



GOODWIN CONSULTING GROUP

**Successor Agency to the  
Redevelopment Agency of the  
City and County of San Francisco  
Community Facilities District No. 7  
(Hunters Point Shipyard Phase One Improvements)  
\$36,445,000 Special Tax Refunding Bonds, Series 2014  
Continuing Disclosure Annual Report for FY 2019-20  
(per SEC Rule 15c2-12(b)(5))**

**CUSIP Numbers**

\$85,000	79772ABW6*	\$695,000	79772ACH8
\$125,000	79772ABX4*	\$775,000	79772ACJ4
\$170,000	79772ABY2*	\$865,000	79772ACK1
\$215,000	79772ABZ9*	\$955,000	79772ACL9
\$265,000	79772ACA3*	\$1,050,000	79772ACM7
\$315,000	79772ACB1*	\$1,155,000	79772ACN5
\$365,000	79772ACC9	\$1,255,000	79772ACP0
\$425,000	79772ACD7	\$1,360,000	79772ACQ8
\$485,000	79772ACE5	\$1,480,000	79772ACR6
\$545,000	79772ACF2	\$9,485,000	79772ACS4
\$620,000	79772ACG0	\$13,755,000	79772ACT2

*\*Retired as of the date of this report.*

March 31, 2021

***Continuing Disclosure Annual Report for the  
Successor Agency to the Redevelopment Agency  
of the City and County of San Francisco  
Community Facilities District No. 7  
(Hunters Point Shipyard Phase One Improvements)  
Fiscal Year 2019-20***

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This Continuing Disclosure Annual Report (the “Annual Report”) contains certain information required to be filed annually per SEC rule 15c2-12(b)(5) (the “Rule”) by the Successor Agency to the Redevelopment Agency of the City and County of San Francisco (the “Successor Agency”) Community Facilities District No. 7 (Hunters Point Shipyard Phase One Improvements) (the “District”). The Rule is applicable to the Special Tax Refunding Bonds, Series 2014 (the “Series 2014 Bonds” or “Bonds”) issued in the aggregate principal amount of \$36,445,000 by the Successor Agency on behalf of the District on July 17, 2014. The Rule requires that an issuer undertake in a written agreement or contract, for the benefit of holders of the securities issued, to file with national and state repositories the following:

- i. Certain financial information as presented in the Continuing Disclosure Certificate
- ii. Audited financial statements of the Successor Agency
- iii. Notice of certain enumerated significant events
- iv. Notice of any failure to provide such annual financial information as agreed

In compliance with the Rule, the Successor Agency signed the Continuing Disclosure Certificate requiring the Successor Agency to provide annually, or as they occur, the aforementioned enumerated documents or events. Per the Continuing Disclosure Certificate, the Successor Agency is required to file an annual report with all national and State of California repositories (currently, no State of California repositories exist) which includes:

- a) The Successor Agency’s audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Successor Agency’s audited financial statements are not available by the Annual Report date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

→ **See Appendix A**

- b) The principal amount of Bonds outstanding as of June 30, 2020.

→ **\$33,230,000**

- c) Balance in the Reserve Fund for the Bonds as of June 30, 2020.

→ **\$3,166,620**

d) The total assessed value of all parcels subject to the special taxes and the value-to-debt burden for the District.

→ **Total FY 2020-21 Assessed Value: \$333,018,685**  
 → **Value-to-Debt Burden: 10.02:1**

e) A value-to-burden summary table for the then-current fiscal year.

→ **See Appendix B**

f) A table setting forth the names of each property owner responsible for payment of more than 5% of the special tax, the special tax payable by such owner and the percentage such special taxes comprise of total special taxes payable in the District.

<b>Owner</b>	<b>FY 2020-21 Special Tax Levy</b>	<b>Percent of Total Levy</b>
HPS DEVELOPMENT CO LP	\$1,008,106	39.85%
HPS1 BLOCK 55 LLC	\$232,932	9.21%
HPS1 BLOCK 56/57 LLC	\$166,669	6.59%
HPS1 56/57 LLC	\$74,043	2.93%
<b>Total</b>	<b>\$1,481,751</b>	<b>58.57%</b>

g) Special tax and property tax delinquent rate for parcels in the District.

→ **As of June 30, 2020, the delinquency rate for the fiscal year 2019-20 special tax levy is 0.69%.**

h) Concerning delinquent parcels:

(i) Number of parcels delinquent in payment of the special tax;

→ **As of June 30, 2020, five parcels are delinquent in the payment of special taxes for fiscal year 2019-20.**

(ii) Amount of total delinquency and as a percentage of the total special tax levy; and

→ **As of June 30, 2020, the total delinquency for fiscal year 2019-20 is \$18,460, which represents 0.69% of the total special tax levy.**

(iii) Status of the District's actions on covenants to pursue foreclosure proceedings upon delinquent properties.

→ **No action has been taken as of the date of this report.**

- i) Identity of any delinquent tax payer obligated for more than 10% of the annual special tax levy and: (i) the assessed value of applicable properties, and (ii) the summary results of foreclosure sales, if available.

→ **No taxpayer is delinquent that is obligated for more than 10% of the fiscal year 2019-20 special tax levy.**

- j) Significant amendments to land use entitlements for property in the District since the last Annual Report which are known to the Successor Agency's chief financial officer, including but not limited to any rezoning of the property or the adoption of any amendment or other change to the specific plan for the area that includes the District, which may materially adversely affect special tax revenues.

→ **None are known at this time.**

- k) Status of any significant legislative, administrative, and judicial challenges to the construction of the development in the District since the last Annual Report which are known to the Successor Agency's chief financial officer, without independent inquiry, but only for Annual Reports for years in which construction activity has occurred in the District; such as any lawsuit challenging the land use entitlements for the District, or any voter or legislative initiative to curtail or impede development in the District.

→ **See Appendix C**

- l) To the extent not otherwise provided pursuant to the preceding items, annual information required to be filed with respect to the District since the last Annual Report with the California Debt and Investment Advisory Commission pursuant to Sections 50075.1, 50075.3, 53359.5(b), 53410(d) or 53411 of the California Government Code.

→ **See Appendix D**

- m) In addition to any of the information expressly required to be provided under paragraphs (a) through (l) of the Continuing Disclosure Certificate, the Successor Agency shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

→ **None.**

n) **Reporting of Significant Events.** Pursuant to the provisions of the Continuing Disclosure Certificate, the Successor Agency shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds:

1. Principal and interest payment delinquencies.
  2. Non-payment related defaults, if material.
  3. Unscheduled draws on debt service reserves reflecting financial difficulties.
  4. Unscheduled draws on credit enhancements reflecting financial difficulties.
  5. Substitution of credit or liquidity providers, or their failure to perform.
  6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.
  7. Modifications to rights of security holders, if material.
  8. Bond calls, if material, and tender offers.
  9. Defeasances.
  10. Release, substitution, or sale of property securing repayment of the securities, if material.
  11. Rating changes.
  12. Bankruptcy, insolvency, receivership or similar event of the Successor Agency or other obligated person.
  13. The consummation of a merger, consolidation, or acquisition involving the Successor Agency or an obligated person, or the sale of all or substantially all of the assets of the Successor Agency or any obligated person (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
  14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.
- **A Notice of Partial Redemption dated January 2, 2020 was filed with the Municipal Securities Rulemaking Board on January 2, 2020. The notice was filed with respect to the unscheduled bond call on February 1, 2020 of \$1,095,000 in Bonds from monies available from special tax prepayments.**
- **A Notice of Partial Redemption dated January 2, 2021 was filed with the Municipal Securities Rulemaking Board on January 2, 2021. The notice was filed with respect to the unscheduled bond call on February 1, 2021 of \$655,000 in Bonds from monies available from special tax prepayments.**

## **APPENDIX A**

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*Audited Financial Statements  
for the Fiscal Year Ending June 30, 2020*

**(Filed Under a Separate Cover)**

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THE SUCCESSOR AGENCY'S ANNUAL FINANCIAL STATEMENT IS PROVIDED SOLELY TO COMPLY WITH THE SECURITIES EXCHANGE COMMISSION STAFF'S INTERPRETATION OF RULE 15C2-12. NO FUNDS OR ASSETS OF THE SUCCESSOR AGENCY ARE REQUIRED TO BE USED TO PAY DEBT SERVICE ON THE BONDS, AND THE SUCCESSOR AGENCY IS NOT OBLIGATED TO ADVANCE AVAILABLE FUNDS TO COVER ANY DELINQUENCIES. INVESTORS SHOULD NOT RELY ON THE FINANCIAL CONDITION OF THE SUCCESSOR AGENCY IN EVALUATING WHETHER TO BUY, HOLD OR SELL THE BONDS.

## **APPENDIX B**

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*Successor Agency to the Redevelopment Agency  
of the City and County of San Francisco  
CFD No. 7 (Hunters Point Shipyard Phase One Improvements)*

*Value-to-Burden Ratios*

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**Redevelopment Agency of the City and County of San Francisco  
Community Facilities District No. 7  
(Hunters Point Phase One Improvements)**

**Value-to-Burden Ratios**

<b>Land Uses</b>	<b># of Parcels</b>	<b>Fiscal Year 2020-21 Maximum Special Tax</b>	<b>Fiscal Year 2020-21 Special Tax Levy</b>	<b>% of Total</b>	<b>Fiscal Year 2020-21 Assessed Value</b>	<b>Pro-Rata Share of Outstanding Bonds /1</b>	<b>Value-to- Burden Ratio</b>
<b><u>Developed Property</u></b>							
Residential Property	430	\$2,529,687	\$2,529,687	100.0%	\$305,990,235	\$33,230,000	9.21 : 1
Non-Residential Property	0	\$0	\$0	0.0%	\$0	\$0	0.00 : 1
Subtotal Developed Property	430	\$2,529,687	\$2,529,687	100.0%	\$305,990,235	\$33,230,000	9.21 : 1
<b><u>Undeveloped Property</u></b>							
Residential Property	58	\$1,652,662	\$0	0.0%	\$27,028,450	\$0	0.00 : 1
Non-Residential Property	0	\$0	\$0	0.0%	\$0	\$0	0.00 : 1
Subtotal Undeveloped Property	58	\$1,652,662	\$0	0.0%	\$27,028,450	\$0	0.00 : 1
<b>Total</b>	<b>488</b>	<b>\$4,182,350</b>	<b>\$2,529,687</b>	<b>100.0%</b>	<b>\$333,018,685</b>	<b>\$33,230,000</b>	<b>10.02 : 1</b>

/1 Allocated based on the actual fiscal year 2020-21 special tax levy and the amount of outstanding bonds as of June 30, 2020.

Sources: San Francisco County Assessor's Office; Goodwin Consulting Group, Inc.



## APPENDIX C

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*Successor Agency to the Redevelopment Agency  
of the City and County of San Francisco  
CFD No. 7 (Hunters Point Shipyard Phase One Improvements)*

*Continuing Disclosure Certificate - Section 4(k)*

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As disclosed in the Official Statement, the District is composed of lands formerly part of the closed Hunters Point Naval Shipyard (“Shipyard”). The District lands, referred to as “Parcel A”, are the first of several parcels to be conveyed by the United States Navy (“Navy”) to the Successor Agency upon completion of environmental remediation and determination that the parcels are suitable to be transferred for their intended uses. The Navy transferred Parcel A to the Successor Agency’s predecessor in 2004, following determinations by the Navy, the United States Environmental Protection Agency and the California Environmental Protection Agency that all necessary investigation and remediation of potential contamination had been completed for Parcel A, and that Parcel A was suitable for residential reuse. Thereafter, the Successor Agency’s predecessor transferred portions of Parcel A to the master developer for the District, who has commenced development within the District.

The Navy and its contractors performed environmental remediation on other parcels making up the remainder of the Shipyard, all of which are outside of the District. Allegations of fraudulent testing have delayed the completion of this testing, and resulted in litigation, as follows:

*The Hunters Point Class Action*<sup>1</sup> (as defined in the District’s 2019 Continuing Disclosure) seeks damages against Navy contractors Tetra Tech EC, Inc. and Tetra Tech, Inc. (collectively, “Tetra Tech”) for, among other things, fraudulent performance of Tetra Tech’s environmental remediation work at the Shipyard. The case was removed to the Federal District Court for Northern District of California in 2019 and remains pending. The Hunters Point Class Action does not name the Successor Agency or the City and County of San Francisco (“City”) as defendants. It does name “Lennar, Inc.” (a non-existent entity) as a defendant with respect to a single cause of action.<sup>2</sup> It seeks to enjoin development at the Shipyard, which could include remaining development at Parcel A, until independent verified reports can be obtained showing complete and total remediation of all alleged toxic substances. Plaintiffs have not yet taken action to obtain injunctive relief. Certain of the Plaintiffs in *Hunters Point Class Action* have tentatively settled all claims in March 2021 (awaiting final approval by all parties, currently scheduled for November 2021).

The *Carter Action* (as defined in the District’s 2019 Continuing Disclosure) was dismissed without prejudice as to named defendants Lennar, Inc., aka Lennar Group, dba Lennar Commercial, dba Lennar Urban, and Five Point Holding, LLC, in March 2019 and Plaintiffs dismissed the entire action without prejudice on September 4, 2019. This litigation did not name the Successor Agency or the City or seek to enjoin development within the District.

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<sup>1</sup> Summaries of all lawsuits included herein are based on publicly available information not confirmed for accuracy.

<sup>2</sup> An affiliate of Lennar Corporation is the general partner of the master developer within the District.

The parties to the *Consolidated Action* (as defined in the 2020 Continuing Disclosure) tentatively settled claims in September 2020 and dismissed the action. This litigation did not name the Successor Agency or the City or seek to challenge the continuation of the development within the District.

The parties to the *Misrepresentation Action* (separate litigation not arising from remediation activities, as further discussed in the 2020 Continuing Disclosure) tentatively settled all claims in 2020. This litigation did not name the Successor Agency or the City or seek to challenge the continuation of the development within the District.

In response to the allegations against Tetra Tech, the California Department of Public Health (“CDPH”) conducted a radiological survey of Parcel A at the behest of the City and federal and state regulators. In July through November of 2018, CDPH performed a phased-approach radiological survey to assess the health and safety of the public and the environment at Parcel A. In its [final report](#) (provided for reference) dated February 5, 2019, CDPH declared the first subphase of Parcel A (known as Parcel A-1, which includes all current development in the District) to be free from radiological health and safety hazards. In its [final report](#) (provided for reference) dated April 24, 2019, CDPH similarly declared the remainder of Parcel A (known as Parcel A-2) to be free from radiological health and safety hazards. All information related to CDPH’s assessments is available for reference [here](#).

To address continued concerns and questions from the community regarding the testing conducted at the Shipyard, Mayor Breed, City Attorney Herrera, and Supervisor Walton asked experts from UC San Francisco and UC Berkeley to conduct an impartial analysis of CDPH’s procedures for Parcel A. The report, released in December 2019 and available for reference [here](#), concluded that CDPH’s health and safety scan on Parcel A was appropriate as a health and safety survey. The panel of experts supported CDPH’s conclusion that no radiological health and safety hazards to the current residents of Parcel A-1 were observed.

The master developer (or its assignees) has completed or broken ground on most its development within the District and continues to sell homes within the District, and the Successor Agency imminently plans to begin development of affordable housing on its parcels within the District.

## **APPENDIX D**

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*California Debt and Investment Advisory Commission Report  
for the Fiscal Year Ending June 30, 2020*

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**STATE OF CALIFORNIA**

**MELLO-ROOS COMMUNITY FACILITIES DISTRICT (CFD)  
YEARLY FISCAL STATUS REPORT**

Submitted:  
Wednesday, October 28, 2020  
10:08:31AM  
CDIAC #: 2014-0816

California Debt and Investment Advisory Commission  
915 Capitol Mall, Room 400, Sacramento, CA 95814  
P.O. Box 942809, Sacramento, CA 94209-0001  
(916) 653-3269 Fax (916) 654-7440

For Office Use Only
Fiscal Year _____

**I. GENERAL INFORMATION**

A. Issuer Successor Agency to the San Francisco City & County RDA CFD No 7

B. Project Name Hunters Pt Shipyard Phase 1 Imp

C. Name/ Title/ Series of Bond Issue 2014 Special Tax Ref Bonds

D. Date of Bond Issue 7/17/2014

E. Original Principal Amount of Bonds \$36,445,000.00

F. Reserve Fund Minimum Balance Required Yes  Amount \$3,152,010.24 No

**II. FUND BALANCE FISCAL STATUS**

Balances Reported as of: 6/30/2020

A. Principal Amount of Bonds Outstanding \$33,230,000.00

B. Bond Reserve Fund \$3,166,620.37

C. Capitalized Interest Fund \$0.00

D. Construction Fund(s) \$1,726,848.80

**III. ASSESSED VALUE OF ALL PARCELS IN CFD SUBJECT TO SPECIAL TAX**

A. Assessed or Appraised Value Reported as of: 7/1/2020

From Equalized Tax Roll

From Appraisal of Property  
*(Use only in first year or before annual tax roll billing commences)*

B. Total Assessed Value of All Parcels \$333,018,685.00

**IV. TAX COLLECTION INFORMATION**

A. Total Amount of Special Taxes Due Annually \$2,657,558.18

B. Total Amount of Unpaid Special Taxes Annually \$18,460.38

C. Does this agency participate in the County's Teeter Plan? N

**V. DELINQUENT REPORTING INFORMATION**

Delinquent Parcel Information Reported as of Equalized Tax Roll of: 6/30/2020

A. Total Number of Delinquent Parcels: 5

B. Total Amount of Taxes Due on Delinquent Parcels: \$39,473.69  
(Do not include penalties, penalty interest, etc.)

**VI. FORECLOSURE INFORMATION FOR FISCAL YEAR**

*(Aggregate totals, if foreclosure commenced on same date)* *(Attach additional sheets if necessary.)*

Date Foreclosure Commenced	Total Number of Foreclosure Parcels	Total Amount of Tax Due on Foreclosure Parcels
		\$0.00
		\$0.00
		\$0.00
		\$0.00
		\$0.00

STATE OF CALIFORNIA

MELLO-ROOS COMMUNITY FACILITIES DISTRICT (CFD)  
YEARLY FISCAL STATUS REPORT

For Office Use Only  
Fiscal Year \_\_\_\_\_

Submitted:  
Wednesday, October 28, 2020  
10:08:31AM  
CDIAC #: 2014-0816

California Debt and Investment Advisory Commission  
915 Capitol Mall, Room 400, Sacramento, CA 95814  
P.O. Box 942809, Sacramento, CA 94209-0001  
(916) 653-3269 Fax (916) 654-7440

VII. ISSUE RETIRED

This issue is retired and no longer subject to the Yearly Fiscal Status report filing requirements.  
(Indicate reason for retirement)

Matured  Redeemed Entirely  Other

If Matured, indicate final maturity date:

If Redeemed Entirely, state refunding bond title & CDIAC #:

and redemption date:

If Other:

and date:

VIII. NAME OF PARTY COMPLETING THIS FORM

Name Miriam Adamec  
Title Vice President  
Firm/ Agency Goodwin Consulting Group, Inc  
Address 333 University Avenue Suite 160  
City/ State/ Zip Sacramento, CA 95825  
Phone Number (916) 561-0890 Date of Report 10/28/2020  
E-Mail miriam@goodwinconsultinggroup.net

IX. ADDITIONAL COMMENTS: