay principal of and interest on the
10 maximum principal amount of Bonds specified in the preceding paragraph is less than or
11 equal to the incremental property tax revenues that are expected to be available to the IRFD
12 to pay principal of and interest on the Bonds; and, be it

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

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

24 FURTHER RESOLVED, That this Resolution shall in no way obligate the Board of
25 Supervisors to propose establishment of the IRFD or to authorize the issuance of bonds for

1 the IRFD, and the authorization to issue bonds shall be subject to the approval of this Board
2 of Supervisors by resolution following the elections of the qualified electors described above;
3 and, be it

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

10 FURTHER RESOLVED, That the Board of Supervisors has reviewed and considered
11 the FEIR and finds that the FEIR is adequate for its use for the actions taken by this resolution
12 and incorporates the FEIR and the CEQA findings contained in Resolution No. 234-18
13 of this Board of Supervisors; and, be it

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

22 FURTHER RESOLVED, That the Mayor, the Controller, the Director of the Office of
23 Public Finance, the Clerk of the Board of Supervisors and any and all other officers of the City
24 are hereby authorized, for and in the name of and on behalf of the City, to do any and all
25 things and take any and all actions, including execution and delivery of any and all

1 documents, assignments, certificates, requisitions, agreements, notices, consents,
2 instruments of conveyance, warrants and documents, which they, or any of them, may deem
3 necessary or advisable in order to effectuate the purposes of this Resolution; provided
4 however that any such actions be solely intended to further the purposes of this Resolution,
5 and are subject in all respects to the terms of the Resolution; and, be it

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

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

10
11 APPROVED AS TO FORM:
12 DENNIS J. HERRERA
13 City Attorney

14
15 By: _____

16 MARK D. BLAKE
17 Deputy City Attorney

18 n:\portlas2018\1100292\01290501.docx



City and County of San Francisco
Tails
Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 170882

Date Passed: July 24, 2018

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

November 09, 2017 Budget and Finance Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

November 09, 2017 Budget and Finance Committee - RECOMMENDED AS AMENDED

November 28, 2017 Board of Supervisors - CONTINUED

Ayes: 11 - Breed, Cohen, Farrell, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Tang and Yee

December 05, 2017 Board of Supervisors - AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE

Ayes: 11 - Breed, Cohen, Farrell, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Tang and Yee

December 05, 2017 Board of Supervisors - RE-REFERRED AS AMENDED

Ayes: 11 - Breed, Cohen, Farrell, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Tang and Yee

July 12, 2018 Budget and Finance Sub-Committee - AMENDED


July 12, 2018 Budget and Finance Sub-Committee - RECOMMENDED AS AMENDED

July 24, 2018 Board of Supervisors - ADOPTED

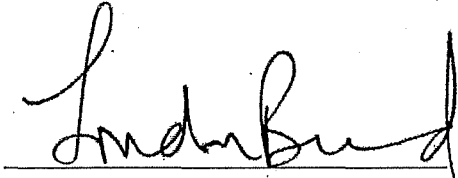
Ayes: 9 - Cohen, Brown, Kim, Mandelman, Peskin, Ronen, Safai, Stefani and Yee
Excused: 2 - Fewer and Tang

File No. 170882

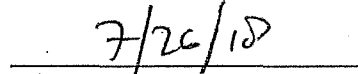
I hereby certify that the foregoing
Resolution was ADOPTED on 7/24/2018 by
the Board of Supervisors of the City and
County of San Francisco.



Angela Galvillo
Clerk of the Board



London N. Breed
Mayor



Date Approved



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Motion No. 19976

HEARING DATE: AUGUST 24, 2017

Case No.: 2014-001272ENV
Project Title: Pier 70 Mixed-Use District Project
Zoning: M-2 (Heavy Industrial) and P (Public)
40-X and 65-X Height and Bulk Districts
Block/Lot: Assessor's Block 4052/Lot 001, Block 4111/Lot 004
Block 4120/Lot 002, and Block 4110/Lots 001 and 008A
Project Sponsor: David Beaupre/Port of San Francisco
david.beaupre@sfport.com, (415) 274-0539
Kelly Pretzer/Forest City Development California, Inc.
KellyPretzer@forestcity.net, (415) 593-4227
Staff Contact: Melinda Hue – (415) 575-9041
melinda.hue@sfgov.org

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

ADOPTING FINDINGS RELATED TO THE CERTIFICATION OF A FINAL ENVIRONMENTAL IMPACT REPORT FOR THE PROPOSED PIER 70 MIXED-USE DISTRICT PROJECT.

MOVED, that the San Francisco Planning Commission (hereinafter "Commission") hereby CERTIFIES the final Environmental Impact Report identified as Case No. 2014-001272ENV, the "Pier 70 Mixed-Use District Project" (hereinafter "Project"), based upon the following findings:

1. The City and County of San Francisco, acting through the Planning Department (hereinafter "Department") fulfilled all procedural requirements of the California Environmental Quality Act (Cal. Pub. Res. Code Section 21000 *et seq.*, hereinafter "CEQA"), the State CEQA Guidelines (Cal. Admin. Code Title 14, Section 15000 *et seq.*, hereinafter "CEQA Guidelines") and Chapter 31 of the San Francisco Administrative Code (hereinafter "Chapter 31").
 - A. The Department determined that an Environmental Impact Report (hereinafter "EIR") was required and provided public notice of that determination by publication in a newspaper of general circulation on May 6, 2015.
 - B. The Department held a public scoping meeting on May 28, 2015 in order to solicit public comment on the scope of the Project's environmental review.
 - C. On December 21, 2016, the Department published the Draft Environmental Impact Report (hereinafter "DEIR") and provided public notice in a newspaper of general circulation of the availability of the DEIR for public review and comment and of the date and time of the Planning

Commission public hearing on the DEIR; this notice was mailed to the Department's list of persons requesting such notice.

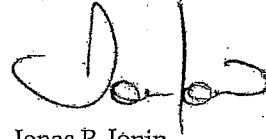
- D. Notices of availability of the DEIR and of the date and time of the public hearing were posted near the project site on December 21, 2016.
 - E. On December 21, 2016, copies of the DEIR were mailed or otherwise delivered to a list of persons requesting it, to those noted on the distribution list in the DEIR, and to government agencies, the latter both directly and through the State Clearinghouse.
 - F. A Notice of Completion was filed with the State Secretary of Resources via the State Clearinghouse on December 21, 2016.
2. The Commission held a duly advertised public hearing on said DEIR on February 9, 2017 at which opportunity for public comment was given, and public comment was received on the DEIR. The period for acceptance of written comments ended on February 21, 2017.
 3. The Department prepared responses to comments on environmental issues received at the public hearing and in writing during the 60-day public review period for the DEIR, prepared revisions to the text of the DEIR in response to comments received or based on additional information that became available during the public review period, and corrected errors in the DEIR. This material was presented in a Comments and Responses document, published on August 9, 2017, distributed to the Commission and all parties who commented on the DEIR, and made available to others upon request at the Department.
 4. A Final Environmental Impact Report (hereinafter "FEIR") has been prepared by the Department, consisting of the DEIR, any consultations and comments received during the review process, any additional information that became available, and the Comments and Responses document all as required by law.
 5. Project EIR files have been made available for review by the Commission and the public. These files are available for public review at the Department at 1650 Mission Street, Suite 400, and are part of the record before the Commission.
 6. On August 24, 2017, the Commission reviewed and considered the information contained in the FEIR and hereby does find that the contents of said report and the procedures through which the FEIR was prepared, publicized, and reviewed comply with the provisions of CEQA, the CEQA Guidelines, and Chapter 31 of the San Francisco Administrative Code.
 7. The Planning Commission hereby does find that the FEIR concerning File No. 2014-001272ENV reflects the independent judgement and analysis of the City and County of San Francisco, is adequate, accurate and objective, and that the Comments and Responses document contains no significant revisions to the DEIR that would require recirculation of the document pursuant to CEQA Guideline Section 15088.5, and hereby does CERTIFY THE COMPLETION of said FEIR in compliance with CEQA, the CEQA Guidelines and Chapter 31 of the San Francisco Administrative Code.

8. The Commission, in certifying the completion of said FEIR, hereby does find that the project described in the EIR would have the following significant unavoidable environmental impacts, which cannot be mitigated to a level of insignificance:
- A. **TR-5:** The Proposed Project would cause the 48 Quintara/24th Street bus route to exceed 85 percent capacity utilization in the a.m. and p.m. peak hours in both the inbound and outbound directions.
 - B. **TR-12:** The Proposed Project's loading demand during the peak loading hour would not be adequately accommodated by proposed on-site or off-street loading supply or in proposed on-street loading zones, which may create hazardous conditions or significant delays for transit, bicycles or pedestrians.
 - C. **C-TR-4:** The Proposed Project would contribute considerably to significant cumulative transit impacts on the 48 Quintara/24th Street and 22 Fillmore bus routes.
 - D. **NO-2:** Construction of the Proposed Project would cause a substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project.
 - E. **NO-5:** Operation of the Proposed Project would cause substantial permanent increases in ambient noise levels along some roadway segments in the project site vicinity.
 - F. **C-NO-2:** Operation of the Proposed Project, in combination with other cumulative development, would cause a substantial permanent increase in ambient noise levels in the project vicinity.
 - G. **AQ-1:** Construction of the Proposed Project would generate fugitive dust and criteria air pollutants, which would violate an air quality standard, contribute substantially to an existing or projected air quality violation, and result in a cumulatively considerable net increase in criteria air pollutants.
 - H. **AQ-2:** At project build-out, the Proposed Project would result in emissions of criteria air pollutants at levels that would violate an air quality standard, contribute to an existing or projected air quality violation, and result in a cumulatively considerable net increase in criteria air pollutants.
 - I. **C-AQ-1:** The Proposed Project, in combination with past, present, and reasonably foreseeable future development in the project area, would contribute to cumulative regional air quality impacts.
9. The Commission reviewed and considered the information contained in the FEIR prior to approving the Project.

Motion No. 19976
August 24, 2017

CASE NO. 2014-001272ENV
Pier 70 Mixed-Use District Project

I hereby certify that the foregoing Motion was ADOPTED by the Planning Commission at its regular meeting of August 24, 2017.



Jonas P. Ionin
Commission Secretary

AYES: Hillis, Richards, Johnson, Koppel, Melgar, Moore
NOES: None
ABSENT: Fong
ADOPTED: August 24, 2017



SAN FRANCISCO PLANNING DEPARTMENT

Planning Commission Resolution No. 19978

HEARING DATE: AUGUST 24, 2017

1650 Mission St.
Suite 400
San Francisco,
CA 94103-2479

Reception:
415.558.6378

Fax:
415.558.6409

Planning
Information:
415.558.6377

Case No.: 2014-001272GPA
 Project Name: Pier 70 Mixed-Use Project
 Existing Zoning: M-2 (Heavy Industrial) Zoning District
 P (Public) Zoning District
 40-X and 65-X Height and Bulk Districts
 Block/Lot: 4052/001, 4110/001 and 008A, 4111/004, 4120/002,
 Proposed Zoning: Pier 70 Mixed-Use Zoning District
 65-X and 90-X Height and Bulk Districts
 Project Sponsor: Port of San Francisco and Forest City Development California Inc.
 Staff Contact: Richard Sucre – (415) 575-9108
richard.sucre@sfgov.org

RESOLUTION RECOMMENDING THAT THE BOARD OF SUPERVISORS APPROVE AMENDMENTS TO MAP NO. 04 AND MAP NO. 05 OF THE URBAN DESIGN ELEMENT OF GENERAL PLAN AND THE LAND USE INDEX OF THE GENERAL PLAN TO PROVIDE REFERENCE TO THE PIER 70 MIXED-USE PROJECT SPECIAL USE DISTRICT, AND MAKING FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND PLANNING CODE SECTION 101.1, AND FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.

WHEREAS, Section 4.105 of the Charter of the City and County of San Francisco provides to the Planning Commission the opportunity to periodically recommend General Plan Amendments to the Board of Supervisors; and

WHEREAS, pursuant to Planning Code Section 340(C), the Planning Commission ("Commission") initiated a General Plan Amendment for the Pier 70 Mixed-Use Project ("Project"), per Planning Commission Resolution No. 19949 on June 22, 2017.

WHEREAS, these General Plan Amendments would enable the Project. The Project includes new market-rate and affordable residential uses, commercial use, retail-arts-light industrial uses, parking, shoreline improvements, infrastructure development and street improvements, and public open space. Depending on the uses proposed, the Project would include between 1,645 to 3,025 residential units, a maximum of 1,102,250 to 2,262,350 gross square feet (gsf) of commercial-office use, and a maximum of 494,100 to 518,700 gsf of retail-light industrial-arts use. The Project also includes construction of transportation and circulation improvements, new and upgraded utilities and infrastructure, geotechnical and shoreline improvements, between 3,215 to 3,345 off-street parking spaces in proposed buildings and district parking structures, and nine acres of publicly-owned open space.

WHEREAS, the Project would construct new buildings that would range in height from 50 to 90 feet, as is consistent with Proposition F which was passed by the voters of San Francisco in November 2014.

WHEREAS, these General Plan Amendments would amend Map No. 04 "Urban Design Guidelines for Heights of Buildings" and Map No. 5 "Urban Design Guidelines for Bulk of Buildings" in the Urban Design Element to reference the Pier 70 Mixed-Use Project Special Use District, as well as update and amend the Land Use Index of the General Plan accordingly.

WHEREAS, this Resolution approving these General Plan Amendments is a companion to other legislative approvals relating to the Pier 70 Mixed-Use Project, including recommendation of approval of Planning Code Text Amendments and Zoning Map Amendments, approval of the Pier 70 SUD Design for Development and recommendation for approval of the Development Agreement.

WHEREAS, on August 24, 2017, the Planning Commission reviewed and considered the Final EIR for the Pier 70 Mixed Project (FEIR) and found the FEIR to be adequate, accurate and objective, thus reflecting the independent analysis and judgment of the Department and the Commission, and that the summary of comments and responses contained no significant revisions to the Draft EIR, and approved the FEIR for the Project in compliance with CEQA, the CEQA Guidelines and Chapter 31.

WHEREAS, on August 24, 2017, by Motion No. 19976, the Commission certified the Final Environmental Impact Report for the Pier 70 Mixed-Use Project as accurate, complete and in compliance with the California Environmental Quality Act ("CEQA").

WHEREAS, on August 24, 2017, the Commission by Motion No. 19977 approved California Environmental Quality Act (CEQA) Findings, including adoption of a Mitigation Monitoring and Reporting Program (MMRP), under Case No. 2014-001272ENV, for approval of the Project, which findings are incorporated by reference as though fully set forth herein.

WHEREAS, the CEQA Findings included adoption of a Mitigation Monitoring and Reporting Program (MMRP) as Attachment B, which MMRP is hereby incorporated by reference as though fully set forth herein and which requirements are made conditions of this approval.

WHEREAS, on July 20, 2017, the Commission conducted a duly noticed public hearing at a regularly scheduled meeting on General Plan Amendment Application Case No. 2014-001272GPA. At the public hearing on July 20, 2017, the Commission continued the adoption of the General Plan Amendment Application to the public hearing on August 24, 2017.

WHEREAS, a draft ordinance, substantially in the form attached hereto as Exhibit A, approved as to form, would amend Map No. 04 "Urban Design Guidelines for Heights of Buildings" and Map No. 05 "Urban Design Guidelines for Bulk of Buildings" in the Urban Design Element, and the Land Use Index of the General Plan.

NOW THEREFORE BE IT RESOLVED, that the Planning Commission hereby finds that the General Plan Amendments promote the public welfare, convenience and necessity for the following reasons:

1. The General Plan Amendments would help implement the Pier 70 Mixed-Use Project development, thereby evolving currently under-utilized industrial land for needed housing, commercial space, and parks and open space.
2. The General Plan Amendments would help implement the Pier 70 Mixed-Use Project, which in turn will provide employment opportunities for local residents during construction and post-occupancy, as well as community facilities and parks for new and existing residents.

3. The General Plan Amendments would help implement the Pier 70 Mixed-Use Project by enabling the creation of a mixed-use and sustainable neighborhood, with fully rebuilt infrastructure. The new neighborhood would improve the site's multi-modal connectivity to and integration with the surrounding City fabric, and connect existing neighborhoods to the City's central waterfront.
4. The General Plan Amendments would enable the construction of a new vibrant, safe, and connected neighborhood, including new parks and open spaces. The General Plan Amendments would help ensure a vibrant neighborhood with active streets and open spaces, high quality and well-designed buildings, and thoughtful relationships between buildings and the public realm, including the waterfront.
5. The General Plan Amendments would enable construction of new housing, including new on-site affordable housing, and new arts, retail and manufacturing uses. These new uses would create a new mixed-use neighborhood that would strengthen and complement nearby neighborhoods.
6. The General Plan Amendments would facilitate the preservation and rehabilitation of portions of the Union Iron Works Historic District—an important historic resource listed in the National Register of Historic Places.

AND BE IT FURTHER RESOLVED, that the Planning Commission finds these General Plan Amendments are in general conformity with the General Plan, and the Project and its approvals associated therein, all as more particularly described in Exhibit A to the Development Agreement on file with the Planning Department in Case No. 2014-001272DVA, are each on balance, consistent with the following Objectives and Policies of the General Plan, as it is proposed to be amended as described herein, and as follows:

HOUSING ELEMENT

OBJECTIVE 1

IDENTIFY AND MAKE AVAILABLE FOR DEVELOPMENT ADEQUATE SITES TO MEET THE CITY'S HOUSING NEEDS, ESPECIALLY PERMANENTLY AFFORDABLE HOUSING.

POLICY 1.1

Plan for the full range of housing needs in the City and County of San Francisco, especially affordable housing.

POLICY 1.8

Promote mixed use development, and include housing, particularly permanently affordable housing, in new commercial, institutional or other single use development projects.

POLICY 1.10

Support new housing projects, especially affordable housing, where households can easily rely on public transportation, walking and bicycling for the majority of daily trips.

The Project is a mixed-use development with between 1,645 and 3,025 dwelling units at full project build-out, which provides a wide range of housing options. As detailed in the Development Agreement, the Project exceeds the inclusionary affordable housing requirements

of the Planning Code, through a partnership between the developer and the City to reach a 30% affordable level.

OBJECTIVE 11

SUPPORT AND RESPECT THE DIVERSE AND DISTINCT CHARACTER OF SAN FRANCISCO'S NEIGHBORHOODS.

POLICY 11.1

Promote the construction and rehabilitation of well-designed housing that emphasizes beauty, flexibility, and innovative design, and respects existing neighborhood character.

POLICY 11.2

Ensure implementation of accepted design standards in project approvals.

POLICY 11.7

Respect San Francisco's historic fabric, by preserving landmark buildings and ensuring consistency with historic districts.

The Project, as described in the Development Agreement and controlled in the Design for Development (D4D), includes a program of substantial community benefits designed to revitalize a former industrial shipyard and complement the surrounding neighborhood. Through the standards and guidelines in the D4D, the Project would respect the character of existing historic resources, while providing for a distinctly new and unique design. The Project retains three historic resources (Buildings 2, 12 and 21) and preserves the character of the Union Iron Works Historic District by providing for compatible new construction.

OBJECTIVE 12

BALANCE HOUSING GROWTH WITH ADEQUATE INFRASTRUCTURE THAT SERVES THE CITY'S GROWING POPULATION.

POLICY 12.1

Encourage new housing that relies on transit use and environmentally sustainable patterns of movement.

POLICY 12.2

Consider the proximity of quality of life elements, such as open space, child care, and neighborhood services, when developing new housing units.

The Project appropriately balances housing with new and improved infrastructure and related public benefits.

The project site is located adjacent to a transit corridor, and is within proximity to major regional and local public transit. The Project includes incentives for the use of transit, walking and bicycling through its TDM program. In addition, the Project's streetscape design would enhance vehicular, bicycle and pedestrian access and connectivity through the site. The Project will establish a new bus line through the project site, and will provide an open-to-the-public shuttle.

Therefore, new residential and commercial buildings constructed as part of the Project would rely on transit use and environmentally sustainable patterns of movement.

The Project will provide over nine acres of new open space for a variety of activities, including an Irish Hill playground, a market square, a central commons, a minimum ½ acre active recreation on the rooftop of buildings, and waterfront parks along 1,380 feet of shoreline.

The Project includes substantial contributions related to quality of life elements such as open space, affordable housing, transportation improvements, childcare, schools, arts and cultural facilities and activities, workforce development, youth development, and historic preservation.

COMMERCE AND INDUSTRY ELEMENT

OBJECTIVE 1

MANAGE ECONOMIC GROWTH AND CHANGE TO ENSURE ENHANCEMENT OF THE TOTAL CITY LIVING AND WORKING ENVIRONMENT.

POLICY 1.1

Encourage development which provides substantial net benefits and minimizes undesirable consequences. Discourage development which has substantial undesirable consequences that cannot be mitigated.

The Project is intended to provide a distinct mixed-use development with residential, office, retail, cultural, and open space uses. The Project would leverage the Project site's location on the Central Waterfront and close proximity to major regional and local public transit by building a dense mixed-use development that allows people to work and live close to transit. The Project's buildings would be developed in a manner that reflects the Project's unique location in a former industrial shipyard. The Project would incorporate varying heights, massing and scale, maintaining a strong streetwall along streets, and focused attention around public open spaces. The Project would create a balanced commercial center with a continuum of floorplate sizes for a range of users, substantial new on-site open space, and sufficient density to support and activate the new active ground floor uses and open space in the Project.

The Project would help meet the job creation goals established in the City's Economic Development Strategy by generating new employment opportunities and stimulating job creation across all sectors. The Project would also construct high-quality housing with sufficient density to contribute to 24-hour activity on the Project site, while offering a mix of unit types, sizes, and levels of affordability to accommodate a range of potential residents. The Project would facilitate a vibrant, interactive ground plane for Project and neighborhood residents, commercial users, and the public, with public spaces that could accommodate a variety of events and programs, and adjacent ground floor building spaces that include elements such as transparent building frontages and large, direct access points to maximize circulation between, and cross-activation of, interior and exterior spaces.

OBJECTIVE 2

MAINTAIN AND ENHANCE A SOUND AND DIVERSE ECONOMIC BASE AND FISCAL STRUCTURE FOR THE CITY.

POLICY 2.1

Seek to retain existing commercial and industrial activity and to attract new such activity to the city.

See above (Commerce and Industry Element Objective 1 and Policy 1.1) which explain the Project's contribution to the City's overall economic vitality.

OBJECTIVE 3

PROVIDE EXPANDED EMPLOYMENT OPPORTUNITIES FOR CITY RESIDENTS, PARTICULARLY THE UNEMPLOYED AND ECONOMICALLY DISADVANTAGED.

POLICY 3.2

Promote measures designed to increase the number of San Francisco jobs held by San Francisco residents.

The Project would help meet the job creation goals established in the City's Economic Development Strategy by generating new employment opportunities and stimulating job creation across all sectors. The Project will provide expanded employment opportunities for City residents at all employment levels, both during and after construction. The Development Agreement, as part of the extensive community benefit programs, includes focused workforce first source hiring – both construction and end-user – as well as a local business enterprise component.

TRANSPORTATION ELEMENT

OBJECTIVE 2

USE THE TRANSPORTATION SYSTEM AS A MEANS FOR GUIDING DEVELOPMENT AND IMPROVING THE ENVIRONMENT.

POLICY 2.1

Use rapid transit and other transportation improvements in the city and region as the catalyst for desirable development, and coordinate new facilities with public and private development.

POLICY 2.5

Provide incentives for the use of transit, carpools, vanpools, walking and bicycling and reduce the need for new or expanded automobile and automobile parking facilities.

The Project is located within a former industrial shipyard, and will provide new local, regional, and statewide transportation services. The Project is located in close proximity to the Caltrain Station on 22nd Street, and the Muni T-Line along 3rd Street. The Project includes a detailed TDM program, including various performance measures, physical improvements and monitoring and enforcement measures designed to create incentives for transit and other alternative to the single occupancy vehicle for both residential and commercial buildings. In addition, the Project's design, including its streetscape elements, is intended to promote and enhance walking and bicycling.

OBJECTIVE 23

IMPROVE THE CITY'S PEDESTRIAN CIRCULATION SYSTEM TO PROVIDE FOR EFFICIENT, PLEASANT, AND SAFE MOVEMENT.

POLICY 23.1

Provide sufficient pedestrian movement space with a minimum of pedestrian congestion in accordance with a pedestrian street classification system.

POLICY 23.2

Widen sidewalks where intensive commercial, recreational, or institutional activity is present, sidewalks are congested, where sidewalks are less than adequately wide to provide appropriate pedestrian amenities, or where residential densities are high.

POLICY 23.6

Ensure convenient and safe pedestrian crossings by minimizing the distance pedestrians must walk to cross a street.

The Project will re-establish a street network on the project site, and will provide pedestrian improvements and streetscape enhancement measures as described in the D4D and reflected in the mitigation measures and Transportation Plan in the Development Agreement. The Project would establish 21st Street (between the existing 20th and 22nd Streets) and Maryland Street, which would function as a main north-south thoroughfare through the project site. Each of the new streets would have sidewalks and streetscape improvements as is consistent with the Better Streets Plan.

URBAN DESIGN ELEMENT

OBJECTIVE 1

EMPHASIS OF THE CHARACTERISTIC PATTERN WHICH GIVES TO THE CITY AND ITS NEIGHBORHOODS AN IMAGE, A SENSE OF PURPOSE, AND A MEANS OF ORIENTATION.

POLICY 1.1

Recognize and protect major views in the city, with particular attention to those of open space and water.

As explained in the D4D, the Project uses a mix of scales and interior and exterior spaces, with this basic massing further articulated through carving and shaping the buildings to create views and variety on the project site, as well as pedestrian-friendly, engaging spaces on the ground. The Project maintains and opens view corridors to the waterfront.

POLICY 1.2

Recognize, protect and reinforce the existing street pattern, especially as it is related to topography.

POLICY 1.3

Recognize that buildings, when seen together, produce a total effect that characterizes the city and its districts.

The Project would re-establish the City's street pattern on the project site, and would construct new buildings, which would range in height from 50 and 90 feet. These new buildings would be viewed in conjunction with the three existing historic resources (Buildings 2, 12 and 21) on the project site, and the larger Union Iron Works Historic District. The Project would include new construction, which is sensitive to the existing historic context, and would be compatible, yet differentiated, from the historic district's character-defining features. The Project is envisioned as an extension of the Central Waterfront and Dogpatch neighborhoods.

OBJECTIVE 2

CONSERVATION OF RESOURCES WHICH PROVIDE A SENSE OF NATURE, CONTINUITY WITH THE PAST, AND FREEDOM FROM OVERCROWDING.

POLICY 2.4

Preserve notable landmarks and areas of historic, architectural or aesthetic value, and promote the preservation of other buildings and features that provide continuity with past development.

POLICY 2.5

Use care in remodeling of older buildings, in order to enhance rather than weaken the original character of such buildings.

The Project would revitalize a portion of a former industrial shipyard, and would preserve and rehabilitate important historic resources, including Buildings 2, 12 and 21, which contribute to the Union Iron Works Historic District, which is listed in the National Register of Historic Places. New construction would be designed to be compatible, yet differentiated, with the existing historic context.

RECREATION AND OPEN SPACE ELEMENT

OBJECTIVE 1

ENSURE A WELL-MAINTAINED, HIGHLY UTILIZED, AND INTEGRATED OPEN SPACE SYSTEM.

POLICY 1.1

Encourage the dynamic and flexible use of existing open spaces and promote a variety of recreation and open space uses, where appropriate.

POLICY 1.7

Support public art as an essential component of open space design.

The Project would build a network of waterfront parks, playgrounds and recreational facilities on the 28-Acre Site that, with development of the Illinois Street Parcels, will more than triple the amount of parks in the neighborhood. The Project will provide over nine acres of new open space for a variety of activities, including an Irish Hill playground, a market square, a central commons, a minimum ½ acre active recreation on the rooftop of buildings, and waterfront parks along 1,380 feet of shoreline. In addition, the Project would provide new private open space for each of the new dwelling units.

POLICY 1.12

Preserve historic and culturally significant landscapes, sites, structures, buildings and objects.

See Discussion in Urban Element Objective 2, Policy 2.4 and 2.5.

OBJECTIVE 3

IMPROVE ACCESS AND CONNECTIVITY TO OPEN SPACE.

POLICY 3.1

Creatively develop existing publicly-owned right-of-ways and streets into open space.

The Project provides nine acres of new public open space and opens up new connections to the shoreline in the Central Waterfront neighborhood. The Project would encourage non-automobile transportation to and from open spaces, and would ensure physical accessibility these open spaces to the extent feasible.

CENTRAL WATERFRONT AREA PLAN

Objectives and Policies

Land Use

OBJECTIVE 1.1

ENCOURAGE THE TRANSITION OF PORTIONS OF THE CENTRAL WATERFRONT TO A MORE MIXED-USE CHARACTER, WHILE PROTECTING THE NEIGHBORHOOD'S CORE OF PDR USES AS WELL AS THE HISTORIC DOGPATCH NEIGHBORHOOD.

POLICY 1.1.2

Revise land use controls in formerly industrial areas outside the core Central Waterfront industrial area, to create new mixed use areas, allowing mixed-income housing as a principal use, as well as limited amounts of retail, office, and research and development, while protecting against the wholesale displacement of PDR uses.

POLICY 1.1.7

Ensure that future development of the Port's Pier 70 Mixed Use Opportunity Site supports the Port's revenue-raising goals while remaining complementary to the maritime and industrial nature of the area.

POLICY 1.1.10

While continuing to protect traditional PDR functions that need large, inexpensive spaces to operate, also recognize that the nature of PDR businesses is evolving gradually so that their production and distribution activities are becoming more integrated physically with their research, design and administrative functions.

OBJECTIVE 1.2

IN AREAS OF THE CENTRAL WATERFRONT WHERE HOUSING AND MIXED-USE IS ENCOURAGED, MAXIMIZE DEVELOPMENT POTENTIAL IN KEEPING WITH NEIGHBORHOOD CHARACTER.

POLICY 1.2.1

Ensure that infill housing development is compatible with its surroundings.

POLICY 1.2.2

For new construction, and as part of major expansion of existing buildings in neighborhood commercial districts, require housing development over commercial. In other mixed-use districts encourage housing over commercial or PDR where appropriate.

POLICY 1.2.3

In general, where residential development is permitted, control residential density through building height and bulk guidelines and bedroom mix requirements.

POLICY 1.2.4

Identify portions of Central Waterfront where it would be appropriate to increase maximum heights for residential development.

OBJECTIVE 1.4

SUPPORT A ROLE FOR "KNOWLEDGE SECTOR" BUSINESSES IN APPROPRIATE PORTIONS OF THE CENTRAL WATERFRONT.

POLICY 1.4.1

Continue to permit manufacturing uses that support the Knowledge Sector in the Mixed Use and PDR districts of the Central Waterfront.

POLICY 1.4.3

Allow other Knowledge Sector office uses in portions of the Central Waterfront where it is appropriate.

OBJECTIVE 1.7

RETAIN THE CENTRAL WATERFRONT'S ROLE AS AN IMPORTANT LOCATION FOR PRODUCTION, DISTRIBUTION, AND REPAIR (PDR) ACTIVITIES

POLICY 1.7.3

Require development of flexible buildings with generous floor-to-ceiling heights, large floor plates, and other features that will allow the structure to support various businesses.

Housing

OBJECTIVE 2.1

ENSURE THAT A SIGNIFICANT PERCENTAGE OF NEW HOUSING CREATED IN THE CENTRAL WATERFRONT IS AFFORDABLE TO PEOPLE WITH A WIDE RANGE OF INCOMES.

POLICY 2.1.1

Require developers in some formally industrial areas to contribute towards the City's very low, low, moderate and middle income needs as identified in the Housing Element of the General Plan.

OBJECTIVE 2.3

REQUIRE THAT A SIGNIFICANT NUMBER OF UNITS IN NEW DEVELOPMENTS HAVE TWO OR MORE BEDROOMS EXCEPT SENIOR HOUSING AND SRO DEVELOPMENTS UNLESS ALL BELOW MARKET RATE UNITS ARE TWO OR MORE BEDROOM UNITS.

POLICY 2.3.1

Target the provision of affordable units for families.

POLICY 2.3.2

Prioritize the development of affordable family housing, both rental and ownership, particularly along transit corridors and adjacent to community amenities.

POLICY 2.3.3

Require that a significant number of units in new developments have two or more bedrooms, except Senior Housing and SRO developments.

POLICY 2.3.4

Encourage the creation of family supportive services, such as child care facilities, parks and recreation, or other facilities, in affordable housing or mixed-use developments.

Built Form

OBJECTIVE 3.1

PROMOTE AN URBAN FORM THAT REINFORCES THE CENTRAL WATERFRONT'S DISTINCTIVE PLACE IN THE CITY'S LARGER FORM AND STRENGTHENS ITS PHYSICAL FABRIC AND CHARACTER.

POLICY 3.1.1

Adopt heights that are appropriate for the Central Waterfront's location in the city, the prevailing street and block pattern, and the anticipated land uses, while producing buildings compatible with the neighborhood's character.

POLICY 3.1.2

Development should step down in height as it approaches the Bay to reinforce the city's natural topography and to encourage an active and public waterfront.

POLICY 3.1.6

New buildings should epitomize the best in contemporary architecture, but should do so with full awareness of, and respect for, the height, mass, articulation and materials of the best of the older buildings that surrounds them.

POLICY 3.1.9

Preserve notable landmarks and areas of historic, architectural or aesthetic value, and promote the preservation of other buildings and features that provide continuity with past development.

OBJECTIVE 3.2

PROMOTE AN URBAN FORM AND ARCHITECTURAL CHARACTER THAT SUPPORTS WALKING AND SUSTAINS A DIVERSE, ACTIVE AND SAFE PUBLIC REALM.

POLICY 3.2.1

Require high quality design of street-facing building exteriors.

POLICY 3.2.2

Make ground floor retail and PDR uses as tall, roomy and permeable as possible.

POLICY 3.2.5

Building form should celebrate corner locations.

OBJECTIVE 3.3

PROMOTE THE ENVIRONMENTAL SUSTAINABILITY, ECOLOGICAL FUNCTIONING AND THE OVERALL QUALITY OF THE NATURAL ENVIRONMENT IN THE PLAN AREA

POLICY 3.3.1

Require new development to adhere to a new performance-based ecological evaluation tool to improve the amount and quality of green landscaping.

POLICY 3.3.3

Enhance the connection between building form and ecological sustainability by promoting use of renewable energy, energy-efficient building envelopes, passive heating and cooling, and sustainable materials.

Transportation

OBJECTIVE 4.1

IMPROVE PUBLIC TRANSIT TO BETTER SERVE EXISTING AND NEW DEVELOPMENT IN CENTRAL WATERFRONT

POLICY 4.1.4

Reduce existing curb cuts where possible and restrict new curb cuts to prevent vehicular conflicts with transit on important transit and neighborhood commercial streets.

POLICY 4.1.6

Improve public transit in the Central Waterfront including cross-town routes and connections the 22nd Street Caltrain Station and Third Street Light Rail.

OBJECTIVE 4.3

ESTABLISH PARKING POLICIES THAT IMPROVE THE QUALITY OF NEIGHBORHOODS AND REDUCE CONGESTION AND PRIVATE VEHICLE TRIPS BY ENCOURAGING TRAVEL BY NON-AUTO MODES

POLICY 4.3.1

For new residential development, provide flexibility by eliminating minimum off-street parking requirements and establishing reasonable parking caps.

POLICY 4.3.2

For new non-residential development, provide flexibility by eliminating minimum off-street parking requirements and establishing caps generally equal to the previous minimum requirements. For office uses limit parking relative to transit accessibility.

OBJECTIVE 4.4

SUPPORT THE CIRCULATION NEEDS OF EXISTING AND NEW PDR AND MARITIME USES IN THE CENTRAL WATERFRONT

POLICY 4.4.3

In areas with a significant number of PDR establishments and particularly along Illinois Street, design streets to serve the needs and access requirements of trucks while maintaining a safe pedestrian and bicycle environment.

OBJECTIVE 4.5

CONSIDER THE STREET NETWORK IN CENTRAL WATERFRONT AS A CITY RESOURCE ESSENTIAL TO MULTI-MODAL MOVEMENT AND PUBLIC OPEN SPACE

POLICY 4.5.2

As part of a development project's open space requirement, require publicly-accessible alleys that break up the scale of large developments and allow additional access to buildings in the project.

POLICY 4.5.4

Extend and rebuild the street grid, especially in the direction of the Bay.

OBJECTIVE 4.7

IMPROVE AND EXPAND INFRASTRUCTURE FOR BICYCLING AS AN IMPORTANT MODE OF TRANSPORTATION

POLICY 4.7.1

Provide a continuous network of safe, convenient and attractive bicycle facilities connecting Central Waterfront to the citywide bicycle network and conforming to the San Francisco Bicycle Plan.

POLICY 4.7.2

Provide secure, accessible and abundant bicycle parking, particularly at transit stations, within shopping areas and at concentrations of employment.

POLICY 4.7.3

Support the establishment of the Blue-Greenway by including safe, quality pedestrian and bicycle connections from Central Waterfront.

Streets & Open Space

OBJECTIVE 5.1

PROVIDE PUBLIC PARKS AND OPEN SPACES THAT MEET THE NEEDS OF RESIDENTS, WORKERS AND VISITORS

POLICY 5.1.1

Identify opportunities to create new public open spaces and provide at least one new public open space serving the Central Waterfront.

POLICY 5.1.2

Require new residential and commercial development to provide, or contribute to the creation of public open space.

OBJECTIVE 5.4

THE OPEN SPACE SYSTEM SHOULD BOTH BEAUTIFY THE NEIGHBORHOOD AND STRENGTHEN THE ENVIRONMENT

POLICY 5.4.1

Increase the environmental sustainability of Central Waterfronts system of public and private open spaces by improving the ecological functioning of all open space.

POLICY 5.4.3

Encourage public art in existing and proposed open spaces.

Historic Preservation

OBJECTIVE 8.2

PROTECT, PRESERVE, AND REUSE HISTORIC RESOURCES WITHIN THE CENTRAL WATERFRONT AREA PLAN

POLICY 8.2.2

Apply the Secretary of the Interior's Standards for the Treatment of Historic Properties in conjunction with the Central Waterfront area plan and objectives for all projects involving historic or cultural resources.

OBJECTIVE 8.3

ENSURE THAT HISTORIC PRESERVATION CONCERNS CONTINUE TO BE AN INTEGRAL PART OF THE ONGOING PLANNING PROCESSES FOR THE CENTRAL WATERFRONT AREA PLAN

POLICY 8.3.1

Pursue and encourage opportunities, consistent with the objectives of historic preservation, to increase the supply of affordable housing within the Central Waterfront plan area.

The Central Waterfront Area Plan anticipated a new mixed-use development at Pier 70. The Project is consistent with the objectives and policies of the Central Waterfront Plan, since the Project adaptively reuses a portion of a former industrial shipyard and provides a new mixed-use development with substantial community benefits, including nine-acres of public open space, new streets and streetscape improvements, on-site affordable housing, rehabilitation of three historic buildings, and new arts, retail and light manufacturing uses. New construction will be appropriately designed to fit within the context of the Union Iron Works Historic District. In addition, the Project includes substantial transit and infrastructure improvements, including new on-site TDM program, facilities for a new public line through the project site, and a new open-to-the public shuttle service.

AND BE IT FURTHER RESOLVED, that the Planning Commission finds these General Plan Amendments are in general conformity with the Planning Code Section 101.1, and the Project and its approvals associated therein, all as more particularly described in Exhibit B to the Development Agreement on file with the Planning Department in Case No. 2014-001272DVA, are each on balance, consistent with the following Objectives and Policies of the General Plan, as it is proposed to be amended as described herein, and as follows:

- 1) *That existing neighbor-serving retail uses will be preserved and enhanced, and future opportunities for resident employment in and ownership of such businesses enhanced;*

No neighborhood-serving retail uses are present on the Project site. Once constructed, the Project will contain major new retail, arts and light industrial uses that will provide opportunities for employment and ownership of retail businesses in the community. These new uses will serve nearby residents and the surrounding community. In addition, building tenants will patronize existing retail uses in the community (along 3rd Street and in nearby Dogpatch), thus enhancing the local retail economy. The Development Agreement includes commitments related to local hiring.

- 2) *That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;*

No existing housing will be removed for the construction of the Project, which will provide at full build-out between 1,645 and 3,025 new residential units. The Project is designed to revitalize a former industrial site and provide a varied land use program that is consistent with the surrounding Central Waterfront and Dogpatch neighborhoods, and the historic context of the Union Iron Works Historic District, which is listed in the National Register of Historic Places. The Project provides a new neighborhood complete with residential, office, retail, arts, and light manufacturing uses, along with new transit and street infrastructure, and public open space. The Project design is consistent with the historic context, and provides a desirable, pedestrian-friendly experience with interactive and engaged ground floors. Thus, the Project would preserve and contribute to housing within the surrounding neighborhood and the larger City, and would otherwise preserve and be consistent with the neighborhood's industrial context.

3) *That the City's supply of affordable housing be preserved and enhanced;*

The construction of the Project will not remove any residential uses, since none exist on the project site. The Project will enhance the City's supply of affordable housing through its affordable housing commitments in the Development Agreement, which will result in total of 30% on-site affordable housing units.

4) *That commuter traffic not impede Muni transit service or overburden our streets or neighborhood parking;*

The Project would not impede transit service or overburden streets and neighborhood parking. The Project includes a robust transportation program with an on-site Transportation Demand Management (TDM) program, facilities to support a new bus line through the project site, an open-to-the-public shuttle service, and funding for new neighborhood-supporting transportation infrastructure.

The Project is also well served by public transit. The Project is located within close proximity to the MUNI T-Line Station along 3rd Street and the bus routes, which pick-up/drop-off at 20th and 3rd, and 23rd and 3rd Streets. In addition, the Project is located within walking distance to the 22nd Street Caltrain Station. Future residents would be afforded close proximity to bus or rail transit.

Lastly, the Project contains new space for vehicle parking to serve new parking demand. This will ensure that sufficient parking capacity is available so that the Project would not overburden neighborhood parking, while still implementing a rigorous TDM Plan to be consistent with the City's "transit first" policy for promoting transit over personal vehicle trips.

5) *That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;*

Although the Project would displace portions of an industrial use historically associated with the Bethlehem Steel and/or Union Iron Works, the Project provides a strong and diverse economic base by the varied land use program, which includes new commercial office, retail, arts, and light industrial uses. The Project balances between residential, non-residential and PDR (Production, Distribution and Repair) uses. Across the larger site at Pier 70 (outside of the project site), the Port of San Francisco has maintained the industrial shipyard operations (currently under lease by BAE). On the 28-Acre site, the Project includes light manufacturing and arts uses, in order to diversify the mix of goods and services within the

project site. The Project also includes a large workforce development program and protections for existing tenants/artists within the Noonan Building. All of these new uses will provide future opportunities for service-sector employment.

- 6) *That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;*

The Project will comply with all current structural and seismic requirements under the San Francisco Building Code and the Port of San Francisco.

- 7) *That landmarks and historic buildings be preserved;*

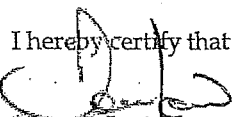
The Project would preserve and rehabilitate a portion of the Union Iron Works Historic District and three of its contributing resources: Buildings 2, 12 and 21. In addition, the Project includes standards and guidelines for new construction adjacent to and within the Union Iron Works Historic District, which is listed in the National Register of Historic Places. These standards and guidelines ensure compatibility of new construction with the character-defining features of the Union Iron Works Historic District, as guided by the Secretary of the Interior's Standards for the Treatment of Historic Properties. In addition, the Project preserves and provides access to an important cultural relic, Irish Hill, which has been identified as an important resource to the surrounding community.

- 8) *That our parks and open space and their access to sunlight and vistas be protected from development.*

The Project will improve access to the shoreline within the Central Waterfront neighborhood, and will provide 9-acres of new public open space. The Project will not affect any of the City's existing parks or open space or their access to sunlight and vistas. A shadow study was completed and concluded that the Project will not cast shadows on any property under the jurisdiction of, or designated for acquisition by, the Recreation and Park Commission.

AND BE IT FURTHER RESOLVED, that pursuant to Planning Code Section 340, the Commission recommends to the Board of Supervisors **APPROVAL** of the aforementioned General Plan Amendments. This approval is contingent on, and will be of no further force and effect until the date that the San Francisco Board of Supervisor has approved by resolution approving the Zoning Map Amendment, Planning Code Text Amendment, and Development Agreement.

I hereby certify that the Planning Commission ADOPTED the foregoing Resolution on August 24, 2017.


Jonas P. Ionin
Commission Secretary

AYES: Hillis, Johnson, Koppel, Melgar, Moore and Richards
NAYES: None
ABSENT: Fong
ADOPTED: August 24, 2017



CITY AND COUNTY OF SAN FRANCISCO
DEPARTMENT OF ELECTIONS

John Arntz, Director

October 9, 2018

Honorable Members
San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, California 94102

BOS-11
CPages
File Nos.
180792
180783
180784

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2018 OCT -9 AM 8:30
AK

Re: Registered Voters within Boundaries of Proposed "City and County of San Francisco Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard)"

Dear Honorable Supervisors:

This letter confirms that on September 25, 2018, I have reviewed the records of registered voters for the territory that is encompassed within the boundary of the City and County of San Francisco Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard) (the "IRFD"), as such territory is shown on the boundary map for IRFD, reference to which map is hereby made and by this reference incorporated herein.

Based on this review, I hereby certify that on the aforementioned date, there was one registered voter within the boundary of the IRFD.

Respectfully,

John Arntz, Director

OFFICE OF THE MAYOR
SAN FRANCISCO



LONDON N. BREED
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Mayor London Breed *KCC*
RE: Substitute (File No. 180784) Resolution Declaring Results of Special
Election Related to Infrastructure and Revitalization Financing District No.
2 (Hoedown Yard, Pier 70)
DATE: September 4, 2018

Resolution declaring results of special elections for City and County of San Francisco Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard, Pier 70); determining other matters in connection therewith; and affirming the Planning Department's determination, and making findings under the California Environmental Quality Act.


Should you have any questions, please contact Kanishka Karunaratne Cheng 554-6696.

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2018 SEP -4 PM 3:12
BY _____

OFFICE OF THE MAYOR
SAN FRANCISCO



LONDON N. BREED
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM:  Mayor London Breed
RE: Resolution Declaring Results of Special Election Related to Infrastructure
and Revitalization Financing District No. 2 (Hoedown Yard, Pier 70)
DATE: July 24, 2018

Resolution declaring results of special elections for City and County of San Francisco Infrastructure and Revitalization Financing District No. 2 (Hoedown Yard, Pier 70); determining other matters in connection therewith; and affirming the Planning Department's determination, and making findings under the California Environmental Quality Act.

Should you have any questions, please contact Andres Power 554-6467.

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2018 JUL 24 PM 2:00
BY 