

File No. 211009

Committee Item No. 8

Board Item No. 1

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date October 6, 2021

Board of Supervisors Meeting

Date October 26, 2021

Cmte Board

- Motion
- Resolution
- Ordinance
- Legislative Digest
- Budget and Legislative Analyst Report
- Youth Commission Report
- Introduction Form
- Department/Agency Cover Letter and/or Report
- MOU
- Grant Information Form
- Grant Budget
- Subcontract Budget
- Contract/Agreement
- Form 126 – Ethics Commission
- Award Letter
- Application
- Public Correspondence

OTHER (Use back side if additional space is needed)

<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"/>	_____
<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"/>	_____
<input type="checkbox"/>	<input type="checkbox"/>	_____

Completed by: Linda Wong

Date October 1, 2021

Completed by: Linda Wong

Date October 14, 2021

[Appropriation - Special Tax Bond Proceeds - \$35,000,000; Special Tax Revenues - \$11,620,000 - Controller's Reserve - Transbay Transit Center Project - FY2021-2022]

Ordinance appropriating \$35,000,000 from the issuance of one or more series of Special Tax Bonds of the City's Community Facilities District 2014-1 (Transbay Transit Center) and placing such amounts on Controller's reserve; and appropriating \$11,620,000 of special tax revenues for funding related to the Transbay Transit Center Project in Fiscal Year (FY) 2021-2022.

Note: Additions are *single-underline italics Times New Roman*; deletions are ~~*strikethrough italics Times New Roman*~~. Board amendment additions are double underlined. Board amendment deletions are ~~strikethrough normal~~.

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

Section 1. The sources of funding outlined below are herein appropriated to reflect the funding available in Fiscal Year 2021-2022.

SOURCES Appropriation

Fund / Department ID	Project & Activity / Authority	Account	Description	Amount
XXXXX /	XXXXXXXXX – XXXX /	80199 Proceeds from	Proceeds from Long	\$35,000,000
XXXXXX	XXXXX	Long Term Obligation	Term Obligation	
XXXXX /	XXXXXXXXX – XXXX /	XXXXX Special Tax	Special Tax	\$11,620,000
XXXXXX	XXXXX	Revenue	Revenue Custodied at Bank	

Fund /	Project & Activity /	Account	Description	Amount
Department ID	Authority			
Total SOURCES Appropriation				<u>\$46,620,000</u>

Section 2. The uses of funding outlined below are herein appropriated to reflect the projected uses of funding for the Transbay Center Project in FY 2021-2022.

USES Appropriation

Fund /	Project & Activity /	Account	Description	Amount
Department ID	Authority			
XXXXX /	XXXXXXXXX – XXXX /	539200 Loans Issued	Transbay Transit	\$30,040,000
XXXXXX	XXXXX	by the City	Center Project Fund	
XXXXXXXXX –	XXXXXXXXX – XXXX /	567000	Transbay Transit	\$11,620,000
XXXX / XXXXX	XXXXX	Bldgs, Struct & Imprv	Center Project Fund	
		Project-Budget		
XXXXXXXXX –	XXXXXXXXX – XXXX /	570000	Debt Service	\$2,509,312
XXXX / XXXXX	XXXXX	Debt Service –	Reserve Fund	
		Budget		
XXXXX /	XXXXXXXXX – XXXX /	573110	Costs of Issuance	\$754,288
XXXXXX	XXXXX	Bond Issuance Cost-		
		Unamortized		

	Fund /	Project & Activity /	Account	Description	Amount
	Department ID	Authority			
1					
2	XXXXXX /	XXXXXXXXXX – XXXX /	573110	Underwriter's	\$336,400
3	XXXXXX	XXXXXX	Bond Issuance Cost-	Discount	
4			Unamortized		
5	XXXXXX /	XXXXXXXXXX – XXXX /	573110	Reserve for Market	\$1,360,000
6	XXXXXX	XXXXXX	Bond Issuance Cost-	Uncertainty	
7			Unamortized		
8					
9					
10					
11	Total USES Appropriation				\$46,620,000

Section 3. The Controller is authorized to record transfers between funds and adjust the accounting treatment of sources and uses appropriated in this ordinance as necessary to conform with Generally Accepted Accounting Principles and other laws.

Section 4. The amount of \$35,000,000 is hereby placed on Controller's Reserve pending sale of the Special Tax Bonds.

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

FUNDS AVAILABLE:
BEN ROSENFELD, Controller

By: /s/
JON GIVNER
Deputy City Attorney

By: /s/
BEN ROSENFELD
Controller



OFFICE OF THE CONTROLLER
CITY AND COUNTY OF SAN FRANCISCO

Ben Rosenfield
Controller

Todd Rydstrom
Deputy Controller

Anna Van Degna
Director of Public Finance

MEMORANDUM

TO: Honorable Members, Board of Supervisors

FROM: Anna Van Degna, Director of the Controller's Office of Public Finance
Luke Brewer, Controller's Office of Public Finance

DATE: Monday, September 20, 2021

SUBJECT: Ordinance Appropriating \$35,000,000 of Special Tax Bond Proceeds and \$11,620,000 of Special Tax Revenues – Community Facilities District No. 2014-1 (Transbay Transit Center)

Recommended Action

We respectfully request that the Board of Supervisors ("Board") consider for review and approval the ordinance ("Ordinance") appropriating \$35,000,000 from the issuance of one or more series of Special Tax Bonds and placing such amounts on Controller's reserve; and appropriating \$11,620,000 of special tax revenues for funding related to the Downtown Rail Extension component of the Transbay Transit Center Project. The introduction of this Ordinance follows the July 27, 2021 introduction of the "Bond Resolution" - File No. [210871](#) providing for the issuance of not to exceed \$35 million of Community Facilities District No. 2014-1 (Transbay Transit Center) Special Tax Bonds, Series 2021B ("2021 Bonds").

Background

Over the past decade, the City engaged in several efforts to plan for future development and construction of public infrastructure for the area surrounding the Salesforce Transit Center ("Transit Center") and the Downtown Rail Extension ("DTX"), which involves the extension of the Caltrain rail tracks to the Transit Center to accommodate Caltrain and California High Speed Rail, as further described below. In 2005, the Transbay Redevelopment Project Area was adopted with the purpose of redeveloping property formerly owned by the State of California and to generate funding sources to assist the Transbay Joint Powers Authority ("TJPA") in the construction of the new Transit Center and the DTX.

In 2012, the City adopted the Transit Center District Plan ("TCDP") after a multi-year public planning process. The TCDP is a comprehensive plan to respond to and support the construction of the Transit Center and the DTX. In adopting the TCDP, the Board authorized the formation of a Mello-Roos Community Facilities District ("CFD") within the TCDP boundary for new large developments to provide funding for the Transit Center, the

2 | Appropriation of Transbay CFD 2014-1 Funds

DTX, and other public infrastructure necessary to support the growth and development of the neighborhood (“Transbay Program”).

In 2014, the City approved the formation of CFD No. 2014-1 and in 2015, the City approved the levy and collection of special taxes within the CFD and authorized bonded indebtedness for the CFD in an aggregate principal amount of \$1.4 billion.

Pursuant to a Joint Community Facilities Agreement between the City and TJPA, 82.6% of the CFD special tax proceeds are allocated to fund a portion of the Transbay Program, including DTX, the train-related components of the Transit Center (generally referred to as the “Train Box”) and associated systems, and the rooftop park. The remaining 17.4% of CFD special tax proceeds will fund a variety of public infrastructure projects. To date, funds have been allocated for streetscape enhancements within the CFD, as well as open space, capacity enhancements for the Embarcadero and Montgomery San Francisco Bay Area Rapid Transit District (“BART”) stations, and a congestion pricing study for the San Francisco County Transportation Authority (“SFCTA”).

CFD No. 2014-1 - Bonds and Special Taxes on Hand

In November 2017, the City, on behalf of the CFD, issued its first Special Tax Bonds (Series 2017A and 2017B) in the aggregate principal amount of \$207.5 million. In February 2019, the second tranche of Special Tax Bonds (Series 2019A and 2019B) was issued in the aggregate principal amount of \$191.0 million. In May 2020, the third tranche of Special Tax Bonds (Series 2020B) was issued with a principal amount of \$81.8 million. To date, \$480.3 million of bonds have been issued of which \$428.8 million of bond proceeds have been generated for capital projects with the balance used to fund an allocable share of the debt service reserve fund that provides security for all of the outstanding Special Tax Bonds, pay the costs of issuance for each series and fund other related costs primarily consisting of capitalized interest for each series.

The Special Tax Bond debt service is paid from annual special taxes levied in the CFD. Annual special tax collections not required for debt service payments or administrative costs are currently on hand and available for capital projects.

The Ordinance presently before the Board appropriates proceeds from the proposed fourth issuance of Special Tax Bonds (“2021 Bonds”) in a not to exceed amount of \$35.0 million. Additionally, the Ordinance appropriates \$11.62 million of prior annual special tax collections currently on hand. The bonds are expected to be issued in the Fall of 2021. These funds will enable TJPA to complete DTX project development activities, as required by the Federal Transit Administration (“FTA”) in advance of applying for FTA Capital Investment Grant (CIG) New Starts funds, including preliminary design, cost estimation, risk analysis, and other technical work. The appropriation of the \$35.0 million of bond proceeds and the appropriation of the \$11.62 million of special tax collections on hand will support FTA Project Development and other DTX programmatic activities, respectively.

Plan of Finance

Appropriation of Funds

It is anticipated that \$30.04 million of 2021 Bond proceeds will finance a portion of the planning, design and pre-construction costs for DTX. Additionally, \$11.62 million of CFD special taxes on-hand will fund DTX project development, ROW planning and acquisition, and other programmatic costs including management

3 | Appropriation of Transbay CFD 2014-1 Funds

oversight planned in fiscal years 2021-22 and 2022-23. In addition to the project funding, proceeds of the 2021 Bonds will also be used to fund: (i) a debt service reserve fund for the bonds and (ii) costs of issuance.

Table 1 below outlines sources and uses for the appropriation.

Table 1: Sources & Uses of Funds

Sources:

<u>Bond Proceeds and Special Taxes</u>	
Proceeds from Long-Term Obligation ("Bond Proceeds")	\$35,000,000
Special Tax Revenue ("Tax Revenues")	\$11,620,000
Total Appropriation Sources	\$46,620,000

Uses:

Bond Proceeds for the Transbay Transit Center Project	\$30,040,000
Tax Revenues for the Transbay Transit Center Project	\$11,620,000
Debt Service Reserve Fund funded by Bond Proceeds	\$2,509,312
<u>Delivery Date Expenses funded by Bond Proceeds</u>	
Cost of Issuance	\$754,288
Underwriter's Discount	\$336,400
Reserve For Market Uncertainty funded by Bond Proceeds	\$1,360,000
Total Appropriation Uses	\$46,620,000

Anticipated Timeline

The Ordinance is expected to be introduced at the Board of Supervisors meeting on Tuesday, September 21, 2021.

Milestones	Dates
• Ordinance Introduction	September 21, 2021
• Budget & Finance Committee Hearing	October 6, 2021
• First Reading of Ordinance	October 19, 2021
• Second Reading of Ordinance	October 26, 2021
• <i>TJPA Submittal of Request Entry to FTA Project Development Phase</i>	<i>By October 31, 2021</i>

Your consideration of this matter is greatly appreciated. Please contact Anna Van Degna (anna.vandegna@sfgov.org) at 415-554-5956 or Luke Brewer (luke.brewer@sfgov.org) at 415-554-7693 if you have any questions.

cc: Angela Calvillo, Clerk of the Board of Supervisors
Andres Powers, Mayor's Office
Ashley Groffenberger, Mayor's Budget Director
Ben Rosenfield, Controller
Carmen Chu, City Administrator
Harvey Rose, Budget Analyst
Severin Campbell, Budget Analyst
Mark Blake, Deputy City Attorney
Kenneth Roux, Deputy City Attorney
Nila Gonzales, Interim Executive Director, TJPA
Tilly Chang, Executive Director San Francisco County Transportation Authority

President, District 10
BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689
Tel. No. 554-6516
Fax No. 554-7674
TDD/TTY No. 544-6546

Shamann Walton

PRESIDENTIAL ACTION

Date: 9/23/2021

To: Angela Calvillo, Clerk of the Board of Supervisors

Madam Clerk,

Pursuant to Board Rules, I am hereby:

Waiving 30-Day Rule (Board Rule No. 3.23)

File No.

211009

Mayor

(Primary Sponsor)

Title. [Appropriation - Special Tax Bond Proceeds - \$35,000,000; Special Tax Revenues - \$11,620,000 - Controller's Reserve - Transbay Transit Center Project - FY2021-2022]

Transferring (Board Rule No 3.3)

File No.

(Primary Sponsor)

Title.

From:

Committee

To:

Committee

Assigning Temporary Committee Appointment (Board Rule No. 3.1)

Supervisor:

Replacing Supervisor:

For:

(Date)

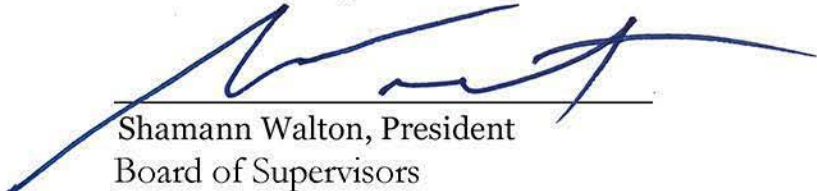
(Committee)

Meeting

Start Time:

End Time:

Temporary Assignment: Partial Full Meeting


Shamann Walton, President
Board of Supervisors

From: [Peacock, Rebecca \(MYR\)](#)
To: [BOS Legislation, \(BOS\)](#)
Cc: [Bruss, Andrea \(MYR\)](#); [Brewer, Luke \(CON\)](#); [Liu, Adrian \(MYR\)](#); [Van Degna, Anna \(CON\)](#); [Pereira Tully, Marisa \(CON\)](#); [Gee, Natalie \(BOS\)](#)
Subject: RE: Mayor -- [Ordinance] -- [Appropriation – \$35,000,000 in Special Tax Bond Proceeds; \$11,620,000 in Special Tax Revenues - Transbay Transit Center Project – FY2021-2022]
Date: Tuesday, September 21, 2021 4:53:27 PM

The Mayor's Office would also like to request a 30-day waiver for this item in order to meet a federal deadline.

-RP

Rebecca Peacock ([they/them](#))
Office of Mayor London N. Breed

From: Peacock, Rebecca (MYR)
Sent: Tuesday, September 21, 2021 16:32
To: BOS Legislation, (BOS) <bos.legislation@sfgov.org>
Cc: Bruss, Andrea (MYR) <andrea.bruss@sfgov.org>; Brewer, Luke (CON) <luke.brewer@sfgov.org>; Liu, Adrian (MYR) <adrian.liu@sfgov.org>; Van Degna, Anna (CON) <anna.vandegna@sfgov.org>; Pereira Tully, Marisa (CON) <marisa.pereira.tully@sfgov.org>
Subject: Mayor -- [Ordinance] -- [Appropriation – \$35,000,000 in Special Tax Bond Proceeds; \$11,620,000 in Special Tax Revenues - Transbay Transit Center Project – FY2021-2022]

Attached for introduction to the Board of Supervisors is an **ordinance appropriating \$35,000,000 from the issuance of one or more series of Special Tax Bonds of the City's Community Facilities District 2014-1 (Transbay Transit Center) and placing such amounts on Controller's reserve; and appropriating \$11,620,000 of special tax revenues for funding related to the Transbay Transit Center Project in Fiscal Year (FY) 2021-2022.**

Please let me know if you have any questions.

Rebecca Peacock ([they/them](#))
Office of Mayor London N. Breed
Legislative & Government Affairs
City & County of San Francisco