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

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

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

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

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

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

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

E. The Resolution of Intention stated that the City may, without additional hearings or procedures, designate a parcel or parcels as an improvement area within the Special Tax District; that, after the designation of a parcel or parcels as an improvement area, all proceedings for approval of the appropriations limit, the rate, method of apportionment and manner of collection of special tax and the authorization to incur bonded indebtedness for such parcel or parcels will apply only to the improvement area; and that the City may incur indebtedness payable solely from special taxes levied on property in the improvement area.
F. Notice was published as required by the Code relative to the intention of this Board of Supervisors to form the Special Tax District, to levy special taxes in the Special Tax District according to the rate and method of apportionment of the special tax set forth in the Resolution of Intention, to finance certain facilities and services and to incur bonded indebtedness and other debt (as defined in the Code) for the Special Tax District in an amount not to exceed $5,300,000,000.

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

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

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

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

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

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

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

Section 3. The Director of the Office of Public Finance of the City, or designee thereof, is hereby authorized and directed each fiscal year to determine the specific special tax rate and amount to be levied for the next ensuing fiscal year for each parcel of real property within the Special Tax District (and all improvement areas established in the Special Tax District), in the manner and as provided in the Resolution of Formation.
Section 4. The Special Tax District initially consists solely of territory proposed for annexation to the Special Tax District in the future. A parcel or parcels within the territory of the Special Tax District may be annexed to the Special Tax District and subjected to the special tax only with the Unanimous Approval of the owner or owners of such parcel or parcels at the time that such parcel or those parcels are annexed or pursuant to other procedures established by the Code. In no event shall the special taxes be levied on any parcel within the Special Tax District in excess of the maximum tax specified in the Unanimous Approval applicable to such parcel or pursuant to other procedures established by the Code.

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

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

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

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

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

By: Mark D. Blake
Deputy City Attorney

Board of Supervisors
EXHIBIT A
DESCRIPTION OF FACILITIES AND SERVICES THAT MAY BE FINANCED BY THE SPECIAL TAX DISTRICT

Special taxes collected in the Special Tax District may finance, in whole or in part, the costs of the acquisition, construction and improvement of any of the following types of facilities that are located inside or outside the Special Tax District, as long as such facilities are authorized under the Code ("Facilities").

FACILITIES

1. **Transit Facilities.** Local and regional transit infrastructure, including near term enhancements on the Transbay corridor and longer-term "core capacity" projects.

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

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

4. **Environmental Sustainability Projects.** Environmental sustainability projects, 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.


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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Supervisor Haney
BOARD OF SUPERVISORS

Exhibit A
1. **Parks and Recreation.** Park programming and activation.

2. **Neighborhood Stabilization and Community Services.** Social welfare, small business development and workforce development, community health and arts/cultural programming and services provided by governmental agencies and nonprofit organizations in the Central SOMA area.

3. **Capital Maintenance.** Operation and maintenance of publicly-owned improvements, including installation and maintenance of landscaping; maintenance of building systems, structures, and equipment; maintenance of irrigation systems and other equipment; all related personnel or third-party operation and maintenance costs; insurance costs and any other related overhead costs.

**OTHER**

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

1. **Bond related expenses,** including underwriters discount, reserve fund, capitalized interest, letter of credit fees and expenses, bond and disclosure counsel fees and expenses, bond remarketing costs, and all other incidental expenses.

2. **Administrative fees of the City and the bond trustee or fiscal agent related to the Special Tax District and the bonds.**

3. **Reimbursement of costs related to the formation of the Special Tax District advanced by the City, the landowner(s) in the Special Tax District, or any party related to any of the foregoing, as well as reimbursement of any costs advanced by the City, the landowner(s) in the Special Tax District, or any party related to any of the foregoing, for facilities, fees or other purposes or costs of the Special Tax District.**

4. **A capital reserve fund to finance the Facilities.**
5. A reserve to fund the Services.
City and County of San Francisco

Tails

Ordinance

File Number: 181172  Date Passed: January 29, 2019

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

January 15, 2019 Board of Supervisors - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE
Ayes: 11 - Brown, Fewer, Haney, Mandelman, Mar, Peskin, Ronen, Safai, Stefani, Walton and Yee

January 15, 2019 Board of Supervisors - PASSED ON FIRST READING AS AMENDED
Ayes: 11 - Brown, Fewer, Haney, Mandelman, Mar, Peskin, Ronen, Safai, Stefani, Walton and Yee

January 29, 2019 Board of Supervisors - FINALLY PASSED
Ayes: 11 - Brown, Fewer, Haney, Mandelman, Mar, Peskin, Ronen, Safai, Stefani, Walton and Yee

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 1/29/2019 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

2/8/19