

1 [Levying Special Taxes - Special Tax District No. 2018-1 (Central SoMa)]

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3 **Ordinance levying special taxes within City and County of San Francisco Special Tax**
4 **District No. 2018-1 (Central SoMa).**

5 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
6 **Additions to Codes** are in *single-underline italics Times New Roman font*.
7 **Deletions to Codes** are in ~~*strikethrough italics Times New Roman font*~~.
8 **Board amendment additions** are in double-underlined Arial font.
9 **Board amendment deletions** are in ~~strikethrough Arial font~~.
10 **Asterisks (* * * *)** indicate the omission of unchanged Code
11 subsections or parts of tables.

9

10 Be it ordained by the People of the City and County of San Francisco:

11

12 Section 1. The Board of Supervisors of the City and County of San Francisco hereby
13 finds, determines and declares based on the record before it that:

14 A. On November 13, 2018, the Board of Supervisors (“Board of Supervisors”) of the
15 City and County of San Francisco (“City”), adopted a resolution entitled “Resolution of Intention
16 to establish City and County Special Tax District No. 2018-1 (Central SoMa), and determining
17 other matters in connection therewith” (“Resolution of Intention”) stating its intention to establish,
18 for the public purposes set forth in the Resolution of Intention, the “City and County of San
19 Francisco Special Tax District No. 2018-1 (Central SoMa)” (“Special Tax District”), pursuant to
20 Chapter 43, Article X of the San Francisco Administrative Code (“Code”), which Code
21 incorporates the Mello-Roos Community Facilities Act of 1982, as amended, sections 53311,
22 *et. seq.*, of the California Government Code (“Act”).

23 B. This Board of Supervisors included in the Resolution of Intention certain findings,
24 determinations and declarations, which findings, determinations and declarations this Board of
25 Supervisors further incorporates herein by this reference.

1 C. The Central SoMa planning area (“Central SoMa Plan Area”) runs from 2nd Street
2 to 6th Street, Market Street to Townsend Street, exclusive of those areas that are part of the
3 Downtown Plan or in the C-3 zoning districts, and the Resolution of Intention, incorporating a
4 map of the proposed boundaries of the Special Tax District, stated the intention of this Board of
5 Supervisors to establish the Special Tax District in order to finance costs of public infrastructure
6 and other authorized facilities and services necessary or incidental to development of the
7 Central SoMa Plan Area.

8 D. The Resolution of Intention stated the intention of the Board of Supervisors to
9 undertake the proceedings to form the Special Tax District under the alternate procedures
10 established by Code Section 43.10.17, pursuant to which a special tax district may initially
11 consist solely of territory proposed for annexation to the special tax district in the future, with
12 the condition that a parcel or parcels within that territory may be annexed to the special tax
13 district and subjected to the special tax only with the unanimous approval of the owner or owners
14 of such parcel or parcels at the time that such parcel or those parcels are annexed, without any
15 further hearings or procedures, or in compliance with other procedures established by the Code.

16 E. The Resolution of Intention stated that the City may, without additional hearings
17 or procedures, designate a parcel or parcels as an improvement area within the Special Tax
18 District; that, after the designation of a parcel or parcels as an improvement area, all
19 proceedings for approval of the appropriations limit, the rate, method of apportionment and
20 manner of collection of special tax and the authorization to incur bonded indebtedness for such
21 parcel or parcels will apply only to the improvement area; and that the City may incur
22 indebtedness payable solely from special taxes levied on property in the improvement area.

23 F. Notice was published as required by the Code relative to the intention of this
24 Board of Supervisors to form the Special Tax District, to levy special taxes in the Special Tax
25 District according to the rate and method of apportionment of the special tax set forth in the

1 Resolution of Intention, to finance certain facilities and services and to incur bonded
2 indebtedness for the Special Tax District in an amount not to exceed \$5,300,000,000.

3 G. This Board of Supervisors held noticed public hearings as required by the Code
4 relative to (i) the determination to proceed with the formation of the Special Tax District and the
5 rate and method of apportionment of the special tax to be levied within the Special Tax District
6 to finance the costs of the facilities and services and (ii) the issuance of not to exceed
7 \$5,300,000,000 of bonded indebtedness and other debt (as defined in the Code) for the Special
8 Tax District.

9 H. At the public hearings, all persons desiring to be heard on all matters pertaining
10 to the formation of the Special Tax District, the levy of special taxes and the issuance of bonded
11 indebtedness and other debt were heard, substantial evidence was presented and considered
12 by this Board of Supervisors and a full and fair hearing was conducted.

13 I. Subsequent to the hearings, this Board of Supervisors adopted resolutions
14 entitled "Resolution of formation to establish City and County of San Francisco Special Tax
15 District No. 2018-1 (Central SoMa) and determining other matters in connection therewith"
16 ("Resolution of Formation") and "Resolution Determining Necessity to Incur Bonded
17 Indebtedness and Other Debt in a maximum principal amount of \$5,300,000,000 within the
18 boundaries of Special Tax District No. 2018-1 (Central SoMa) and determining other matters in
19 connection therewith" ("Resolution of Necessity"), which resolutions defined the facilities
20 ("Facilities") and services ("Services") to be financed by the Special Tax District, established
21 the Special Tax District, authorized the levy of a special tax with the Special Tax District
22 according to the rate and method of apportionment of special tax set forth in the Resolution of
23 Formation ("Rate and Method") and determined the necessity to incur bonded indebtedness
24 and other debt in the Special Tax District, respectively. The authorized Facilities and Services
25 are described on Exhibit A hereto, which description is by this reference incorporated herein.

1 J. Code Section 43.10.17 provides that, notwithstanding the provisions of Act
2 Section 53340, after adoption of the resolution of formation for a special tax district pursuant to
3 Section 43.10.17, the Board of Supervisors may, by ordinance, provide for the levy of the
4 special taxes on parcels that will annex to the special tax district at the rate or rates to be
5 approved by unanimous approval of the owner or owners of each parcel or parcels to be
6 annexed to the special tax district or pursuant to other procedures established by the Code, and
7 for apportionment and collection of the special taxes in the manner specified in the resolution
8 of formation, and that no further ordinance shall be required even though no parcels may then
9 have annexed to the special tax district.

10 K. The Board of Supervisors has reviewed and considered the Final EIR (as defined
11 in the Resolution of Intention) and finds that the Final EIR is adequate for its use for the actions
12 taken by this Ordinance and incorporates the Final EIR and the CEQA findings contained in the
13 Resolution of Intention by this reference.

14 Section 2. By the passage of this Ordinance, this Board of Supervisors hereby
15 authorizes and levies special taxes within the Special Tax District pursuant to the Code and in
16 accordance with the Rate and Method set forth in the Resolution of Formation, following receipt
17 of a unanimous approval (each, a "Unanimous Approval") of the owner or owners of each parcel
18 or parcels to be annexed to the Special Tax District, without any further hearings or procedures,
19 or pursuant to other procedures established by the Code, and which Unanimous Approvals,
20 Rate and Method and Resolution of Formation are by this reference incorporated herein. The
21 special taxes are hereby levied commencing in the first fiscal year in which a parcel or parcels
22 annexes to the Special Tax District and in each fiscal year thereafter until payment in full of any
23 bonds issued by the City for the Special Tax District ("Bonds"), as contemplated by the
24 Resolution of Formation and the Resolution of Necessity, and all costs of administering the
25 Special Tax District, or such longer period provided for in the Rate and Method with respect to

1 the payment of Facilities and Services.

2 In addition, and notwithstanding the foregoing, by the passage of this Ordinance, this
3 Board of Supervisors hereby authorizes and levies special taxes within all improvement areas
4 established in the Special Tax District pursuant to the Code, at the rate and method of
5 apportionment of special tax to be approved by Unanimous Approval of the owner or owners of
6 each parcel or parcels to be annexed into any such improvement areas, without any further
7 hearings or procedures, or pursuant to other procedures established by the Code. The special
8 taxes are hereby levied in any such improvement area commencing in the first fiscal year in
9 which a parcel or parcels annexes to an improvement area and in each fiscal year thereafter
10 until payment in full of any bonds issued by the City for the Special Tax District with respect to
11 an improvement area, as contemplated by the Resolution of Formation and the Resolution of
12 Necessity, and all costs of administering any such improvement area, or such longer period
13 provided for in the Rate and Method with respect to the payment of Facilities and Services,
14 without any further hearings or procedures, or pursuant to other procedures established by the
15 Code.

16 Section 3. The Director of the Office of Public Finance of the City, or designee thereof,
17 is hereby authorized and directed each fiscal year to determine the specific special tax rate and
18 amount to be levied for the next ensuing fiscal year for each parcel of real property within the
19 Special Tax District (and all improvement areas established in the Special Tax District), in the
20 manner and as provided in the Resolution of Formation.

21 Section 4. The Special Tax District initially consists solely of territory proposed for
22 annexation to the Special Tax District in the future. A parcel or parcels within the territory of the
23 Special Tax District may be annexed to the Special Tax District and subjected to the special tax
24 only with the Unanimous Approval of the owner or owners of such parcel or parcels at the time
25 that such parcel or those parcels are annexed or pursuant to other procedures established by

1 the Code. In no event shall the special taxes be levied on any parcel within the Special Tax
2 District in excess of the maximum tax specified in the Unanimous Approval applicable to such
3 parcel or pursuant to other procedures established by the Code.

4 Section 5. All of the collections of the special tax shall be used as provided for in the
5 Code, in the Resolution of Formation and the applicable Unanimous Approval or other
6 annexation proceedings, including, but not limited to, the payment of principal and interest on
7 the Bonds, the replenishment of a debt service reserve fund for the Bonds, the payment of the
8 costs of the Facilities and Services, the payment of the costs of the City in administering the
9 Special Tax District (and all improvement areas established in the Special Tax District), and the
10 costs of collecting and administering the special tax.

11 Section 6. The special taxes shall be collected in the same manner as ordinary ad
12 valorem taxes are collected and shall have the same lien priority, and be subject to the same
13 penalties and the same procedure and sale in cases of delinquency as provided for ad valorem
14 taxes; provided, however, that this Board of Supervisors may provide for other appropriate
15 methods of collection by resolutions of this Board of Supervisors. In addition, the provisions of
16 Act Section 53356.1 shall apply to delinquent special tax payments. The Director of the Office
17 of Public Finance of the City is hereby authorized and directed to provide all necessary
18 information to the auditor/tax collector of the City and County of San Francisco in order to effect
19 proper billing and collection of the special tax, so that the special tax shall be included on the
20 secured property tax roll of the City and County of San Francisco for the first fiscal year in which
21 a parcel or parcels annexes to the Special Tax District (and all improvement areas established
22 in the Special Tax District) and for each fiscal year thereafter until the Bonds are paid in full or
23 such longer period of time provided for in the Rate and Method (or with respect to any
24 improvement areas, the applicable rate and method of apportionment of special tax) with
25 respect to the payment of Facilities and Services.

1 Section 7. If for any reason any portion of this Ordinance is found to be invalid, or if the
2 special tax is found inapplicable to any particular parcel within the Special Tax District (or any
3 improvement area established in the Special Tax District), in each case by a court of competent
4 jurisdiction, the balance of this Ordinance and the application of the special tax to the remaining
5 parcels within the Special Tax District (or any improvement area established in the Special Tax
6 District) shall not be affected.

7 Section 8. This Ordinance shall take effect 30 days after enactment. Enactment occurs
8 when the Mayor signs the Ordinance, the Mayor returns the Ordinance unsigned or does not
9 sign the Ordinance within ten days of receiving it, or the Board of Supervisors overrides the
10 Mayor's veto of the Ordinance.

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12 APPROVED AS TO FORM:
13 DENNIS J. HERRERA,
14 City Attorney

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17 By: _____
18 Mark D. Blake
19 Deputy City Attorney
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1 **EXHIBIT A**

2 **DESCRIPTION OF FACILITIES AND SERVICES THAT MAY BE FINANCED BY THE**
3 **SPECIAL TAX DISTRICT**
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5 Special taxes collected in the Special Tax District may finance, in whole or in part, the
6 costs of the acquisition, construction and improvement of any of the following types of facilities
7 that are located inside or outside the Special Tax District, as long as such facilities are
8 authorized under the Code ("Facilities").
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10 FACILITIES
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12 1. **Transit Facilities.** Local and regional transit infrastructure, including near term
13 enhancements on the Transbay corridor and longer-term "core capacity" projects.

14 2. **Complete Streets.** Bicycle, pedestrian, and transit infrastructure. Improvements
15 could include, but not be limited to: sidewalk widening to accommodate additional pedestrian
16 traffic from new development; linear park space; pedestrian, streetscape and open space
17 amenities; pedestrian lighting; street furniture; pocket parks; active uses; and curb extensions;
18 bicycle facilities; bike lanes; transit upgrades such as dedicated transit lanes, boarding islands,
19 enhanced shelters and curb extensions to serve transit stops; new traffic signals, curb
20 extensions, and other pedestrian safety features as appropriate; crosswalks; improvements to
21 drop-off and pick-up zones at casual carpool locations; and roadway circulation, parking, and
22 loading changes.

23 3. **Parks and Recreation.** Parks and recreation centers.

24 4. **Environmental Sustainability Projects.** Environmental sustainability projects,
25 including but not limited to the following:

- The acquisition, installation and improvement of energy efficiency and conservation, water energy and conservation, water pollution control, and renewable energy improvements that are attached to or on real property and in buildings, whether such real property or buildings are privately or publicly owned.
- Green infrastructure and stormwater management improvements, including, but not limited to, grey infrastructure and landscaping.
- Air quality mitigation infrastructure (e.g., HVAC improvements) for privately-owned or -occupied commercial and residential buildings, and public buildings.
- Sustainability studies and guideline documents related to development in the planning area governed by the Central SoMa Plan & Implementation Strategy.

5. Historic Preservation. Restoration and seismic upgrade of the U.S. Mint Building and site.

6. Sea Level Rise Adaptations. Sea level rise adaptations, including, but not limited to, demolition, excavation, and installation of revetment; structural improvements of shoreline and revetment; construction, improvement or relocation of shoreline and creek structures, seawalls, stormwater pump stations and outfalls; earthwork; and grading.

Authorized costs of the Facilities include any hard costs, soft costs and pre-development costs associated with the design, procurement, development, and construction of the Facilities.

SERVICES

Special taxes collected in the Special Tax District may finance, in whole or in part, the following services (“services” and “maintenance” shall have the meaning given those terms in the Code) in the Special Tax District, as long as such services are authorized by the Code (“Services”):

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