

1 [Resolution of Intention - Incurring Bonded Indebtedness and Other Debt for Mission Rock
2 Special Tax District No. 2020-1 (Mission Rock Facilities and Services) - Not to Exceed
3 \$3,700,000,000]

4 **Resolution declaring the intention to incur bonded indebtedness and other debt in an**
5 **aggregate principal amount not to exceed \$3,700,000,000 for the City and County of**
6 **San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and Services);**
7 **ordering and setting a time and place for a public hearing of the Board of Supervisors,**
8 **sitting as a Committee of the Whole, on April 7, 2020; and determining other matters in**
9 **connection therewith, as defined herein.**

10
11 WHEREAS, California Statutes of 1968, Chapter 1333 (“Burton Act”) and San
12 Francisco Charter, Section 4.114 and Appendix B, beginning at Section B3.581, empower the
13 City and County of San Francisco (“City”), acting through the San Francisco Port Commission
14 (“Port Commission” or “Port”), with the power and duty to use, conduct, operate, maintain,
15 manage, regulate, and control the lands within Port jurisdiction; and

16 WHEREAS, Seawall Lot 337 Associates, LLC, a Delaware limited liability company
17 (“Master Developer”) and the City, acting by and through the Port, are parties to a Disposition
18 and Development Agreement (as amended from time to time, “DDA”), including a Financing
19 Plan (as amended from time to time, “Financing Plan”), that governs the disposition and
20 development of certain parcels in the jurisdiction of the Port, including Seawall Lot 337, 3.53
21 acres of Terry A. Francois Boulevard from Third Street to Mission Rock Street, China Basin
22 Park and ½ acre to the east of Terry A. Francois Boulevard between Pier 48 and Pier 50
23 (“Project Site”), and also provides for development of Pier 48, which DDA was approved by
24 the Board of Supervisors of the City (“Board of Supervisors”) by Resolution No. 42-18,
25 adopted on February 13, 2018, signed by the Mayor on February 23, 2018, and a copy of

1 which is in Board File No. 180092; and

2 WHEREAS, The Port collaborated with the State Lands Commission and California
3 legislators to amend the Burton Act to lift or suspend its statutory trust use restrictions that
4 impede the Port’s ability to realize the development potential of Port lands; under Senate Bill
5 815 (Stats. 2007, ch. 660, as amended by Stats. 2016, ch. 529) (“SB 815”), the Port is
6 authorized to lease certain seawall lots south of Market Street, including the Project Site, for
7 nontrust purposes, providing revenues for rehabilitation of historic wharves and piers and
8 other trust uses; SB 815 allows long-term nontrust uses that are not permissible under the
9 Burton Act as a primary mechanism to generate Port revenues for trust purposes, including
10 the construction of infrastructure needed for development; and

11 WHEREAS, On November 3, 2015, San Francisco voters approved the Mission Rock
12 Affordable Housing, Parks, Jobs and Historic Preservation Initiative (“Proposition D”), which
13 authorized increased height limits on the Project Site, subject to environmental review, and
14 established a City policy to encourage development of the Project Site; Proposition D
15 specifically provides that it is intended to encourage and implement the lease and
16 development of the Project Site as described in SB 815 to support the purposes of the Burton
17 Act, especially the preservation of historic piers and historic structures and construction of
18 waterfront plazas and open space; and

19 WHEREAS, The proposed development of the Project Site, which is commonly
20 referred to as the Mission Rock project (“Project”), will be a new mixed-use neighborhood that
21 is proposed to include a mix of commercial/office, retail, parking, and market rate and
22 affordable residential uses and approximately eight acres of new and expanded parks and
23 shoreline access; and

24 WHEREAS, Under the DDA, (i) the Developer is responsible for master development of
25 the Project Site, including construction of public infrastructure, (ii) the Port and Developer will

1 enter into a master lease for all of the Project Site, (iii) the Port will convey development
2 parcels to vertical developers and those parcels will be released from the master lease and
3 (iv) the Port may enter into a separate lease with the Developer (or an affiliate) for
4 development of Pier 48; and

5 WHEREAS, The City anticipates that, in addition to the public infrastructure and private
6 development described above, future improvements will be necessary to ensure that the
7 shoreline, public facilities, and public access improvements will be protected should sea level
8 rise in the vicinity of the Project Site, and the Board of Supervisors desires to provide a
9 mechanism to pay for the costs of such improvements; and

10 WHEREAS, Under Chapter 43, Article X of the San Francisco Administrative Code (as
11 it may be amended from time to time, "Code"), which Code incorporates by reference the
12 Mello-Roos Community Facilities Act of 1982, as amended ("Mello-Roos Act"), this Board of
13 Supervisors has this date adopted its "Resolution declaring the intention to establish City and
14 County of San Francisco Special Tax District No. 2020-1 (Mission Rock Facilities and
15 Services) and a Future Annexation Area; ordering and setting a time and place for a public
16 hearing of the Board of Supervisors, sitting as a Committee of the Whole, on April 7, 2020;
17 determining other matters in connection therewith, as defined herein; and making findings
18 under the California Environmental Quality Act" ("Resolution of Intention to Establish"), stating
19 its intention to form (i) "City and County of San Francisco Special Tax District No. 2020-1
20 (Mission Rock Facilities and Services)" ("Special Tax District") and (ii) a future annexation
21 area for the Special Tax District ("Future Annexation Area") for the purpose of financing the
22 costs of certain improvements ("Facilities"), services and incidental expenses, as further
23 provided in the Resolution of Intention to Establish; and

24 WHEREAS, In the Resolution of Intention to Establish, this Board of Supervisors made
25 certain findings under the California Environmental Quality Act ("CEQA") about the Final

1 Environmental Impact Report (“FEIR”) for the disposition and development of the Project Site,
2 and those findings are incorporated in this Resolution as if set forth in their entirety herein;
3 and

4 WHEREAS, This Board of Supervisors estimates the amount required for the financing
5 of the costs of the Facilities and incidental expenses in the territory of the Special Tax District
6 and the Future Annexation Area to be the sum of not to exceed \$3,700,000,000; and

7 WHEREAS, In order to finance the costs of the Facilities and incidental expenses it is
8 necessary to incur bonded indebtedness and other debt (as defined in the Mello-Roos Act) in
9 the amount of not to exceed \$3,700,000,000 (“Limit”) on behalf of the Special Tax District; and

10 WHEREAS, Such debt may include an agreement by the Special Tax District (or the
11 City on behalf of the Special Tax District) to repay the City, acting by and through the Port, for
12 one or more advances of land proceeds and other sources of Port funding to pay the costs of
13 the Facilities and incidental expenses (“Advances”), which repayment obligation (“Repayment
14 Obligation”) may be evidenced by a promissory note ratified or executed by the Special Tax
15 District (or the City on behalf of the Special Tax District) in favor of the Port; now, therefore, be
16 it

17 RESOLVED, That in order to finance the costs of the Facilities and incidental
18 expenses, it is necessary for the City to incur bonded indebtedness and other debt (as defined
19 in the Mello-Roos Act) in one or more series in an aggregate amount not to exceed the Limit;
20 and, be it

21 FURTHER RESOLVED, That the bonded indebtedness and other debt is proposed to
22 be incurred for the purpose of financing the costs of the Facilities, including acquisition and
23 improvement costs, and all incidental expenses; and, be it

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1 FURTHER RESOLVED, That this Board of Supervisors, acting as legislative body for
2 the Special Tax District, intends to authorize the issuance and sale of bonds and other debt in
3 one or more series in the maximum aggregate principal amount of not to exceed the Limit,
4 bearing interest payable semi-annually or in such other manner as this Board of Supervisors
5 shall determine, at a rate not to exceed the maximum rate of interest as may be authorized by
6 applicable law at the time of sale of such bonds and other debt, and maturing not later than 40
7 years from the date of the issuance of the bonds and other debt; and, be it

8 FURTHER RESOLVED, That because the City expects to repay the Repayment
9 Obligation from, among other sources, special taxes levied in the Special Tax District and
10 proceeds of bonded indebtedness and other debt incurred by or on behalf of the Special Tax
11 District, the Board of Supervisors hereby determines that (i) the Repayment Obligation shall
12 be included in the calculation of the Limit and (ii) any such bonded indebtedness or other debt
13 (as defined in the Mello-Roos Act) incurred by or on behalf of the Special Tax District to repay
14 the Repayment Obligation (and the related costs of issuance and costs of funding a debt
15 service reserve fund) shall not be included in the calculation of the Limit; and, be it

16 FURTHER RESOLVED, That April 7, 2020, at 3:00 p.m. or as soon as possible
17 thereafter, and the Board of Supervisors Chambers, 1 Dr. Carlton B. Goodlett Place, San
18 Francisco, California, are hereby fixed as the time and place when and where this Board of
19 Supervisors, as the legislative body for the Special Tax District, will conduct a public hearing
20 on the proposed debt issue and consider and finally determine whether the public interest,
21 convenience and necessity require the issuance of bonds and other debt of the of the City on
22 behalf of the Special Tax District; and, be it

23 FURTHER RESOLVED, That the Clerk of the Board of Supervisors is hereby directed
24 to cause notice of the public hearing to be given by publication one time in a newspaper of
25 general circulation circulated within the Special Tax District, and the publication of the notice

1 shall be completed at least seven (7) days before the date specified above for the public
2 hearing, and such notice shall be substantially in the form specified in Mello-Roos Act, Section
3 53346, with the form summarizing the provisions hereof hereby specifically approved; and, be
4 it

5 FURTHER RESOLVED, That notwithstanding the foregoing, because of the complexity
6 associated with the project and the financing plan described in the Resolution of Intention to
7 Establish, the Board of Supervisors hereby authorizes the Clerk of the Board of Supervisors to
8 determine that the public hearing should be held on a later date or time and to cause notice of
9 such later date or time to be given by publication one time in a newspaper published in the
10 area of the Special Tax District and the Future Annexation Area; and, be it

11 FURTHER RESOLVED, That this Board of Supervisors hereby waives any provisions
12 of the Amended and Restated Local Goals and Policies for Community Facilities Districts and
13 Special Tax Districts (“Goals and Policies”) adopted by this Board of Supervisors by
14 Resolution No. 414-13 to the extent the Goals and Policies are inconsistent with the
15 provisions hereof or the DDA; and, be it

16 FURTHER RESOLVED, That this Resolution shall in no way obligate the Board of
17 Supervisors to form the Special Tax District or to authorize the issuance of bonds or other
18 debt for the Special Tax District. Issuance of the bonds and other debt shall be subject to the
19 approval of this Board of Supervisors by resolution following the holding of the public hearing
20 referred to above; and, be it

21 FURTHER RESOLVED, That if any section, subsection, sentence, clause, phrase, or
22 word of this Resolution, or any application thereof to any person or circumstance, is held to be
23 invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision
24 shall not affect the validity of the remaining portions or applications of this Resolution, this
25 Board of Supervisors hereby declaring that it would have passed this Resolution and each

1 and every section, subsection, sentence, clause, phrase, and word not declared invalid or
2 unconstitutional without regard to whether any other portion of this Resolution or application
3 thereof would be subsequently declared invalid or unconstitutional; and, be it

4 FURTHER RESOLVED, That the Mayor, the Controller, the Director of the Controller's
5 Office of Public Finance, the Clerk of the Board of Supervisors and any and all other officers
6 of the City are hereby authorized, for and in the name of and on behalf of the City, to do any
7 and all things and take any and all actions, including execution and delivery of any and all
8 documents, assignments, certificates, requisitions, agreements, notices, consents,
9 instruments of conveyance, warrants and documents, which they, or any of them, may deem
10 necessary or advisable in order to effectuate the purposes of this Resolution; provided
11 however that any such actions be solely intended to further the purposes of this Resolution,
12 and are subject in all respects to the terms of the Resolution; and, be it

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

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

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

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21 By: _____
22 Mark D. Blake
23 Deputy City Attorney

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