COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

RESOLUTION NO. 17-2018

FORMING 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), IMPROVEMENT AREA NO. 1 AND A FUTURE ANNEXATION AREA, AND DETERMINING OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, Under California Assembly Bill No. 1X26 (Chapter 5, Statutes of 2011-12, First Extraordinary Session) ("AB 26") and the California Supreme Court's decision in California Redevelopment Association v. Matosantos, No. 5194861, all redevelopment agencies in the State of California (the "State"), including the Redevelopment Agency of the City and County of San Francisco (the "Former Redevelopment Agency"), were dissolved by operation of law as of February 1, 2012, and their non-affordable housing assets and obligations were transferred to certain designated successor agencies; and,

WHEREAS, In June of 2012, the California legislature adopted Assembly Bill 1484 ("AB 1484") amending certain provisions of AB 26 and clarifying that successor agencies are separate public entities (Section 34173 (g) of the California Health and Safety Code (the "Code")), and the Governor of the State signed the bill on June 27, 2012 and it became effective on June 27, 2012; and,

WHEREAS, Subsequent to the adoption of AB 1484, on October 2, 2012 the Board of Supervisors of the City and County of San Francisco (the "City") adopted Ordinance No. 215-12 (the "Implementing Ordinance"), which was signed by the Mayor on October 4, 2012, and which, among other matters: (a) acknowledged and confirmed that, as of the effective date of AB 1484, the Successor Agency to the Redevelopment Agency of the City and County of San Francisco (the "Successor Agency") is a separate legal entity from the City, (b) acknowledged and confirmed that the Successor Agency holds, subject to the applicable rights and restrictions set forth in AB 26 as amended by AB 1484, and as it may be further amended from time to time (collectively referred to in the Implementing Ordinance as the "Redevelopment Dissolution Law"), title to all assets, and all rights, obligations and liabilities of the Former Redevelopment Agency, (c) declared that the name of the Successor Agency is the "Successor Agency to the Redevelopment Agency of the City and County of San Francisco," (d) established the Successor Agency Commission (the "Successor Agency Commission" or the "Commission") and delegated to the Successor Agency Commission the authority (excluding authority as to the "Housing Assets," as defined in the Implementing Ordinance, but not excluding authority as to the "Retained Housing Obligations") to act in place of the governing board of the Former Redevelopment Agency (the "Former Redevelopment Agency Commission") to, among other matters: (i) implement, modify, enforce and complete the Former Redevelopment Agency's enforceable obligations, except with respect to certain enforceable obligations for specified affordable housing purposes, (ii) approve all contracts and actions related to the assets transferred to or returned by the Successor Agency, consistent with applicable enforceable obligations, and (iii) take any action that the Redevelopment Dissolution Law requires or authorizes on behalf of the Successor Agency and any other action that the Successor Agency Commission deems appropriate consistent with the Redevelopment Dissolution Law to comply with such obligations, including, without limitation, authorizing additional obligations in furtherance of enforceable obligations, and approving the issuance of bonds to carry out the enforceable obligations, subject to any approval of the oversight board of the Successor Agency established pursuant to the provisions of the Redevelopment Dissolution Law (the "Oversight Board"), (e) authorized the Mayor to appoint the five members of the Successor Agency Commission, and (f) provided for an Executive Director of, and legal counsel to, the Successor Agency; and,

WHEREAS, The Successor Agency is also known as the Office of Community Investment and Infrastructure ("OCII") and its commission is known as the Commission on Community Investment and Infrastructure; and,

WHEREAS, In 1974, the United States Department of the Navy (the "Navy") ceased operation of Hunters Point Shipyard. Hunters Point Shipyard was included on the United States Department of Defense Base Realignment and Closure list in 1991. In 1993, the City designated Hunters Point Shipyard as a redevelopment survey area and thereafter the City and the Former Redevelopment Agency began a community process to create a plan for the economic reuse of Hunters Point Shipyard following the remediation and conveyance of the property by the Navy; and,

WHEREAS, In furtherance of implementing the Shipyard Redevelopment Plan, in March 1999 the Agency, through a competitive process, selected Lennar - BVHP, LLC, a California limited liability company, as the master developer of Hunters Point Shipyard and Candlestick Point; and,

WHEREAS, In June 2008, San Francisco voters approved the Bayview Jobs, Parks, and Housing Initiative ("Proposition G"), which established goals, objectives, and policies to encourage the timely and coordinated redevelopment of Candlestick Point and Phase 2 of Hunters Point Shipyard; and,

WHEREAS, Subsequently, the Former Redevelopment Agency and an affiliate of Lennar - BVHP, LLC, CP Development Co., LP (now, CP Development Co., LLC; including its successors and assigns, the "Developer") entered into a Disposition and Development Agreement (Candlestick Point and Phase 2 of the Hunters Point Shipyard), dated as of June 3, 2010 (as amended, the "DDA"), including a Financing Plan (Candlestick Point and Phase 2 of the Hunters Point Shipyard) ("Financing Plan"), which governs the disposition and development of Candlestick Point and Phase 2 of Hunters Point Shipyard; and, WHEREAS, The California Department of Finance, by letter dated December 14, 2012, made a final and conclusive determination that the DDA is an Enforceable Obligation in accordance with California Health and Safety Code Section 34177.5(i); and,

WHEREAS, The Financing Plan provides for the establishment of community facilities district(s) for the purpose of financing Qualified Project Costs and Additional Community Facilities and paying for Ongoing Park Maintenance; and,

WHEREAS, Capitalized terms used in this Resolution but not defined have the meaning given them in the Financing Plan; and,

WHEREAS, On June 3, 2010, the Former Redevelopment Agency Commission (Resolution No. 58-2010) and the San Francisco Planning Commission (Motion No. 18096), certified a Final Environmental Impact Report ("FEIR") for the Candlestick Point-Hunters Point Shipyard Phase 2 Development Project ("Project"), a project environmental impact report that analyzed the Project, the DDA (which includes the Financing Plan) and other related documents, and made findings determining the FEIR to be adequate, accurate, objective and in compliance with the California Environmental Quality Act (California Public Resources Code Section 21000 et seq.) ("CEQA") and the CEQA Guidelines (14 California Code of Regulations Section 15000 et seq.); and on July 14, 2010, the City's Board of Supervisors affirmed the Planning Commission's certification of the FEIR (Motion 10-110); and,

WHEREAS, By Resolution No. 59-2010 adopted as part of its approval of the Project, the Former Redevelopment Agency Commission adopted findings pursuant to CEQA regarding the alternatives, mitigation measures, and significant environmental effects analyzed in the FEIR, including a Mitigation Monitoring and Reporting Program and a Statement of Overriding Considerations for the Project (cumulatively "CEQA Findings"); and,

WHEREAS, Subsequent to the certification of the FEIR, the San Francisco Planning Department (at the request of OCII) issued Addendum No. 1 to the FEIR dated December 11, 2013 ("Addendum No. 1"), addressing changes to the phasing and implementation schedules for the Project, and minor revisions to two adopted Mitigation Measures, TR-16 – Widen Harney Way, and UT-2 – Auxiliary Water Supply System; and,

WHEREAS, OCII issued Addendum No. 4 to the FEIR dated February 22, 2016 ("Addendum No. 4), which evaluated amendments to Project development documents and amended two adopted Mitigation Measures, TR-16 to divide Harney Way improvements into two phases and TR-23 to modify the cross-section design of Gilman Avenue; and,

WHEREAS, The actions proposed under this resolution are an undertaking pursuant to and in furtherance of the Project in conformance with CEQA Section 21166 and the CEQA Guidelines Sections 15162 through 15164 and 15180; and, no additional environmental review is required because there are no substantial changes to the Project analyzed in the FEIR, no change in circumstances under which the Project is being undertaken, and no new information of substantial importance indicating that new significant impacts would occur, that the impacts identified in the FEIR as significant impacts would be substantially more severe, or that mitigation or alternatives previously found infeasible are now feasible; and,

WHEREAS, The FEIR, subsequent addenda and associated CEQA Findings reflect the independent judgment and analysis of the Former Redevelopment Agency Commission and the Successor Agency Commission, remain adequate, accurate and objective, and were prepared and adopted following the procedures required by CEQA; and,

WHEREAS, Copies of the FEIR, addenda and CEQA Findings and supporting documentation are on file with the Commission Secretary and are incorporated into this Resolution by reference as applicable to the actions proposed under this Resolution; and,

WHEREAS, Under the Mello-Roos Community Facilities Act of 1982, as amended, constituting Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with California Government Code Section 53311 ("Mello-Roos Act"), the Commission is authorized to establish a community facilities district and to act as the legislative body for a community facilities district; and,

WHEREAS, The Commission now desires to proceed with the establishment of a community facilities district in order to finance costs of public infrastructure and certain public services necessary or incident to development within the proposed boundaries of the proposed community facilities district, including, without limitation, future improvements necessitated by sea level rise; and,

WHEREAS, Pursuant to Mello-Roos Act Section 53339.2, the Commission further desires to undertake proceedings to provide for future annexation of territory to the proposed community facilities district; and,

WHEREAS, On February 20, 2018, pursuant to the Mello-Roos Act, the Commission adopted a resolution entitled "Resolution of Intention to Establish 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), Improvement Area No. 1 and a Future Annexation Area, and Determining Other Matters in Connection Therewith" ("Resolution of Intention"), stating its intention to form (i) "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)" ("CFD"), (ii) "Improvement Area No. 1 of the 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)" ("Improvement Area No. 1") and (iii) "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)(Future Annexation Area)" ("Future Annexation Area"); and, WHEREAS, The Resolution of Intention, incorporating a map of the proposed boundaries of the CFD, Improvement Area No. 1 and the Future Annexation Area and stating the facilities and the services to be provided (as set forth in the list attached hereto as Exhibit A), the cost of providing such facilities and the services, and the rate and method of apportionment of the special tax to be levied within the CFD and Improvement Area No. 1 to pay the principal and interest on bonds proposed to be issued with respect to the CFD and Improvement Area No. 1, the cost of the facilities and the cost of the services, is on file with the Secretary of the Commission and the provisions thereof are incorporated herein by this reference as if fully set forth herein; and,

WHEREAS, On April 17, 2018, this Commission held a noticed public hearing as required by the Mello-Roos Act and the Resolution of Intention relative to the proposed formation of the CFD, Improvement Area No. 1 and the Future Annexation Area; and,

WHEREAS, At the hearing all interested persons desiring to be heard on all matters pertaining to the formation of the CFD, Improvement Area No. 1 and the Future Annexation Area, the facilities to be provided therein, the services to be provided therein and the levy of said special tax were heard and a full and fair hearing was held; and,

WHEREAS, At the hearing evidence was presented to this Commission on said matters before it, including a report caused to be prepared by the Executive Director of the Successor Agency ("Report") as to the facilities and the services to be provided through the CFD, Improvement Area No. 1 and the Future Annexation Area and the costs thereof, a copy of which is on file with the Secretary of the Commission, and this Commission at the conclusion of said hearing is fully advised in the premises; and,

WHEREAS, Written protests with respect to the formation of the CFD and Improvement Area No. 1, the furnishing of specified types of facilities and services and the rate and method of apportionment of the special taxes for Improvement Area No. 1 have not been filed with the Secretary of the Commission by fifty percent (50%) or more of the registered voters residing within the territory of the CFD and Improvement Area No. 1 or property owners of one-half (1/2) or more of the area of land within the CFD and Improvement Area No. 1 and not exempt from the proposed special tax; and,

WHEREAS, The special tax proposed to be levied in Improvement Area No. 1 to pay for the proposed facilities and services to be provided therein, as set forth in Exhibit B hereto, has not been eliminated by protest by fifty percent (50%) or more of the registered voters residing within the territory of Improvement Area No. 1 or the owners of one-half (1/2) or more of the area of land within Improvement Area No. 1 and not exempt from the special tax; and,

WHEREAS, Written protests against the proposed annexation of the Future Annexation Area to the CFD in the future have not been filed with the Secretary of the Commission by (i) 50% of more of the registered voters, or six registered voters, whichever is more, residing in the proposed boundaries of the CFD, or (ii) 50% or more of the registered voters, or six registered voters, whichever is more, residing in the Future Annexation Area, (iii) owners of one-half or more of the area of land in the proposed CFD or (iv) owners of one-half or more of the area of land in the Future Annexation Area; now, therefore, be it

RESOLVED, The Successor Agency Commission finds that the facts set forth in the recitals to this Resolution are true and correct; and, be it further

RESOLVED, The proposed special tax to be levied within Improvement Area No. 1 has not been precluded by majority protest pursuant to section 53324 of the Mello-Roos Act; and, be it further

RESOLVED, The proposed annexation of the Future Annexation Area to the CFD in the future has not been precluded by majority protest pursuant to section 53324 of the Mello-Roos Act; and, be it further

RESOLVED, All prior proceedings taken by this Commission in connection with the establishment of the CFD, Improvement Area No. 1 and the Future Annexation Area and the levy of the special tax have been duly considered and are hereby found and determined to be valid and in conformity with the Mello-Roos Act; and, be it further

RESOLVED, The community facilities district designated "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)" is hereby established pursuant to the Mello-Roos Act; and, be it further

RESOLVED, The improvement area designated "Improvement Area No. 1 of the 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)" is hereby established pursuant to the Mello-Roos Act; and, be it further

RESOLVED, The future annexation area designated "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) (Future Annexation Area)" is hereby established pursuant to the Mello-Roos Act; and, be it further

RESOLVED, The boundaries of the CFD, Improvement Area No. 1 and the Future Annexation Area, as set forth in the map of the CFD heretofore recorded in the Office of the Assessor-Recorder on February 26, 2018 at 12:53 p.m. in Book 001 at Pages 119 and 120, as Document 2018K82039 of Maps of Assessment and Community Facilities Districts, are hereby approved, are incorporated herein by reference and shall be the boundaries of the CFD, Improvement Area No. 1 and the Future Annexation Area; and, be it further

RESOLVED, From time to time, parcels within the Future Annexation Area shall be annexed to the CFD only with the unanimous approval (each, a "Unanimous Approval") of the owner or owners of each parcel or parcels at the time that parcel(s) are annexed, and in accordance with the Annexation Approval Procedures described herein. The Commission hereby determines that any property for which the owner or owners execute a Unanimous Approval that is annexed into the CFD in accordance with the Annexation Approval Procedures shall be added to the CFD and the Secretary of the Commission shall record (i) an amendment to the notice of special tax lien for the CFD pursuant to Streets & Highways Code Section 3117.5 if the property is annexed to an existing improvement area or (ii) a notice of special tax lien for the CFD pursuant to Streets & Highways Code Section 3117.5 if the property annexed is designated as a new improvement area; provided, however, the designation of property as Future Annexation Area and the ability to annex property to the CFD based on a Unanimous Approval shall not limit, in any way, the annexation of property in the Future Annexation Area to the CFD pursuant to other provisions of the Mello-Roos Act; and, be it further

RESOLVED, The type of public facilities proposed to be financed by the CFD, Improvement Area No. 1 and the Future Annexation Area (including any area therein designated to be annexed as a separate improvement area) pursuant to the Mello-Roos Act shall consist of those items listed as facilities in Exhibit A hereto and by this reference incorporated herein ("Facilities"); and, be it further

RESOLVED, The Commission hereby finds and determines that the public interest will not be served by allowing the property owners in the CFD to enter into a contract in accordance with Mello Roos Act Section 53329.5(a), and notwithstanding the foregoing, the Commission, on behalf of the CFD, may enter into one or more contracts directly with any of the property owners with respect to the construction and/or acquisition of any portion of the Facilities; and, be it further

RESOLVED, The type of public services proposed to be financed by the CFD, Improvement Area No. 1 and the Future Annexation Area (including any area therein designated to be annexed as a separate improvement area) pursuant to the Mello-Roos Act shall consist of those items shown in Exhibit A hereto and by this reference incorporated herein ("Services"); and, be it further

RESOLVED, The Services are in addition to those provided in the territory of the CFD, Improvement Area No. 1 and the Future Annexation Area as of the date hereof and will not supplant services already available within the territory of the CFD, Improvement Area No. 1 and the Future Annexation Area as of the date hereof, and the Successor Agency intends to provide the Services on an equal basis in the original territory of the CFD and Improvement Area No. 1 and, when it has been annexed to the CFD, the Future Annexation Area (including any area therein designated to be annexed as a separate improvement area); and, be it further

RESOLVED, The Executive Director (or designee) is hereby authorized and directed to enter into joint community facilities agreements with any entity that will own or operate any of the Facilities or that will provide any of the Services, as may be necessary to comply with the provisions of Mello-Roos Act Sections 53316.2(a) and (b), and the Commission's approval of any such joint community facilities agreement shall be conclusively evidenced by the execution and delivery thereof by the Executive Director (or designee), and the Commission hereby declares that such joint agreements will be beneficial to owners of property in the area of the CFD; and, be it further

RESOLVED, The Tax Increment Allocation Pledge Agreement between the City, the Successor Agency and the Developer, dated as of June 3, 2010, is a joint community facilities agreement under the Mello-Roos Act for all of the Facilities to be financed by the CFD and owned or operated by the City and all of the Services to be financed by the CFD on property owned or operated by the City; and, be it further

RESOLVED, Except to the extent that funds are otherwise available from Improvement Area No. 1, the Successor Agency will levy a special tax ("Improvement Area No. 1 Special Tax") sufficient to pay directly for the Facilities, including out of a special tax-funded capital reserve established for the payment of Facilities, to pay the principal and interest on bonds and other debt (as defined in the Mello-Roos Act) of the Successor Agency issued for Improvement Area No. 1 to finance the Facilities, and to pay for the Services, and the Improvement Area No. 1 Special Tax will be secured by the recordation of a continuing lien against all non-exempt real property in Improvement Area No. 1, will be levied annually within Improvement Area No. 1, and will be collected in the same manner as ordinary *ad valorem* property taxes or in such other manner as this Commission or its designee shall determine, including direct billing of the affected property owners, which is hereby approved; and, be it further

RESOLVED, The proposed rate and method of apportionment of the Improvement Area No. 1 Special Tax among the parcels of real property within Improvement Area No. 1, in sufficient detail to allow each landowner within Improvement Area No. 1 to estimate the maximum amount such owner will have to pay, are shown in Exhibit B attached hereto and hereby incorporated herein ("Rate and Method"); and, be it further

RESOLVED, The Improvement Area No. 1 Special Tax shall not be levied in Improvement Area No. 1 to finance Facilities after the fiscal year established therefor in the Rate and Method, and the Improvement Area No. 1 Special Tax shall only be levied to finance Services thereafter, except that an Improvement Area No. 1 Special Tax that was lawfully levied in or before the final tax year and that remains delinquent may be collected in subsequent years. Under no circumstances shall the Improvement Area No. 1 Special Tax levied in any fiscal year for financing Facilities against any parcel in Improvement Area No. 1 used for private residential purposes be increased by more than 10 percent in that fiscal year as a consequence of delinquency or default by the owner of any other parcel or parcels within Improvement Area No. 1; and, be it further

RESOLVED, A special tax to finance the costs of Facilities shall not be levied in one or more future improvement areas formed to include territory that annexes into the CFD from the Future Annexation Area (each, a "Future Improvement Area" and together with Improvement Area No. 1, the "Improvement Areas") after the fiscal year established therefor in the rate and method for the Future Improvement Area and the special tax shall only be levied to finance Services thereafter, except that a special tax that was lawfully levied in or before the final tax year and that remains delinquent may be collected in subsequent years. Under no circumstances shall the special tax levied in any fiscal year for financing Facilities against any parcel in the Future Improvement Area for private residential purposes be increased by more than 10 percent in that fiscal year as a consequence of delinquency or default by the owner of any other parcel or parcels within the Future Improvement Area; and, be it further

RESOLVED, For Future Improvement Areas, a different rate and method may be adopted for the annexed territory if the annexed territory is designated as a separate improvement area. No supplements to the rate and method for any of the Future Improvement Areas and no new rate and method shall cause the maximum tax rate in the then-existing territory of the CFD (including Improvement Area No. 1) to increase; and (a) the designation as an Improvement Area of any territory annexing to the CFD, (b) the maximum amount of bonded indebtedness and other debt for such Improvement Area, (c) the rate and method of apportionment of special tax for such improvement area (including the conditions under which the obligation to pay the special tax may be prepaid and permanently satisfied, if any), and (d) the appropriations limit for such Improvement Area all shall be identified and approved in the Unanimous Approval executed by property owner(s) in connection with its annexation to the CFD in accordance with the Annexation Approval Procedures described herein; and, be it further

RESOLVED, Territory in the Future Annexation Area will be annexed into the CFD and a special tax will be levied on such territory only with the Unanimous Approval of the owner or owners of each parcel or parcels at the time that parcel or those parcels are annexed into the CFD in accordance with the Annexation Approval Procedures described herein. Except to the extent that funds are otherwise available to the CFD to pay for the Facilities, the Services and/or the principal and interest as it becomes due on bonds of the CFD issued to finance the Facilities, a special tax sufficient to pay the costs thereof, secured by the recordation of a continuing lien against all non-exempt real property in the Future Annexation Area, is intended to be levied annually within the Future Annexation Area, and collected in the same manner as ordinary *ad valorem* property taxes or in such other manner as may be prescribed by this Commission; and, be it further

RESOLVED, As required by Mello-Roos Act Section 53339.3(d), the Commission hereby determines that the special tax proposed to be levied in the Future Annexation Area to pay for Facilities that were financed with bonds that have already been issued and that are secured by existing areas of the CFD as of the date of annexation ("previously-existing areas of the CFD") will be equal to the special taxes levied to pay for the same Facilities in the previously-existing areas of the CFD, except that (i) a higher special tax may be levied within the Future Annexation Area to pay for the same Facilities to compensate for the interest and principal previously paid from Special Taxes in the previously-existing areas of the CFD, less any depreciation allocable to the financed Facilities and (ii) a higher Special Tax may be levied in the Future Annexation Area to pay for different Facilities, with or without bond financing and (iii) the qualified electors in any improvement area in the CFD may conduct change proceedings pursuant to the Mello-Roos Act to increase or decrease the special tax rates; and, be it further

RESOLVED, As required by Mello-Roos Act Section 53339.3(d), the Commission hereby further determines that the special taxes proposed to be levied in the Future Annexation Area to pay for Services to be supplied within the Future Annexation Area shall be equal to any special tax levied to pay for the same Services in the previously-existing areas of the CFD, except that a higher or lower tax may be levied within the Future Annexation Area to the extent that the actual cost of providing the Services in the Future Annexation Area is higher or lower than the cost of providing those Services in the previously-existing areas of the CFD. In so finding, the Commission does not intend to limit its ability to levy a special tax within the Future Annexation Area to provide new or additional services beyond those supplied within the previously-existing areas of the CFD or its ability to implement changes pursuant to the Mello-Roos Act, Article 3, within one or more improvement areas; and, be it further

RESOLVED, The "Annexation Approval Procedures" governing annexations of parcels in the Future Annexation Area into the CFD shall consist of the following sets of procedures (specified in (A) and (B) that follow):

(A) The annexation and related matters described in the Unanimous Approval shall be implemented and completed without the need for the approval of the Commission as long as the following conditions are met:

(1) The annexation is to an existing improvement area and the property proposed to be annexed shall be subject to the same rate and method of apportionment of special tax and the same bonded indebtedness limits as such existing improvement area; or

(2) The annexation is to a new improvement area and the following conditions apply:

(i) The rate and method of apportionment of special tax for the new improvement area is prepared by a special tax consultant retained by the Successor Agency and paid for by the property owners submitting the Unanimous Approval.

(ii) The rate and method of apportionment of special tax for the new improvement area is consistent with the Financing Plan.

(iii) The rate and method of apportionment of special tax for the new improvement area does not establish a maximum special tax rate for the initial fiscal year in which the special tax may be levied for any category of property subject to the special tax that is greater than 120% of the maximum special tax rate established for the same category of property subject to the special tax for the same fiscal year calculated pursuant to the Rate and Method (i.e., the rate and method of apportionment of special tax for Improvement Area No. 1).

(iv) The rate and method of apportionment of special tax for the new improvement area does not contain a type of special tax that was not included in the Rate and Method for Improvement Area No. 1 (for example, a one-time special tax).

(v) The rate and method of apportionment of special tax for the new improvement area contains the same terms for "Collection of Special Tax" (including with respect to the term of the special tax).

(vi) The provisions in the rate and method of apportionment of the special tax for the new improvement area may differ from the Rate and Method with respect to the specific items described in Steps 2 and 3 of Section E of the Rate and Method.

(vii) If the rate and method of apportionment of special tax for the new improvement area proposed by the Unanimous Approval submitted by the property owner includes a provision allowing prepayment of the special tax, in whole or in part, the Executive Director (or designee), after consulting with the special tax consultant retained by the Successor Agency and the General Counsel, shall be satisfied that such prepayment provision will not adversely impact the financing of authorized Facilities and Services;.

If the foregoing conditions ((1) or (2), as applicable), are satisfied, as determined by the Executive Director (or designee) and set forth in a written acceptance by the Executive Director (or designee) delivered to the property owner(s) that executed the Unanimous Approval and the Secretary of the Commission, the Unanimous Approval shall be deemed accepted by the Successor Agency and the Secretary of the Commission shall record an amendment to the notice of special tax lien or a new notice of special tax lien for the CFD pursuant to Streets & Highways Code Section 3117.5.

(B) For any annexation and related matters described in the Unanimous Approval that do not meet the requirements of Section (A) above, the following procedures shall apply (provided, however, that nothing in the following procedures shall prevent the property owners of property to be annexed into the CFD from a Future Annexation Area from annexing property to the CFD (including into a new improvement area) pursuant to Section (A) above and then instituting change proceedings pursuant to Mello-Roos Act, Article 3, to make additional changes to the rate and method or other authorized purposes):

First, the owners(s) of property to be annexed into the CFD shall submit a Unanimous Approval for each parcel or parcels to be annexed into the CFD to the Executive Director, together with a statement as to whether the Unanimous Approval is consistent with the Financing Plan and, if not, the reasons for such inconsistency.

Second, the Executive Director shall have 30 days to either (a) submit the Unanimous Approval to the Commission, accompanied by a written staff report that includes a statement from the Executive Director as to whether the Unanimous Approval is consistent with the Financing Plan and, if not, a description of the inconsistencies, the reasons for such inconsistencies given by the Developer and the Executive Director's recommendation as to such inconsistencies or (b) notify the Developer that the Executive Director shall not submit the Unanimous Approval to the Commission due to inconsistencies with the Financing Plan.

Third, the Commission shall, within 60 days of the receipt of any Unanimous Approval by the Executive Director pursuant to *Second* above, either (i) adopt a resolution accepting the Unanimous Approval, in which case the Secretary of the Commission shall record an amendment to the notice of special tax lien for the CFD pursuant to Streets & Highways Code Section 3117.5 or a new notice of special tax for the CFD pursuant to Streets & Highways Code Section 3117.5 or (ii) adopt a resolution rejecting the Unanimous Approval, with the sole basis for rejection being a detailed conclusion that the Unanimous Approval is not consistent with the Financing Plan.

Fourth, if the Commission adopts a resolution rejecting the Unanimous Approval, the owner(s) of property to be annexed into the CFD may revise the Unanimous Approval and resubmit it to the Executive Director, who shall endeavor to submit the revised Unanimous Approval to the Commission, accompanied by a written staff report as outlined above under *Second*, at the next available meeting of the Commission (subject to requisite public notice and standard Successor Agency procedures for preparation of staff reports), and the Commission shall consider the revised Unanimous Approval and either (i) adopt a resolution accepting the revised Unanimous Approval, in which case the Secretary of the Commission shall record an amendment to the notice of special tax lien for the CFD pursuant to Streets & Highways Code Section 3117.5 or a new notice of special tax lien for the CFD pursuant to Streets & Highways Code Section 3117.5, or (ii) adopt a resolution rejecting the revised Unanimous Approval, with the sole basis for rejection being a detailed conclusion that the revised Unanimous Approval is not consistent with the Financing Plan, in which event the owner(s) may further revise the Unanimous Approval and repeat the process described in this clause *Fourth*; and, be it further

RESOLVED, For the purposes of these proceedings for the CFD, Improvement Area No. 1 and the Future Annexation Area, the Annexation Approval Procedures shall also consist of any other alternate and independent procedures for annexing properties to the CFD that are set forth in the Mello-Roos Act and employed by the Commission; and, be it further

RESOLVED, The Commission hereby finds that the provisions of Mello-Roos Act Sections 53313.6, 53313.7 and 53313.9 (relating to adjustments to *ad valorem* property taxes and schools financed by a community facilities district) are inapplicable to the proposed CFD, Improvement Area No. 1 and the Future Annexation Area; and, be it further

RESOLVED, Except as may otherwise be provided by law or by the Rate and Method, all lands owned by any public entity, including the United States, the State of California, the City and/or the Successor Agency, or any departments or political subdivisions thereof, shall be omitted from the levy of the Special Tax to be made to cover the costs and expenses of the Facilities, the Services, the CFD or Improvement Area No. 1. In the event that a portion of the property within Improvement Area No. 1 shall become for any reason exempt, wholly or in part, from the levy of the Special Tax, the Commission will, on behalf of the CFD, increase the levy up to the maximum Special Tax rates set forth in the Rate and Method to the extent necessary upon the remaining property within Improvement Area No. 1 which is not exempt in order to yield the required debt service payments and other annual expenses of Improvement Area No. 1, if any, subject to the provisions of the Rate and Method; and, be it further

RESOLVED, Except as may otherwise be provided by law or by the rate and method of apportionment for a Future Improvement Area, all lands owned by any public entity, including the United States, the State of California, the City and/or the Successor Agency, or any departments or political subdivisions thereof, shall be omitted from the levy of the special tax to be made to cover the costs and expenses of the Facilities, the Services and the Future Improvement Area. In the event that a portion of the property within the Future Improvement Area shall become for any reason exempt, wholly or in part, from the levy of the special tax, the Commission will, on behalf of the CFD, increase the levy up to the maximum Special Tax rates established for the Future Improvement Area to the extent necessary upon the remaining property within the Future Improvement Area which is not exempt in order to yield the required debt service payments and other annual expenses of the Future Improvement Area, if any, subject to the provisions of the rate and method of apportionment of the special tax; and, be it further

RESOLVED, It is hereby found and determined that the Facilities and the Services are necessary to meet increased demands placed upon local agencies as the result of development occurring in the CFD, Improvement Area No. 1 and the Future Annexation Area; and, be it further

RESOLVED, The Executive Director (or designee), 1 South Van Ness Ave., 5th Floor, San Francisco, CA 94103, (415) 749-2400, is the officer of the Successor Agency who will be responsible for preparing annually a current roll of special tax levy obligations by assessor's parcel number and who will be responsible for estimating future special tax levies pursuant to the Mello-Roos Act; and, be it further

RESOLVED, Upon recordation of a notice of special tax lien pursuant to Streets & Highways Code Section 3114.5, a continuing lien to secure each levy of the special tax shall attach to all nonexempt real property in the respective Improvement Areas and this lien shall continue in force and effect until the special tax obligation is prepaid and permanently satisfied and the lien canceled in accordance with law or until collection of the tax by the City ceases; and, be it further

RESOLVED, In accordance with the Mello-Roos Act, the annual appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, of Improvement Area No. 1 is hereby preliminarily established at $200 million and said appropriations limit shall be submitted to the voters of Improvement Area No. 1 as hereafter provided. The proposition establishing said annual appropriations limit shall become effective if approved by the qualified electors voting thereon and shall be adjusted in accordance with the applicable provisions of the Mello-Roos Act; and, be it further

RESOLVED, Pursuant to the provisions of the Mello-Roos Act, the proposition of the levy of the Improvement Area No. 1 Special Tax and the proposition of the establishment of the appropriations limit specified above shall be submitted to the qualified electors of Improvement Area No. 1 at an election. The time, place and conditions of the election shall be as specified by a separate resolution of the Commission; and, be it further

RESOLVED, Mello-Roos Act Section 53314.9 provides that, either before or after formation of the CFD, the Successor Agency may accept advances of funds and may provide, by resolution, for the use of those funds, including but not limited to pay any cost incurred by the local agency in creating the CFD, and may agree to reimburse the advances under all of the following conditions: (A) the proposal to repay the advances is included both in the resolution of intention and the resolution of formation to establish the CFD; and (B) any proposed special tax is approved by the qualified electors of the CFD and, if the qualified electors of the CFD do not approve the proposed special tax, the Successor Agency shall return any funds which have not been committed for any authorized purpose by the time of the election and, in furtherance of Mello-Roos Act Section 53314.9, the Successor Agency Commission hereby declares the intent to reimburse the Developer for advances of funds related to the CFD under the conditions specified in the Mello-Roos Act; and, be it further

RESOLVED, Mello-Roos Act Section 53314.9 provides that, either before or after formation of the CFD, the Successor Agency may accept work in-kind from any source, including, but not limited to, private persons or private entities, may provide, by resolution, for the use of that work in-kind for any authorized purpose and this Commission may enter into an agreement, by resolution, with the person or entity advancing the work in-kind, to reimburse the person or entity for the value, or cost, whichever is less, of the work in-kind, as determined by this Commission, with or without interest, under the conditions specified in the Mello-Roos Act. Any work in-kind must be performed or constructed as if the work had been performed or constructed under the direction and supervision, or under the authority of the Successor Agency and, in furtherance of Mello-Roos Act Section

53314.9, the Successor Agency Commission hereby approves the execution and delivery of an Acquisition and Reimbursement Agreement (Candlestick Point and Phase 2 of the Hunters Point Shipyard) (the "Acquisition Agreement") between the Successor Agency and the Developer, in substantially the form on file with the Secretary of the Commission together with any changes or additions approved by an Authorized Officer, and an Authorized Officer is hereby directed to execute the Acquisition Agreement, and the execution of the Acquisition Agreement by an Authorized Officer shall be conclusive evidence of the approval of such changes; and, be it further

RESOLVED, The Successor Agency Commission reserves to itself the right and authority set forth in Mello-Roos Act Section 53344.1 related to the tender of bonds, subject to any limitations set forth in any bond resolution or trust indenture related to the issuance of bonds; and, be it further

RESOLVED, The Successor Agency Commission finds and determines that the actions taken by this Resolution are consistent with the Project as analyzed in the FEIR and subsequent addenda and require no additional environmental review beyond the FEIR and addenda pursuant to CEQA Section 21166 and the CEQA Guidelines Sections 15162 through 15164 and 15180, because there are no substantial changes to the Project analyzed in the FEIR, no change in circumstances under which the Project is being undertaken, and no new information of substantial importance indicating that new significant impacts would occur, that the impacts identified in the FEIR as significant impacts would be substantially more severe, or that mitigation or alternatives previously found infeasible are now feasible; and, be it further

RESOLVED, If the Board of Supervisors rescinds Ordinance No. 215-12 without otherwise delegating to the Successor Agency Commission the authority to act as legislative body for the CFD, all references to the Commission in this Resolution shall thereafter constitute references to the Board of Supervisors; and, be it further

RESOLVED, The Commission intends to transfer the authority for the governance of the CFD to the City if such transfer is required to preserve the CFD and is permitted under the Mello-Roos Act, as amended from time to time; and, be it further

RESOLVED, If any section, subsection, sentence, clause, phrase, or word of this resolution, or any application thereof to any person or circumstance, is held to be invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions or applications of this resolution, this Board of Supervisors hereby declaring that it would have passed this resolution and each and every section, subsection, sentence, clause, phrase, and word not declared invalid or unconstitutional without regard to whether any other portion of this resolution or application thereof would be subsequently declared invalid or unconstitutional; and, be it further

RESOLVED, The Executive Director, the Deputy Director of Finance and Administration, the Secretary of the Commission, the Successor Agency's General Counsel and any and all other officers of the Successor Agency are hereby authorized, for and in the name of and on behalf of the Successor Agency, to do any and all things and take any and all actions, including execution and delivery of any and all documents, assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and documents, which they, or any of them, may deem necessary or advisable in order to effectuate the purposes of this Resolution; provided however that any such actions be solely intended to further the purposes of this Resolution, and are subject in all respects to the terms of the Resolution; and, be it further

RESOLVED, All actions authorized and directed by this Resolution, consistent with any documents presented herein, and heretofore taken are hereby ratified, approved and confirmed by this Commission; and, be it further

RESOLVED, This Resolution shall take effect upon its adoption.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of April 17, 2018.

____

Commission Secretary

Exhibit A: Description of Facilities and Services to be financed by the CFD and each Improvement Area therein

Exhibit B: Rate and Apportionment of Special Tax for Improvement Area No. 1

EXHIBIT A

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)

DESCRIPTION OF FACILITIES AND SERVICES TO BE FINANCED BY THE CFD AND EACH IMPROVEMENT AREA THEREIN

FACILITIES

The CFD, Improvement Area No. 1 and each Future Improvement Area may finance all or any portion of the acquisition, construction, and improvement of facilities and costs permitted under the Mello-Roos Act and that are required as conditions of developing, or are otherwise constructed in connection with the development of, the property within the CFD, the Future Annexation Area, and any other property annexed to the CFD (collectively, the "Facilities"), including, but not limited to, all eligible Hard Costs and Soft Costs (as such terms are defined in the Disposition and Development Agreement for the project dated as of June 3, 2010, as amended from time to time; herein, the "DDA") of such Facilities. The Facilities shall include, but not be limited to, the following facilities and costs:

1. Acquisition includes acquisition of land for public improvements or relocation of existing uses for public housing.

2. Abatement - includes abatement of hazardous building materials, and disposal of waste in excess of U.S. Navy obligations.

3. Demolition - removal of below-grade, at-grade, and above-grade facilities, and recycling or disposal of waste.

4. Auxiliary Water Supply System – including, but not limited to, main pipe, laterals, valves, fire hydrants, cathodic protection, and tie-ins for onsite and offsite high pressure water supply network that is unique to San Francisco intended for fire suppression. This also includes other facilities to support the Auxiliary Water Supply System as required by the San Francisco Fire Department.

5. Low Pressure Water – including, but not limited to, main pipe, laterals, water meters, water meter boxes, back flow preventers, gate valves, air valves, blowoffs, fire hydrants, cathodic protection, and tie-ins for onsite and offsite low pressure water supply network intended for domestic use.

6. Reclaimed Water – including, but not limited to, trenching, backfill, and installation of main pipe, laterals, water meters, water meter boxes, back flow preventers, gate valves, air valves, blowoffs, cathodic protection, and tie-ins for recycled water supply network intended to provide treated wastewater for use in irrigation of parks and landscaping as well as graywater uses within buildings

7. Storm Drainage System – including, but not limited to, trenching, backfill, and installation of main pipe, laterals, manholes, catch basins, air vents, stormwater treatment facilities, connections to existing systems, headwalls, outfalls, and lift stations for a network intended to convey separated storm water.

8. Separated Sanitary Sewer – including, but not limited to, trenching, backfill, and installation of main pipe, laterals, manholes, traps, air vents, connections to existing systems, force main pipe and associated valves, and pump and lift stations for a network intended to convey separated sanitary sewage.

9. Combined Sanitary Sewer – including, but not limited to, retrofit of existing combined sewer facilities, trenching, backfill, and installation of new main pipe, laterals, manholes, catch basins, traps, air vents, combined sewer outfalls, and connections to existing systems for a sewer network intended to convey a combination of storm water and sanitary sewage.

10. Joint Trench – including, but not limited to, trenching, backfill, and installation of primary and secondary conduits, overhead poles, pull boxes, vaults, subsurface enclosures, gas main, and anodes for dry utilities including but not limited to electrical, gas, telephone, cable, internet, and information systems.

11. Earthwork – including, but not limited to, importation of clean fill materials, clearing and grubbing, slope stabilization, ground improvement, installation of geogrid, surcharging, wick drains, excavation, rock fragmentation, placement of fill, compaction, grading, erosion control, and post-construction stabilization such as hydroseeding.

12. Retaining Walls – including, but not limited to, excavation, foundations, construction of retaining walls, subdrainage, and backfilling.

13. Roadways, Curb, and Gutter – including, but not limited to, road subgrade preparation, concrete roadway base, asphalt wearing surface, concrete curb, concrete gutter, medians, asphalt and concrete, speed bumps, sawcutting, grinding, conform paving, resurfacing, for onsite and offsite roadways.

14. Traffic and Transit – including, but not limited to, transit stops, Bus Rapid Transit facilities, bridge structures, permanent pavement marking and striping, traffic control signage, traffic light signals, Transit Center, relocation of MUNI facilities, if necessary, MUNI restrooms, and contributions for offsite traffic improvements.

15. Streetscape – including, but not limited to, subgrade preparation, aggregate base, sidewalks, pavers, ADA curb ramps with detectable tiles, streetlights, light pole foundations, trees, landscaping, irrigation, flow through planters, street furniture, waste receptacles, newspaper stands, and public art.

16. Parks & Open Space – including, but not limited to (a) parks and open space described in the Parks and Open Space Plan for the project (as amended from time to time) and (b) tree protection, earthwork, storm drainage, sanitary sewer, low pressure water, park lighting/electrical, various hardscaping, irrigation, landscaping, bioretention ponds, various concrete structures, site furnishings, sports facilities, play structures, associated buildings (maintenance and special buildings), and any other associated work in public open spaces.

17. Shoreline Improvements – including, but not limited to, demolition, excavation, installation of revetment, and structural repair for replacement or retrofit of shoreline structures.

18. Sea Level Rise Adaptations – including, but not limited to, demolition, excavation, and installation of revetment; structural improvements of shoreline and revetment; construction, improvement or relocation of shoreline structures, seawalls, stormwater pump stations and outfalls; earthwork, grading, landscaping and development of wetlands; and the initial Adaptive Management Plan.

19. Hazardous Soil Removal – removal and disposal of contaminated soil.

20. Additional Facilities - Any other amounts specifically identified in the DDA or

specified in an infrastructure plan for the project approved by the Successor Agency Commission or the Board of Supervisors of the City, as amended from time to time, as a Project Cost or Additional Community Facilities.

Any Facility authorized to be financed by the CFD, Improvement Area No. 1 and each Future Improvement Area may be financed through the construction and acquisition of the Facility or through the payment or reimbursement of fees for such Facility.

The Facilities authorized to be financed may be located within or outside the boundaries of the CFD, Improvement Area No. 1 and each Future Improvement Area.

SERVICES

The CFD, Improvement Area No. 1 and each Future Improvement Area may finance, in whole or in part, the costs incurred by the City, Successor Agency or third parties to operate and maintain:

1. Improvements constructed pursuant to the Parks and Open Space Plan (not including in the CP State Recreation Area, except for overland stormwater infrastructure maintained by the City or the Agency in the CP State Recreation Area) within the Project Site; and

2. Any open space surface improvements on the Yosemite Slough Bridge.

Authorized costs include, but are not limited to, costs incurred in connection with operating and maintaining, as applicable: lighting systems; hardscape, softscape and landscaping; irrigation systems; and water features, bathrooms, signage, trash receptacles, park benches, planting containers, picnic tables, and other equipment or fixtures.

Authorized costs also include, but are not limited to, costs related to: insurance; security; engineering; property management; electricity; graffiti removal; establishment and funding of reasonable reserves; and City, Successor Agency and third-party personnel, administrative, and overhead costs.

Capitalized terms used in this Exhibit A but not defined herein have the meaning given them in the DDA.

"Maintenance" shall include replacement, repair and the creation and funding of a reserve fund to pay for maintenance.

Authorized costs do not include costs to provide recreation programs or special events.

OTHER

The CFD, Improvement Area No. 1, and each Future Improvement Area 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 Successor Agency and the bond trustee or fiscal agent related to the CFD, Improvement Area No. 1, and each Future Improvement Area and the Bonds.

3. Reimbursement of costs related to the formation of the CFD, Improvement Area No. 1, and each Future Improvement Area advanced by the City, the landowner(s) in the CFD, Improvement Area No. 1, and each Future Improvement Area, or any party related to any of the foregoing, as well as reimbursement of any costs advanced by the City, the landowner(s) in the CFD, Improvement Area No. 1, and each Future Improvement Area or any party related to any of the foregoing, for facilities, fees or other purposes or costs of the CFD, Improvement Area No. 1, and each Future Improvement Area.

4. Funding a capital reserve fund to finance the Facilities described in this Exhibit A.

EXHIBIT B

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)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX
FOR IMPROVEMENT AREA NO. 1