

THIS REPORT COVERS CALENDAR ITEM NO.: 10
FOR THE MEETING OF: October 9, 2014

TRANSBAY JOINT POWERS AUTHORITY

BRIEF DESCRIPTION:

Directing the Transbay Joint Powers Authority (“TJPA”) to vote in favor of City and County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center) (“CFD”), and take such other actions as may be necessary or expedient to the formation of the CFD.

EXPLANATION:

The City and County of San Francisco (“City”) is holding a special, landowner election on the questions of levying a special tax pursuant to the Mello-Roos Community Facilities District Act of 1982, Government Code section 53311 *et seq.* (“Act”), incurring bonded indebtedness, and establishing the appropriations limit for the CFD.

In August 2012, the Board of Supervisors adopted the Transit Center District Plan (“TCDP” or “Plan”) and associated Implementation Document. The primary goal of the TCDP is to create a high-density, mixed-use urban neighborhood that capitalizes on and supports the major transportation investment and service represented by the Transbay Transit Center. In order to meet demand attributable to new development, the TCDP establishes mechanisms for development to contribute to the funding of public infrastructure, particularly the new Transit Center, City Park, and the Downtown Rail Extension (“DTX”). In particular, the TCDP authorized the formation of a Mello-Roos CFD to levy a special tax within the TCDP boundary to provide funding for the new Transbay Project public improvements and other new public infrastructure necessary to support the growth and development of the neighborhood.

The TCDP Implementation Document specifies that 82.6% of the revenues generated by the special tax levied within the CFD will go to the Transbay Transit Center Project. These revenues will provide funding for the rail portions of the new Transit Center, City Park, and the DTX. As described in the Implementation Document, the remaining 17.4% of the revenues will be used for right of way improvements (living streets, primary streets, alleys), signalization, traffic studies, and congestion studies.

The special tax is to be paid by entities that have development entitlements from the City to construct projects that trigger an obligation to participate in the CFD pursuant to Section 424.8 of the San Francisco Planning Code, or a disposition and development agreement with the Office of Community Investment and Infrastructure (“OCII” – the Successor Agency to the former Redevelopment Agency). The special tax is to be paid only by new high-rise office, market-rate residential, retail, and hotel buildings on designated properties in the Plan Area. As express conditions of their development permits or disposition and development agreements, the developers of these high-rises agree to pay the special tax in exchange for permission to build to significantly greater heights than otherwise allowed.

The TJPA is the owner of six parcels of land within the boundaries of the CFD, all or a portion of which are planned, under the Redevelopment Plan, the Cooperative Agreement, and related documents, for sale to private parties for development and will be subject to the special tax. The parcels are Assessor's Block/Lot 3718-025 and 3718-027 (Redevelopment Block 5); 3721-015A, 3721-016, and 3721-031 (Redevelopment Parcel F); and 3739-008 (Redevelopment Block 4); all as shown on the attached CFD Boundaries Map. As the owner of land that will be subject to the special tax, the TJPA is the landowner for purposes of voting on the levy of special taxes in the CFD, the issuance of bonded and other indebtedness for the CFD, and an annual appropriations limit for the CFD. The other parcels of land shown on the CFD Boundaries Map whose owners may cast votes on the formation of the CFD are OCII, Caltrans, and private developers.

On September 23, 2014, the City adopted the Resolution of Formation of the CFD; the resolution in which the City determined the necessity to incur bonded indebtedness and other debt for the purpose of financing the facilities to be funded by the special taxes; and the resolution calling for the special election on the CFD to be held on December 29, 2014.

RECOMMENDATION:

The TJPA's vote in favor of the City and County of San Francisco incurring \$1,400,000,000 of bonded indebtedness and other debt for City and County of San Francisco Mello-Roos Community Facilities District No. 2014-1 (Transbay Transit Center); levying a special tax in the CFD for the purposes specified in the proceedings for the CFD; and establishing a \$300,000,000 annual CFD appropriations limit.

The TJPA take such other actions as may be necessary or expedient to the formation of the CFD, and which may include, but are not limited to, waiving, on behalf of the TJPA, all notices of hearings and all notices of election, applicable waiting periods under the Act for the election and all ballot analyses and arguments for the election, as well as any requirement as to the specific form of the ballot to be used for the election, whether under the Act, the California Elections Code, or otherwise.

The Board approve, confirm, and ratify all of the actions heretofore taken by the officers and agents of the TJPA with respect to the establishment of the CFD.

ENCLOSURES:

1. Resolution
2. CFD Boundaries Map

**TRANSBAY JOINT POWERS AUTHORITY
BOARD OF DIRECTORS**

Resolution No. _____

WHEREAS, The primary goal of the Transit Center District Plan (“TCDP”) and associated Implementation Document, adopted by the Board of Supervisors of the City and County of San Francisco in August 2012, is to create a high-density, mixed-use urban neighborhood that capitalizes on and supports the major transportation investment and service represented by the Transbay Transit Center and, in order to meet demand attributable to new development, the TCDP establishes mechanisms for development to contribute to the funding of public infrastructure, particularly the new Transit Center, City Park, and the Downtown Rail Extension (“DTX”); and

WHEREAS, The Board of Supervisors of the City and County of San Francisco has established its City and County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center) (the “CFD”) pursuant to the Mello-Roos Community Facilities District Act of 1982, Government Code section 53311 *et seq.* (“Act”), and the CFD is a key aspect of the TCDP funding plan; and

WHEREAS, The TCDP Implementation Document specifies that 82.6% of the revenues generated by the special tax levied within the CFD will go to the Transbay Transit Center Project, and that these revenues will provide funding for the rail portions of the new Transit Center, City Park, and the DTX; and

WHEREAS, The TCDP Implementation Document specifies that the remaining 17.4% of the revenues will be used for right of way improvements (living streets, primary streets, alleys), signalization, traffic studies, and congestion studies; and

WHEREAS, The special tax is to be paid by entities that have development entitlements from the City to construct projects that trigger an obligation to participate in the CFD pursuant to Section 424.8 of the San Francisco Planning Code, or a disposition and development agreement with the Office of Community Investment and Infrastructure; and

WHEREAS, The TJPA is the owner of six parcels of land within the boundaries of the CFD, all or a portion of which are planned, under the Redevelopment Plan, the Cooperative Agreement, and related documents, for sale to private parties for development and which will be subject to the special tax; and

WHEREAS, As the owner of land that will be subject to the special tax, the TJPA is the landowner for purposes of voting on the levy of special taxes in the CFD, the issuance of bonded and other indebtedness for the CFD, and an annual appropriations limit for the CFD; and

WHEREAS, On September 23, 2014 the City and County of San Francisco adopted the Resolution Calling Special Election in City and County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center); now, therefore, be it

RESOLVED, That the TJPA Board of Directors directs the TJPA to execute a ballot on behalf of the TJPA, and to vote in favor of the City and County of San Francisco incurring \$1,400,000,000 of bonded indebtedness and other debt for the CFD; levying a special tax in the CFD for the purposes specified in the proceedings for the CFD; and establishing a \$300,000,000 annual CFD appropriations limit; and be it

FURTHER RESOLVED, That the TJPA Board of Directors directs the TJPA to take such other actions as may be necessary or expedient to the formation of the CFD, and which may include, but are not limited to, waiving, on behalf of the TJPA, all notices of hearings and all notices of election, applicable waiting periods under the Act for the election and all ballot analyses and arguments for the election, as well as any requirement as to the specific form of the ballot to be used for the election, whether under the Act, the California Elections Code, or otherwise; and be it

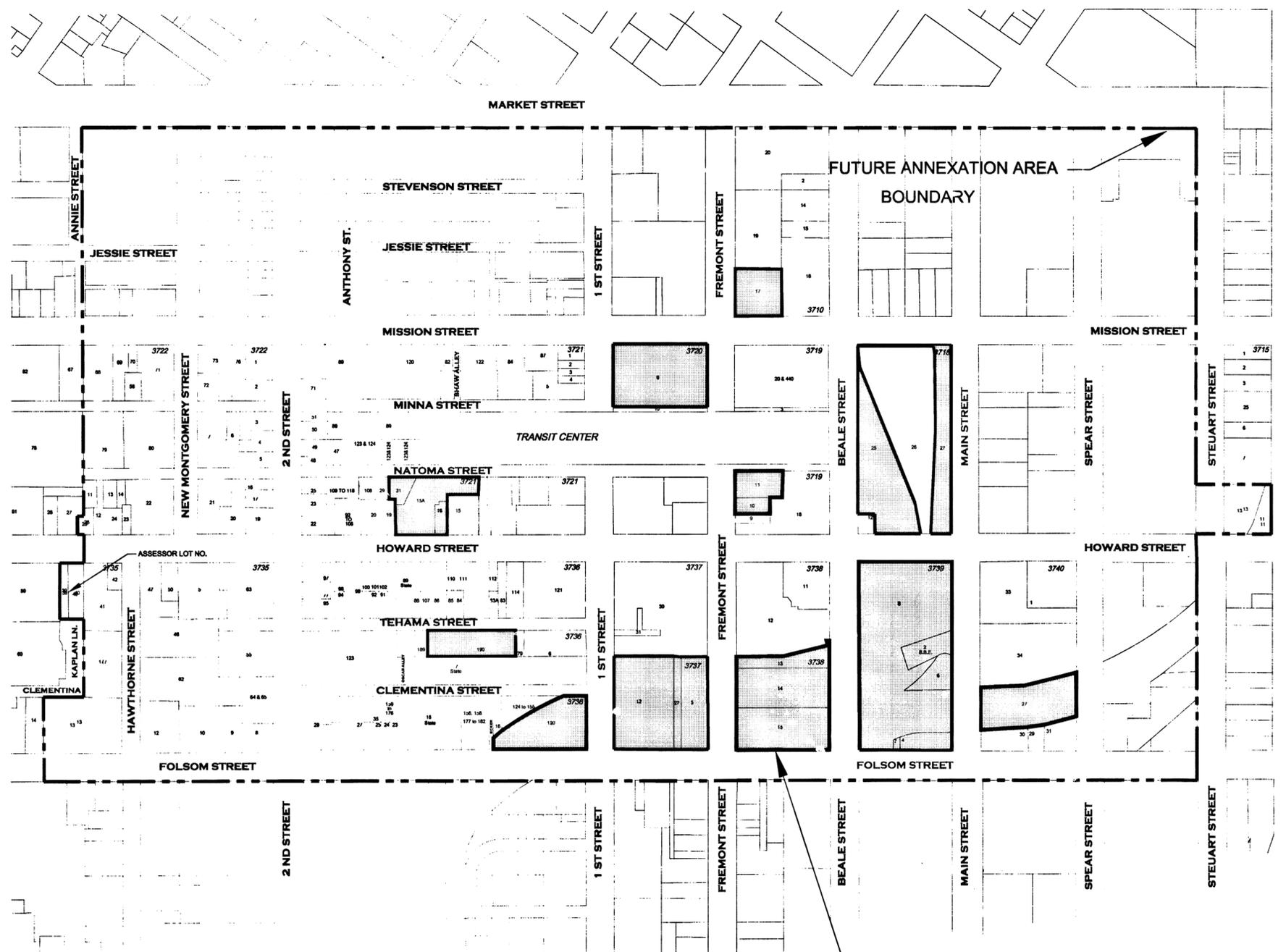
FURTHER RESOLVED, That all of the actions heretofore taken by the officers and agents of the TJPA with respect to the establishment of the CFD, including but not limited to a statement executed by the Executive Director that complies with the requirements of Government Code Section 53317(f)(3), are hereby approved, confirmed and ratified.

I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board of Directors at its meeting of October 9, 2014.

Secretary, Transbay Joint Powers Authority

Proposed Boundaries of
City and County of San Francisco
Community Facilities District No. 2014-1
(Transbay Transit Center)

State of California



1. Filed in the office of the Clerk of the Board of Supervisors of the City and County of San Francisco this 3rd day of June, 2014.

Angela Calvillo
 Angela Calvillo
 Clerk of the Board of Supervisors

2. I hereby certify that the within map showing proposed boundaries of City and County of San Francisco Community Facilities District No. 2014-1 (Transbay Transit Center), State of California, was approved by the Board of Supervisors of the City and County of San Francisco, at a meeting thereof, held on the 15th day of July, 2014, by its Resolution No. 247-14.

Angela Calvillo
 Angela Calvillo
 Clerk of the Board of Supervisors

3. Filed this 27th day of July, 2014, at the hour of 2 o'clock p.m., in Book 1 of Maps of Assessment and Community Facilities Districts at Page 510 in the office of the County Assessor-Recorder in the City and County of San Francisco, State of California.

Carmen Chu
 Carmen Chu
 Assessor-Recorder
 City and County of San Francisco

LEGEND

PROPERTY WITHIN THE CFD BOUNDARY

FUTURE ANNEXATION BOUNDARY LINE

San Francisco Assessor-Recorder
 Carmen Chu, Assessor-Recorder
DOC-2014-J915559-00
 Recl 45-Mayor's Office Of Economic Development
 Tuesday, JUL 29, 2014 14:38:11
 Ttl Pd \$0.00 Rcpt # 0004979748
 ofa/JL/1-2

FILED
 Not Returnable

GCG
 GOODWIN CONSULTING GROUP

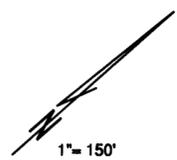
Proposed Boundaries of
 City and County of San Francisco
 Community Facilities District No. 2014-1
 (Transbay Transit Center)

Book **001** Page **76**
 Assessment/CFD Map



LEGEND

-  PROPERTY WITHIN THE CFD BOUNDARY
-  FUTURE ANNEXATION BOUNDARY LINE
- 3740 ASSESSORS BLOCK NUMBER
- 34 ASSESSORS LOT NUMBER



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