# OCII Commission

# Hunters Point Shipyard Phase 2 /Candlestick Point

# Facilities and Services Community Facilities District

**February 20, 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) 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**

**City and County of San Francisco**

**OCII**

(80% of the General Tax Levy)

**State, Local and Regional Agencies**

(20% of the General Tax Levy)

**Special Taxes**

**General Tax Levy**
(1% ad valorem tax)

**Special Tax Levy**
(as voted upon)

# Formation Process

## To commence formation, as required by the DDA and Mello-Roos Act, the OCII is obligated to:

*First,* adopt

- Resolution of Intention to Establish CFD
- Resolution of Intention to Incur Bonded Indebtedness

*Second,* adopt

- Resolution of Formation of the CFD,
- Resolution Calling Special Election(s), and
- Resolution of Necessity to Incur Bonded CFD Indebtedness;

*Third,* adopt

- Resolution Confirming Results of Election(s) and
- Directing Recording of Notice of Special Tax Lien for CFD, and

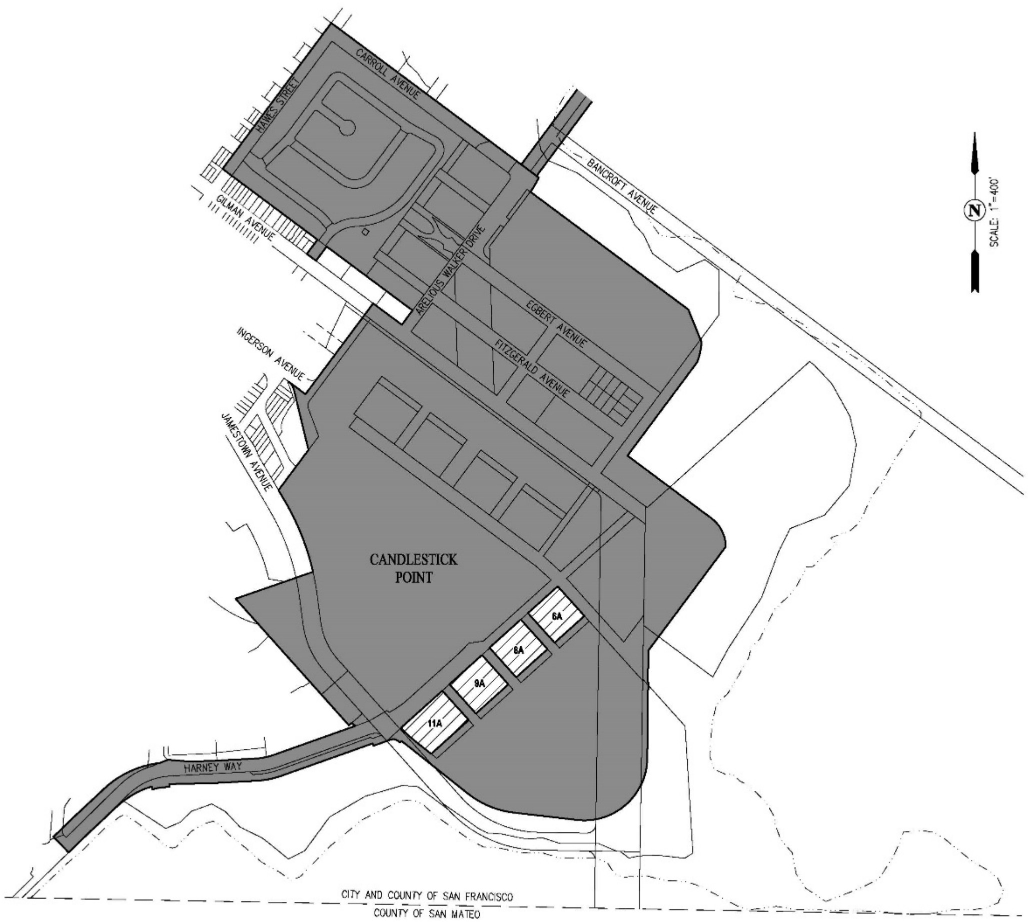
*Fourth,* adopt

- Adopt Ordinance Ordering Levy of Special Taxes for CFD

# 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)**
  - Special Facilities and Special Services Tax
- **Authorized public improvements and services**
  - Consistent with DDA and Financing Plan
- **Bonded Indebtedness Limit**
  - $6B

# Geographical Boundaries Map




## BLOCKS AND AGENCY HOUSING LOTS IN IMPROVEMENT AREA NO. 1

| ASSESSOR'S PARCEL NUMBERS OF PROPERTY IN IMPROVEMENT AREA NO. 1 | |
|---|---|
| BLOCK | ASSESSOR'S PARCEL NUMBER(S) |
| 6A | 5000-033 |
| 8A | 5000-034 |
| 9A | 5000-035 |
| 11A - AGENCY HOUSING LOT | 5000-036 |

REFERENCE IS HEREBY MADE TO THE MAPS MAINTAINED BY THE OFFICE OF THE ASSESSOR-RECORDER OF THE CITY AND COUNTY OF SAN FRANCISCO FOR AN EXACT DESCRIPTION OF THE LINES AND DIMENSIONS OF EACH LOT AND PARCEL.

### LEGEND

BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 9 (IMPROVEMENT AREA NO. 1)

FUTURE ANNEXATION AREA

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY
OF THE CITY AND COUNTY OF SAN FRANCISCO
COMMUNITY FACILITIES DISTRICT NO. 9
(HPS2/CP PUBLIC FACILITIES AND SERVICES)
CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA
**Carlson, Barbee & Gibson, Inc.**
CIVIL ENGINEERS • SURVEYORS • PLANNERS
SAN RAMON • WEST SACRAMENTO
DECEMBER 15, 2017
SHEET 1 OF 1

# 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%

# Rate & Method of Apportionment

- Levied on private development parcels NOT agency housing units or public parcels
- Levied on parcels in various stages of development until requirement is met
  - Building Permit Issued
  - Building Permit Not Issued, Assignment & Assumption Recorded
  - Undeveloped Property
  - Expected Taxable Property
- Raised proportionately on all land use types to mitigate changes in expected land use

# Administration

| | |
|---|---|
| Governance: | OCII Commission |
| Administrator: | Goodwin Consulting |
| Activities: | Calculate and levy taxes |
| Post Dissolution: | Transfer to CCSF |

# Resolution of Intention

**Boundaries:**

- Improvement Area 1: Candlestick Major Phase 1 & Sub-phase CP-04
- Future Annexation Area: Remainder of Project

**List of Facilities and Services:**

- Consistent with Financing Plan & DDA

**Rate and Method of Apportionment**

- Facilities Special Tax
- Services Special Tax

**Debt limit: $6.0B**

- Improvement Area 1: $0.2B
- Future Annexation Area: $5.8B

# Resolution to Incur Bonded Indebtedness

- **Debt limit: $6.0B**
  - Improvement Area 1: $0.2B
  - Future Annexation Area: $5.8B
- **Term:**
  - No more than 40 years each issuance

# Next Steps

## Public Hearing April 17, 2018

- Adopt a Resolution of Formation of the CFD
- Adopt a Resolution Declaring Necessity to Incur Bonded Indebtedness and Other Debt
- Adopt a Resolution Calling a Special Election for the CFD
- Hold an election
- Adopt a Resolution Confirming Results of Election and Directing Recording Notice of Special Tax Lien.
- Adopt a Resolution Approving the Issuance of Bonds
- Introduce an Ordinance Ordering Levy of Special Taxes

# ROPS 18-19

# Questions?