

**Hunters Point Shipyard Phase 2
/Candlestick Point
Facilities and Services
Community Facilities District**



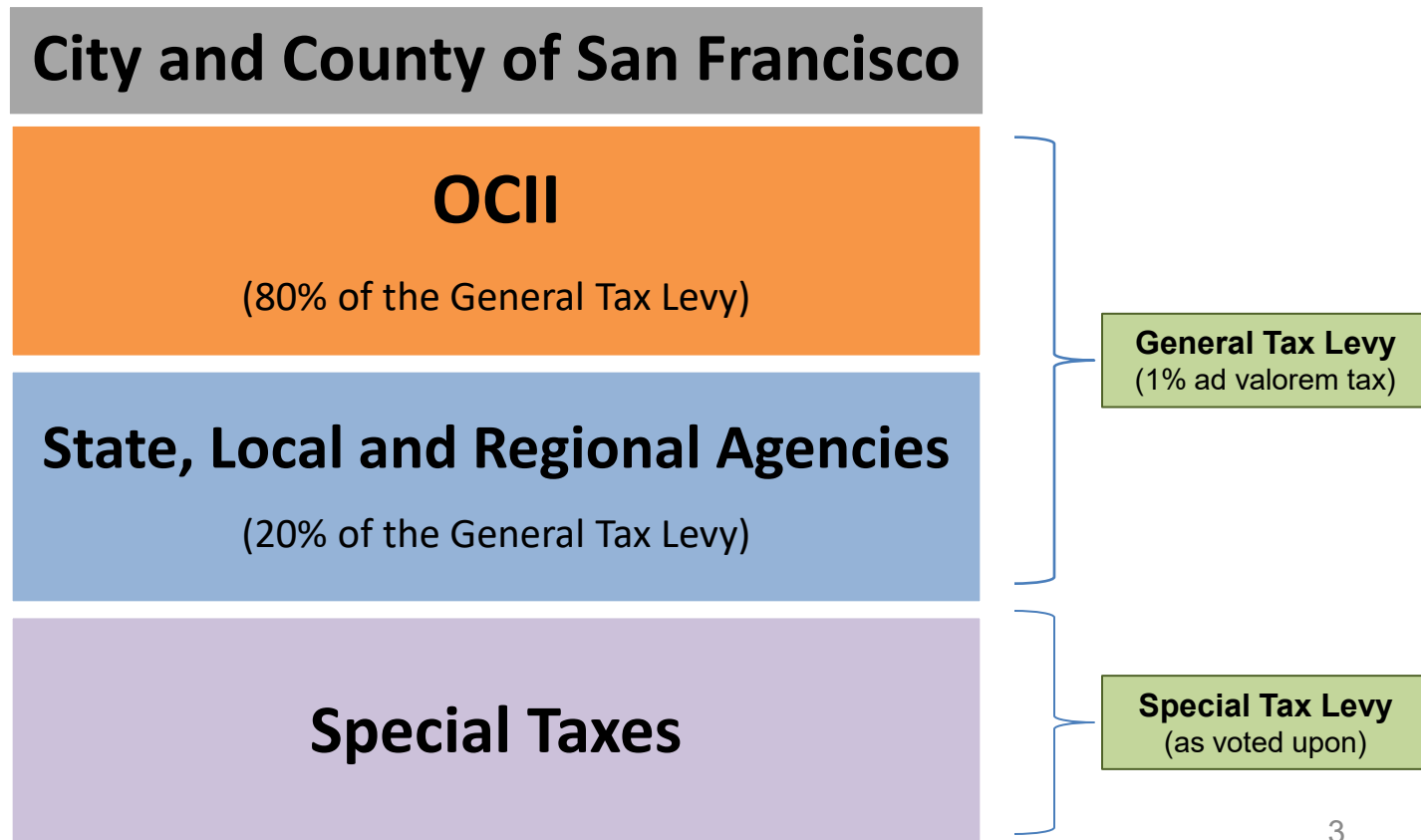
May 1, 2018

Special Tax Financing (CFD)

- “CFD” stands for “Community Facilities District,” a special district formed over a geographically-defined area to finance public improvements and services
- Once formed, a CFD may levy a special tax pursuant to a tax formula known as the rate and method of apportionment of special taxes (RMA)
- A facilities special tax may be levied to pay debt service on Special Tax Bonds or to finance facilities directly
- A CFD may also finance services (such as open space maintenance) through the levy of a services special tax. The services special tax may not secure the issuance of Special Tax Bonds
- The special tax levied within a CFD is a supplemental property tax (i.e. it is in addition to the General Tax Levy) and is collected in the same manner as general property taxes

Disposition & Development Agreement (DDA) - 2010

The financing plan involves various pledges of the
property tax stack in the City



Formation Process

To commence formation, as required by the DDA and Mello-Roos Act, OCII is obligated to take the following actions

Complete

- Resolution of Intention to Establish CFD
- Resolution of Intention to Incur Bonded Indebtedness
- Approve Resolution of Formation of the CFD;
- Approve Resolution of Necessity to Incur Bonded Indebtedness;
- Approve Resolution Calling Special Election;
- Hold Special Election;
- Approve Resolution Declaring Results of Election; and
- Approve Resolution Authorizing Issuance of Bonds
- Introduce Ordinance Ordering Levy of Special Taxes

Proposed Action

- Adopt Ordinance Ordering Levy of Special Taxes

HPS2/CP CFD

- **Geographic Boundary**
 - Improvement Area No. 1, covering Candlestick Major Phase 1, and Sub-phase CP-04
 - Future Annexation Area, remainder of the Project Area
- **Rate and Method of Apportionment (RMA)**
 - Facilities Special Tax
 - Services Special Tax
- **Authorized public improvements and services**
 - Consistent with DDA and Financing Plan
- **Bonded Indebtedness Limit**
 - \$6B

Improvement Area No. 1

- **Bonded Indebtedness Limit - \$0.2B**
- **Appropriations Limit - \$0.2M**

Facilities Special Tax

- **Funds:** Qualified infrastructure cost and debt service on Mello-Roos Bonds
- **Term:** Not-to-exceed 75 years
- **Levy:** Varies by property type
 - Residential: not-to-exceed 2% of estimated sales price
 - Non-Residential: based on marketing and affordable housing objectives
 - Table 1 identifies Maximum Facilities Special Tax Rate, actual levy varies annually to meet Required Coverage
- **Escalator: 2%**

List of Authorized Facilities

- Acquisition of land for public improvements or relocation of existing uses for public housing
- Abatement of hazardous building materials and disposal of waste in excess of U.S. Navy obligations
- Demolition and Hazardous Soil Removal
- Auxiliary Water Supply System, Low Pressure Water, Reclaimed Water
- Drainage and Sanitary Sewer
- Earthwork, Joint Trench, Retaining Walls
- Streetscape, Roadways, Curb, and Gutter
- Traffic and Transit
- Parks & Open Space
- Shoreline Improvements and Sea Level Rise Adaptations
- Additional Facilities identified in DDA or infrastructure plan

Services Special Tax

- **Funds:** Services, such as parks operations & maintenance
- **Term:** Perpetuity
- **Levy:** Varies by property type
 - Residential: not-to-exceed .10% of estimated sales price
 - Non-Residential: based on marketing and affordable housing objections
 - Table 2 identifies Maximum Special Services Tax, actual levy varies annually to meet Required Maintenance Amount
- **Escalator:** Lesser of CPI for All Urban Consumers in the San Francisco-Oakland-San Jose Region or 5%

Ordinance Levying Special Tax

- **Authorizes rate and method of taxation in Improvement Area 1 described in Commission approved Ordinance 01-2018 and Resolution 17-2018**
- **Authorizes taxation in future Improvement Areas**
 - Unanimous Approval
 - Annexation Approval
- **Requires two readings**

Questions?