

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).**

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

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

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

16 A. On November 13, 2018, the Board of Supervisors (“Board of Supervisors”) of the
17 City and County of San Francisco (“City”), adopted a resolution entitled “Resolution declaring
18 the intention of the Board of Supervisors to establish City and County Special Tax District No.
19 2018-1 (Central SoMa); ordering and setting a time and place for a public hearing of the Board
20 of Supervisors, sitting as a Committee of the Whole, on January 15, 2019, at 3:00 p.m.; and
21 determining other matters in connection therewith” (“Resolution of Intention”) stating its intention
22 to establish, for the public purposes set forth in the Resolution of Intention, the “City and County
23 of San Francisco Special Tax District No. 2018-1 (Central SoMa)” (“Special Tax District”),
24 pursuant to Chapter 43, Article X of the San Francisco Administrative Code (“Code”), which
25 Code incorporates the Mello-Roos Community Facilities Act of 1982, as amended, sections
53311, *et. seq.*, of the California Government Code (“Act”).

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

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

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

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

1 F. Notice was published as required by the Code relative to the intention of this
2 Board of Supervisors to form the Special Tax District, to levy special taxes in the Special Tax
3 District according to the rate and method of apportionment of the special tax set forth in the
4 Resolution of Intention, to finance certain facilities and services and to incur bonded
5 indebtedness and other debt (as defined in the Code) for the Special Tax District in an amount
6 not to exceed \$5,300,000,000.

7 G. This Board of Supervisors held noticed public hearings as required by the Code
8 relative to (i) the determination to proceed with the formation of the Special Tax District and the
9 rate and method of apportionment of the special tax to be levied within the Special Tax District
10 to finance the costs of the facilities and services and (ii) the issuance of not to exceed
11 \$5,300,000,000 of bonded indebtedness and other debt for the Special Tax District.

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

16 I. Subsequent to the hearings, this Board of Supervisors adopted resolutions
17 entitled "Resolution of Formation to establish City and County of San Francisco Special Tax
18 District No. 2018-1 (Central SoMa) and determining other matters in connection therewith"
19 ("Resolution of Formation") and "Resolution Determining Necessity to Incur Bonded
20 Indebtedness and Other Debt in a maximum principal amount of \$5,300,000,000 within the
21 boundaries of Special Tax District No. 2018-1 (Central SoMa) and determining other matters in
22 connection therewith" ("Resolution of Necessity"), which resolutions defined the facilities
23 ("Facilities") and services ("Services") to be financed by the Special Tax District, established
24 the Special Tax District, authorized the levy of a special tax with the Special Tax District
25 according to the rate and method of apportionment of special tax set forth in the Resolution of

1 Formation (“Rate and Method”) and determined the necessity to incur bonded indebtedness
2 and other debt in the Special Tax District, respectively. The authorized Facilities and Services
3 are described on Exhibit A hereto, which description is by this reference incorporated herein.

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

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

17 Section 2. By the passage of this Ordinance, this Board of Supervisors hereby
18 authorizes and levies special taxes within the Special Tax District pursuant to the Code and in
19 accordance with the Rate and Method set forth in the Resolution of Formation, following receipt
20 of a unanimous approval (each, a “Unanimous Approval”) of the owner or owners of each parcel
21 or parcels to be annexed to the Special Tax District, without any further hearings or procedures,
22 or pursuant to other procedures established by the Code, and which Unanimous Approvals,
23 Rate and Method and Resolution of Formation are by this reference incorporated herein. The
24 special taxes are hereby levied commencing in the first fiscal year in which a parcel or parcels
25 annexes to the Special Tax District and in each fiscal year thereafter until payment in full of any

1 bonds or other debt issued by the City for the Special Tax District (“Bonds”), as contemplated
2 by the Resolution of Formation and the Resolution of Necessity, and all costs of administering
3 the Special Tax District, or such longer period provided for in the Rate and Method with respect
4 to the payment of Facilities and Services.

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

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

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1 Section 4. The Special Tax District initially consists solely of territory proposed for
2 annexation to the Special Tax District in the future. A parcel or parcels within the territory of the
3 Special Tax District may be annexed to the Special Tax District and subjected to the special tax
4 only with the Unanimous Approval of the owner or owners of such parcel or parcels at the time
5 that such parcel or those parcels are annexed or pursuant to other procedures established by
6 the Code. In no event shall the special taxes be levied on any parcel within the Special Tax
7 District in excess of the maximum tax specified in the Unanimous Approval applicable to such
8 parcel or pursuant to other procedures established by the Code.

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

16 Section 6. The special taxes shall be collected in the same manner as ordinary ad
17 valorem taxes are collected and shall have the same lien priority, and be subject to the same
18 penalties and the same procedure and sale in cases of delinquency as provided for ordinary ad
19 valorem taxes; provided, however, that this Board of Supervisors may provide for other
20 appropriate methods of collection by resolutions of this Board of Supervisors. In addition, the
21 provisions of Act Section 53356.1 shall apply to delinquent special tax payments. The Director
22 of the Office of Public Finance of the City is hereby authorized and directed to provide all
23 necessary information to the auditor/tax collector of the City and County of San Francisco in
24 order to effect proper billing and collection of the special tax, so that the special tax shall be
25 included on the secured property tax roll of the City and County of San Francisco for the first

1 fiscal year in which a parcel or parcels annexes to the Special Tax District (and all improvement
2 areas established in the Special Tax District) and for each fiscal year thereafter until the Bonds
3 are paid in full or such longer period of time provided for in the Rate and Method (or with respect
4 to any improvement areas, the applicable rate and method of apportionment of special tax) with
5 respect to the payment of Facilities and Services.

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

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

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17 APPROVED AS TO FORM:
18 DENNIS J. HERRERA,
19 City Attorney

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22 By: _____
23 Mark D. Blake
24 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:

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

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

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

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

19 SERVICES

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

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- 1 1. Parks and Recreation. Park programming and activation.
- 2 2. Neighborhood Stabilization and Community Services. Social welfare, small
- 3 business development and workforce development, community health and arts/cultural
- 4 programming and services provided by governmental agencies and nonprofit organizations in
- 5 the Central SOMA area.
- 6 3. Capital Maintenance. Operation and maintenance of publicly-owned
- 7 improvements, including installation and maintenance of landscaping; maintenance of building
- 8 systems, structures, and equipment; maintenance of irrigation systems and other equipment;
- 9 all related personnel or third-party operation and maintenance costs; insurance costs and any
- 10 other related overhead costs.

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OTHER

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14 The Special Tax District may also finance any of the following:

- 15 1. Bond related expenses, including underwriters discount, reserve fund, capitalized
- 16 interest, letter of credit fees and expenses, bond and disclosure counsel fees and expenses,
- 17 bond remarketing costs, and all other incidental expenses.
- 18 2. Administrative fees of the City and the bond trustee or fiscal agent related to the
- 19 Special Tax District and the bonds.
- 20 3. Reimbursement of costs related to the formation of the Special Tax District
- 21 advanced by the City, the landowner(s) in the Special Tax District, or any party related to any
- 22 of the foregoing, as well as reimbursement of any costs advanced by the City, the landowner(s)
- 23 in the Special Tax District, or any party related to any of the foregoing, for facilities, fees or other
- 24 purposes or costs of the Special Tax District.
- 25 4. A capital reserve fund to finance the Facilities.

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5. A reserve to fund the Services.