

1 [Resolution of Formation - Establishing the Central SoMa Special Tax District No. 2018-1]

2
3 **Resolution of formation to establish City and County of San Francisco Special Tax**
4 **District No. 2018-1 (Central SoMa); and determining other matters in connection**
5 **therewith, as defined herein.**

6
7 WHEREAS, On November 13, 2018, this Board of Supervisors ("Board of
8 Supervisors") of the City and County of San Francisco ("City") adopted a resolution entitled
9 "Resolution declaring the intention of the Board of Supervisors to establish City and County
10 Special Tax District No. 2018-1 (Central SoMa); ordering and setting a time and place for a
11 public hearing of the Board of Supervisors, sitting as a Committee of the Whole, on January
12 15, 2019, at 3:00 p.m.; and determining other matters in connection therewith" ("Resolution of
13 Intention"), pursuant to Chapter 43, Article X of the San Francisco Administrative Code
14 ("Code"), which Code incorporates the Mello-Roos Community Facilities Act of 1982, as
15 amended ("Act"); and

16 WHEREAS, The Resolution of Intention and the findings, determinations and
17 declarations of the Board of Supervisors therein and the other provisions thereof are
18 incorporated herein by this reference as if fully set forth herein; and

19 WHEREAS, The Central SoMa planning area ("Central SoMa Plan Area") runs from
20 2nd Street to 6th Street, Market Street to Townsend Street, exclusive of those areas that are
21 part of the Downtown Plan or in the C-3 zoning districts, and the Resolution of Intention,
22 incorporating a map of the proposed boundaries of the Special Tax District, stated the
23 intention of this Board of Supervisors to establish a special tax district in order to finance costs
24 of public infrastructure and other authorized facilities and services necessary or incidental to
25 development of the Central SoMa Plan Area; and

1 WHEREAS, The special tax district is proposed to be called "City and County of San
2 Francisco Special Tax District No. 2018-1 ("Central SoMa") ("Special Tax District"), and

3 WHEREAS, The Resolution of Intention stated the intention of the Board of
4 Supervisors to undertake the proceedings to form the Special Tax District under the alternate
5 procedures established by Code Section 43.10.17, pursuant to which a special tax district
6 may initially consist solely of territory proposed for annexation to the special tax district in the
7 future, with the condition that a parcel or parcels within that territory may be annexed to the
8 special tax district and subjected to the special tax only with the unanimous approval of the
9 owner or owners of such parcel or parcels at the time that such parcel or those parcels are
10 annexed or in compliance with other procedures established by the Code, and pursuant to
11 which no additional hearings or procedures are required, and each such unanimous approval
12 shall be deemed to constitute a unanimous vote in favor of the matters addressed in the
13 unanimous approval; and

14 WHEREAS, On this date, this Board of Supervisors held a noticed public hearing as
15 required by the Code and the Resolution of Intention relating to the proposed formation of the
16 Special Tax District; and

17 WHEREAS, At the hearing all interested persons desiring to be heard on all matters
18 pertaining to the formation of the Special Tax District, the facilities and services to be financed
19 by the Special Tax District and the levy of a special tax on property annexed to the Special
20 Tax District were heard and a full and fair hearing was held; and

21 WHEREAS, At the hearing evidence was presented to this Board of Supervisors on the
22 matters before it, including a report caused to be prepared by the Director of the Office of
23 Public Finance ("Report") as to the facilities and services to be provided through the Special
24 Tax District and the costs thereof, a copy of which is on file with the Clerk of the Board of
25 Supervisors, and this Board of Supervisors at the conclusion of said hearing is fully advised

1 on the matters addressed in this Resolution and the Report; and

2 WHEREAS, Written protests with respect to the formation of the Special Tax District,
3 the furnishing of specified types of facilities and services and the rate and method of
4 apportionment of the special taxes have not been filed with the Clerk of the Board of
5 Supervisors by 50% or more of the registered voters residing within the territory proposed to
6 be annexed to the Special Tax District in the future, or by the owners of one-half or more of
7 the area of land proposed to be annexed in the future; now, therefore, be it

8 RESOLVED, That the foregoing recitals are true and correct; and, be it

9 FURTHER RESOLVED, That neither the proposed establishment of the Special Tax
10 District, the extent of the Special Tax District nor the furnishing of the facilities and services
11 specified in the Resolution of Intention and the Report has been precluded by majority protest
12 pursuant to Code Section 43.10.17; and, be it

13 FURTHER RESOLVED, That all prior proceedings taken by this Board of Supervisors
14 in connection with the establishment of the Special Tax District and the levy of a special tax
15 therein have been duly considered and are hereby found and determined to be valid and in
16 conformity with the Code; and, be it

17 FURTHER RESOLVED, That the Special Tax District to be designated "City and
18 County of San Francisco Special Tax District No. 2018-1 (Central SoMa)," is hereby
19 established pursuant to the Code; and, be it

20 FURTHER RESOLVED, That the boundaries of the Special Tax District, as set forth in
21 the map of the Special Tax District recorded in the office of the Assessor-Recorder for the City
22 and County of San Francisco on November 28, 2018, at 2:54 p.m., as Document
23 2018K598641, are hereby approved, are incorporated herein by reference and shall be the
24 boundaries of the Special Tax District, and that the Special Tax District shall initially consist
25 solely of territory proposed for annexation to the Special Tax District in the future, with the

1 condition that a parcel or parcels within that territory may be annexed to the Special Tax
2 District and subjected to a special tax only with the unanimous approval of the owner or
3 owners of such parcel or parcels at the time that such parcel or those parcels are annexed or
4 in compliance with other procedures established by the Code, and pursuant to which no
5 additional hearings or procedures are required; and, be it

6 FURTHER RESOLVED, That the type of facilities proposed to be financed by the
7 Special Tax District, subject to compliance with the Code and following any required
8 environmental review under the California Environmental Quality Act, shall consist of those
9 items listed in Exhibit A hereto and by this reference incorporated herein ("Facilities"), and this
10 Board of Supervisors hereby determines that the Facilities are necessary to meet increased
11 demands placed upon local agencies as the result of development occurring within the
12 Special Tax District; and, be it

13 FURTHER RESOLVED, That the type of services proposed to be financed by the
14 Special Tax District, subject to compliance with the Code and following any required
15 environmental review under the California Environmental Quality Act, shall consist of those
16 items listed in Exhibit A hereto and by this reference incorporated herein ("Services"), and this
17 Board of Supervisors hereby determines that the Services are necessary to meet increased
18 demands placed upon local agencies as the result of development occurring within the
19 Special Tax District; and, be it

20 FURTHER RESOLVED, That except to the extent that funds are otherwise available,
21 the City will levy a special tax ("Special Tax") to pay directly for the Facilities and Services and
22 to pay the principal and interest on bonds and other debt (as defined in the Code) of the City
23 issued to finance the Facilities; and, be it

24 FURTHER RESOLVED, That the Special Tax will be secured by recordation of a
25 continuing lien against all real property in the Special Tax District that annexes to the Special

1 Tax District, will be levied annually within the Special Tax District, and will be collected in the
2 same manner as ordinary ad valorem property taxes, or in such other manner as this Board of
3 Supervisors or its designee shall determine, including direct billing of the affected property
4 owners in the Special Tax District; and be it

5 FURTHER RESOLVED, That the proposed rate and method of apportionment of the
6 Special Tax among the parcels of real property within the Special Tax District is described in
7 Exhibit B attached hereto and hereby incorporated herein (“Rate and Method”); and be it

8 FURTHER RESOLVED, That the Special Tax to be levied in the Special Tax District
9 shall not be levied in the Special Tax District to finance Facilities after the fiscal year
10 established therefor in the Rate and Method, except that a Special Tax that was lawfully
11 levied in or before the final tax year and that remains delinquent may be collected in
12 subsequent years. Under no circumstances shall the Special Tax levied against any parcel in
13 the Special Tax District to finance Facilities in any fiscal year used for private residential
14 purposes be increased in that fiscal year as a consequence of delinquency or default by the
15 owner or lessee of any other parcel or parcels within the Special Tax District by an amount
16 that exceeds any limits established in the Code; and, be it

17 FURTHER RESOLVED, That the Special Tax shall be levied on a parcel or parcels in
18 the Special Tax District only with the written unanimous approval (each, a “Unanimous
19 Approval”) of the owner or owners of each parcel or parcels to their annexation to the Special
20 Tax District or in compliance with other procedures established by the Code, without any
21 requirement for further public hearings or additional proceedings, and each such unanimous
22 approval shall be deemed to constitute a unanimous vote in favor of the matters addressed in
23 the unanimous approval. The Unanimous Approval shall be in substantially the form and
24 substance of the Unanimous Approval attached to the Resolution of Intention as Exhibit C, or
25 such other form authorized by the Director of the Office of Public Finance; and be it

1 FURTHER RESOLVED, That under Government Code Section 50075.1, the following
2 accountability provisions shall apply to the special taxes: (a) the provision and/or acquisition of
3 the Facilities and the Services and the payment of debt service on the bonds and other debt
4 and the incidental costs thereof, all as defined herein, shall constitute the specific single
5 purpose; (b) the proceeds shall be applied only to the specific purposes identified in the
6 preceding clause (a); (c) there shall be created special account(s) or funds(s) into which the
7 proceeds shall be deposited; and (d) there shall be caused to be prepared an annual audit
8 and report of the Special Tax District; and, be it

9 FURTHER RESOLVED, That the Director of the Office of Public Finance of the City
10 and County of San Francisco, 1 Dr. Carlton B. Goodlett Place, City Hall, Room 336, San
11 Francisco, CA 94102, (415) 554-5956, or designee thereof, is the officer of the City who will
12 be responsible for preparing annually a current roll of Special Tax levy obligations by
13 assessor's parcel number and who will be responsible for estimating future Special Tax levies
14 pursuant to the Code; and, be it

15 FURTHER RESOLVED, That upon recordation of a notice of Special Tax lien pursuant
16 to California Streets and Highways Code Section 3114.5, a continuing lien to secure each levy
17 of the Special Tax shall attach to all nonexempt real property in the Special Tax District and
18 this lien shall continue in force and effect until the Special Tax obligation is prepaid and
19 permanently satisfied and the lien canceled in accordance with law or until collection of the tax
20 by the City ceases, and that pursuant to Code Section 43.10.17, a notice of special tax lien
21 shall not be recorded against any parcel or parcels in the Special Tax District without the
22 unanimous approval of the owner or owners of such parcel or parcels' annexation to the
23 Special Tax District or in compliance with other procedures established by the Code, at which
24 time the notice of special tax lien shall be recorded against such parcel or parcels as set forth
25 in Act Section 53328.3 and, be it

1 FURTHER RESOLVED, That except as may otherwise be provided by law or by the
2 Rate and Method, all lands owned by any public entity, including the United States, the State
3 of California and/or the City, or any departments or political subdivisions thereof, shall be
4 omitted from the levy of the Special Tax to be made to cover the costs and expenses of the
5 Facilities, the Services or the Special Tax District. In the event that a portion of the property
6 within the Special Tax District shall become for any reason exempt, wholly or in part, from the
7 levy of the Special Tax, this Board of Supervisors will, on behalf of the Special Tax District,
8 increase the levy to the extent necessary upon the remaining property within the Special Tax
9 District which is not exempt in order to yield the required debt service payments and other
10 annual expenses of the Special Tax District, if any, subject to the provisions of the Rate and
11 Method; and, be it

12 FURTHER RESOLVED, That in accordance with the Code, the annual appropriations
13 limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution,
14 of the Special Tax District is hereby preliminarily established at \$5,300,000,000; and, be it

15 FURTHER RESOLVED, That pursuant to Code Section 43.10.17, in lieu of approval
16 pursuant to an election held in accordance with the procedures set forth elsewhere in the
17 Code and in Act Sections 53326, 53327, 53327.5 and 53328, the appropriations limit for the
18 Special Tax District, the Rate and Method and manner of collection of the Special Tax and the
19 authorization to incur bonded indebtedness and other debt for the Special Tax District shall be
20 specified and approved by the Unanimous Approval of the owner or owners of each parcel or
21 parcels at the time that such parcel or parcels are annexed to the Special Tax District or in
22 compliance with other procedures established by the Code. No additional hearings or
23 procedures are required, and such Unanimous Approval shall be deemed to constitute a
24 unanimous vote in favor of the appropriations limit for the Special Tax District, the
25 authorization to levy the Special Tax on such parcel or parcels and the authorization to incur

1 bonded indebtedness for the Special Tax District; and, be it

2 FURTHER RESOLVED, That pursuant to Code Section 43.10.19, in connection with
3 the annexation of a parcel or parcels to the Special Tax District pursuant to the alternate and
4 independent procedure set forth in Code Section 43.10.17 and the conduct of an election on
5 the proposition to authorize bonded indebtedness and other debt pursuant to the alternate
6 and independent procedure set forth in Code Section 43.10.18, the City may, without
7 additional hearings or procedures, designate a parcel or parcels as an improvement area
8 within the Special Tax District, and each improvement area will be known as "Improvement
9 Area No. ____ of City and County of San Francisco Special Tax District No. 2018-1 (Central
10 SoMa)," and after the designation of a parcel or parcels as an improvement area, all
11 proceedings for approval of the appropriations limit, the rate and method of apportionment
12 and manner of collection of special tax and the authorization to incur bonded indebtedness for
13 such parcel or parcels shall apply only to the improvement area. The City may incur bonded
14 indebtedness and other debt payable solely from special taxes levied on property in the
15 improvement area; and be it

16 FURTHER RESOLVED, That Act Section 53314.9 provides that, either before or after
17 formation of the Special Tax District, the City may accept advances of funds and may provide,
18 by resolution, for the use of those funds, including but not limited to pay any cost incurred by
19 the local agency in creating the Special Tax District, and may agree to reimburse the
20 advances under all of the following conditions: (A) the proposal to repay the advances is
21 included both in the resolution of intention and the resolution of formation to establish the
22 Special Tax District; and (B) any proposed special tax is approved by the qualified electors of
23 the Special Tax District and, if the qualified electors of the Special Tax District do not approve
24 the proposed special tax, the City shall return any funds which have not been committed for
25 any authorized purpose by the time of the election and, in furtherance of Act Section 53314.9,

1 the Board of Supervisors hereby declares its intent to enter into an agreement providing for
2 the advance and reimbursement of funds if it is determined by the Director of the Office of
3 Public Finance to be in the best interests of the City; and, be it

4 FURTHER RESOLVED, That Act Section 53314.9 provides that, either before or after
5 formation of the Special Tax District, the City may accept work in-kind from any source,
6 including, but not limited to, private persons or private entities, may provide, by resolution, for
7 the use of that work in-kind for any authorized purpose and this Board of Supervisors may
8 enter into an agreement, by resolution, with the person or entity advancing the work in-kind, to
9 reimburse the person or entity for the value, or cost, whichever is less, of the work in-kind, as
10 determined by this Board of Supervisors, with or without interest, under the conditions
11 specified in the Act. Any work in-kind must be performed or constructed as if the work had
12 been performed or constructed under the direction and supervision, or under the authority of,
13 the City and, in furtherance of Act Section 53314.9, the Board of Supervisors hereby declares
14 its intent to enter into an acquisition and reimbursement agreement with one or more property
15 owners in the Special Tax District if it is determined by the Director of the Office of Public
16 Finance to be in the best interests of the City; and, be it

17 FURTHER RESOLVED, That the Board of Supervisors hereby reserves the right and
18 authority to allow any interested owner of property in the Special Tax District, subject to the
19 provisions of Act Section 53344.1 and such other conditions as the Board of Supervisors may
20 impose and any applicable prepayment penalties associated with bonds or other debt issued
21 or incurred by the Special Tax District, to tender bonds in full payment or part payment of any
22 installment of special taxes or the interest or penalties thereon which may be due or
23 delinquent, but for which a bill has been received; and, be it further

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1 FURTHER RESOLVED, That the Board of Supervisors has reviewed and considered
2 the Final EIR (as defined in the Resolution of Intention) and finds that the Final EIR is
3 adequate for its use for the actions taken by this resolution and incorporates the Final EIR and
4 the CEQA findings contained in the Resolution of Intention by this reference; and, be it

5 FURTHER RESOLVED, That this Resolution shall take effect upon its adoption.
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7 APPROVED AS TO FORM:
8 DENNIS J. HERRERA, City Attorney

9
10
11 By: 

12 Mark D. Blake
13 Deputy City Attorney
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1 EXHIBIT A

2 CITY AND COUNTY OF SAN FRANCISCO

3 Special Tax District No. 2018-1

4 (Central SoMa)

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6 DESCRIPTION OF FACILITIES AND SERVICES THAT MAY BE FINANCED BY THE
7 SPECIAL TAX DISTRICT

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

12 FACILITIES

- 13
- 14 1. Transit Facilities. Local and regional transit infrastructure, including near term
15 enhancements on the Transbay corridor and longer-term "core capacity" projects.
 - 16
 - 17 2. Complete Streets. Bicycle, pedestrian, and transit infrastructure. Improvements could
18 include, but not be limited to: sidewalk widening to accommodate additional pedestrian traffic
19 from new development; linear park space; pedestrian, streetscape and open space amenities;
20 pedestrian lighting; street furniture; pocket parks; active uses; and curb extensions; bicycle
21 facilities; bike lanes; transit upgrades such as dedicated transit lanes, boarding islands,
22 enhanced shelters and curb extensions to serve transit stops; new traffic signals, curb
23 extensions, and other pedestrian safety features as appropriate; crosswalks; improvements to
24 drop-off and pick-up zones at casual carpool locations; and roadway circulation, parking, and
25 loading changes.

1 3. Parks and Recreation. Parks and recreation centers.

2 4. Environmental Sustainability Projects. Environmental sustainability projects, including
3 but not limited to the following:

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

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

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

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

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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”):

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.
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- 1 3. Reimbursement of costs related to the formation of the Special Tax District advanced by
- 2 the City, the landowner(s) in the Special Tax District, or any party related to any of the
- 3 foregoing, as well as reimbursement of any costs advanced by the City, the landowner(s) in
- 4 the Special Tax District, or any party related to any of the foregoing, for facilities, fees or other
- 5 purposes or costs of the Special Tax District.
- 6 4. A capital reserve fund to finance the Facilities.
- 7 5. A reserve to fund the Services.

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EXHIBIT B

CITY AND COUNTY OF SAN FRANCISCO

Special Tax District No. 2018-1

(Central SoMa)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX



City and County of San Francisco

Tails

Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 181170

Date Passed: January 15, 2019

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, as defined herein.

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 - ADOPTED AS AMENDED

Ayes: 11 - Brown, Fewer, Haney, Mandelman, Mar, Peskin, Ronen, Safai, Stefani, Walton and Yee

File No. 181170

I hereby certify that the foregoing Resolution was ADOPTED AS AMENDED on 1/15/2019 by the Board of Supervisors of the City and County of San Francisco.

for Angela Calvillo
Clerk of the Board

London N. Breed
Mayor

Date Approved