

File Nos. 101557

Committee Item Nos. 6

Board Item No. \_\_\_\_\_

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Land Use and Economic Development Date January 24, 2011

Board of Supervisors Meeting

Date \_\_\_\_\_

#### Cmte Board

|                                     |                          |                                              |
|-------------------------------------|--------------------------|----------------------------------------------|
| <input type="checkbox"/>            | <input type="checkbox"/> | Motion                                       |
| <input type="checkbox"/>            | <input type="checkbox"/> | Resolution                                   |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Ordinance                                    |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Legislative Digest                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Budget Analyst Report                        |
| <input type="checkbox"/>            | <input type="checkbox"/> | Legislative Analyst Report                   |
| <input type="checkbox"/>            | <input type="checkbox"/> | Youth Commission Report                      |
| <input type="checkbox"/>            | <input type="checkbox"/> | Introduction Form (for hearings)             |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/> | MOU                                          |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/> | Grant Budget                                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Subcontract Budget                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Contract/Agreement                           |
| <input type="checkbox"/>            | <input type="checkbox"/> | Form 126 – Ethics Commission                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Award Letter                                 |
| <input type="checkbox"/>            | <input type="checkbox"/> | Application                                  |
| <input type="checkbox"/>            | <input type="checkbox"/> | Public Correspondence                        |

#### OTHER

\* ☒

(Use back side if additional space is needed)

Draft Infrastructure Financing Plan, IFD District No. 1 (Rincon Hill)

|                          |                          |       |
|--------------------------|--------------------------|-------|
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |

Completed by: Alisa Somera Date January 21, 2011

Completed by: \_\_\_\_\_ Date \_\_\_\_\_

An asterisked item represents the cover sheet to a document that exceeds 25 pages.  
The complete document can be found in the file.

1 [Creating an Infrastructure Financing District and Adopting an Infrastructure Financing Plan -  
2 Rincon Hill Area]

3 **Ordinance creating an Infrastructure Financing District and adopting an Infrastructure**  
4 **Financing Plan for City and County of San Francisco Infrastructure Financing District**  
5 **No. 1 (Rincon Hill Area).**

6 Note: Additions are single-underline italics Times New Roman;  
7 deletions are ~~strikethrough italics Times New Roman~~.  
8 Board amendment additions are double underlined.  
9 Board amendment deletions are ~~strikethrough normal~~.

10 Be it ordained by the People of the City and County of San Francisco:

11 The Board of Supervisors of the City and County of San Francisco hereby finds,  
12 determines and declares [based on the record before it that]:

13 A. On October 19, 2010, the Board of Supervisors adopted its "Resolution of  
14 Intention to Establish Infrastructure Financing District" (Original Resolution of Intention to  
15 Establish IFD), stating its intention to form the "City and County of San Francisco  
16 Infrastructure Financing District No. 1 (Rincon Hill Area)" (IFD) pursuant to Government Code  
17 Section 53395 et seq. (IFD Law); and

18 B. On January 4, 2011, the Board of Supervisors adopted its "Resolution  
19 Amending Public Hearing Date Relating to Infrastructure Financing District" (together with the  
20 Original Resolution of Intention to Establish IFD, the Resolution of Intention to Establish IFD),  
21 which amended the Original Resolution of Intention to Establish IFD to call for a public hearing  
22 on February 8, 2011; and

23 C. Also on October 19, 2010, the Board of Supervisors adopted its "Resolution  
24 Ordering Preparation of Infrastructure Financing Plan," ordering preparation of an  
25

1 infrastructure financing plan (Infrastructure Financing Plan) consistent with the requirements  
2 of the IFD Law; and

3 D. The Infrastructure Financing Plan included an amended list of Facilities to be  
4 financed by the IFD; the amended list does not include the Sailor's Union of the Pacific  
5 Community Center or the Library Services; and

6 E. The Infrastructure Financing Plan also proposed including an additional property  
7 in the IFD, and incorporated an amended proposed boundary map; and

8 F. As required by the IFD Law, the Clerk of the Board of Supervisors mailed a copy  
9 of the Resolution of Intention to Establish IFD to each owner of land within the proposed IFD  
10 and each affected taxing entity (as defined in the IFD Law); and

11 G. As further required by the IFD Law, the designated official of the City prepared  
12 the Infrastructure Financing Plan and sent it, along with any report required by the California  
13 Environmental Quality Act (Division 13) (commencing with Section 2100) of the Public  
14 Resources Code) that pertains to the proposed Facilities or the proposed development project  
15 for which the Facilities are needed, to (i) each owner of land within the proposed IFD and (ii)  
16 each affected taxing entity; the designated official also sent the Infrastructure Financing Plan  
17 and the CEQA Report to (i) the City's planning commission and (ii) the Board of Supervisors;  
18 and

19 H. The Clerk of the Board of Supervisors made the Infrastructure Financing Plan  
20 available for public inspection; and

21 I. On February 8, 2011, 2011, as required by the IFD Law, the Board of  
22 Supervisors, as the legislative body of the City, which is the only affected taxing entity which is  
23 proposed to be subject to the division of taxes pursuant the IFD Law, considered and adopted  
24 its resolution "Resolution Approving Infrastructure Financing Plan," pursuant to which the  
25 Board of Supervisors approved the Infrastructure Financing Plan; and

1 J. On February 8, 2011, following publication of a notice consistent with the  
2 requirements of the IFD Law, this Board of Supervisors held a public hearing relating to the  
3 proposed IFD and the proposed Infrastructure Financing Plan; and

4 K. Subsequent to the hearing, on February 8, 2011, the Board of Supervisors  
5 adopted resolutions entitled "Resolution Proposing Formation of Infrastructure Financing  
6 District", "Resolution of Intention to Issue Bonds" and "Resolution Calling Special Election",  
7 which resolutions proposed formation of the IFD, proposed approval of the Infrastructure  
8 Financing Plan, proposed an appropriations limit for the IFD, proposed issuance of bonded  
9 indebtedness for the IFD to finance certain public facilities (Facilities) and called an election  
10 within the IFD on those propositions; and

11 L. On February 8, 2011, a special election was held within the IFD at which the  
12 eligible landowner-electors approved such propositions by the two-thirds vote required by the  
13 IFD Law; now, therefore, be it

14 RESOLVED, By the Board as follows:

15 1. By the passage of this Ordinance this Board of Supervisors hereby declares the IFD  
16 described in the Infrastructure Financing Plan to be fully formed with full force and effect of  
17 law, approves the Infrastructure Financing Plan, declares the IFD to have an appropriations  
18 limit of \$23.6 million, and declares that the City has the authority to issue Bonds in the amount  
19 of \$22 million, all as provided in the proceedings for the IFD and in the IFD Law. It is hereby  
20 found that all prior proceedings and actions taken by this Board of Supervisors with respect to  
21 the IFD were valid and in conformity with the IFD Law.

22 2. If for any reason any portion of this Ordinance is found to be invalid, the balance of  
23 this Ordinance shall not be affected.

24 3. The Mayor shall sign this Ordinance and the Clerk of the Board of Supervisors shall  
25 cause the same to be published within 5 days of its passage and again within 15 days after its

1 passage, in each case at least once in a newspaper of general circulation published and  
2 circulated in the City.

3 4. This Ordinance shall take effect 30 days from the date of final passage.

4  
5 APPROVED AS TO FORM:

6 DENNIS J. HERRERA  
7 City Attorney

8  
9 By: \_\_\_\_\_

10 MARK D. BLAKE  
11 Deputy City Attorney  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

**LEGISLATIVE DIGEST**

[Creating an Infrastructure Financing District and Adopting an Infrastructure Financing Plan - Rincon Hill Area]

**Ordinance creating an Infrastructure Financing District and adopting an Infrastructure Financing Plan for City and County of San Francisco Infrastructure Financing District No. 1 (Rincon Hill Area).**

**Existing Law**

Under Government Code Section 53395 et seq. (IFD Law), the Board of Supervisors is authorized to establish an infrastructure financing district and to act as the legislative body for an infrastructure financing district. Under the IFD law, IFDs can be used to finance the purchase, construction, expansion, improvement, seismic retrofit or rehabilitation of any real or other tangible property with an estimated useful life of 15 years or longer (and related planning and design work). The facilities do not need to be included in the IFD, but must have communitywide significance and provide significant benefits to an area larger than the area of the IFD. The facilities must be in addition to those provided in the IFD before the IFD was created, may not supplant facilities that are already available within the IFD was created, but may supplement those facilities to serve new development.

**Background Information**

On October 19, 2010, the Board of Supervisors adopted its "Resolution of Intention to Establish Infrastructure Financing District" stating its intention to form the "City and County of San Francisco Infrastructure Financing District No. 1 (Rincon Hill Area)" pursuant to the IFD Law. Also on October 19, 2010, the Board of Supervisors adopted its "Resolution Ordering Preparation of Infrastructure Financing Plan," ordering preparation of an infrastructure financing plan (Infrastructure Financing Plan) consistent with the requirements of the IFD Law.

The proposed boundaries of the IFD are as shown on the map of the IFD on file with the City Clerk, and does not include any portion of a redevelopment project area.

As further required by the IFD Law, the City prepared the Infrastructure Financing Plan and sent it, along with any report required by the California Environmental Quality Act (Division 13) (commencing with Section 2100) of the Public Resources Code) that pertains to the proposed facilities or the proposed development project for which the facilities are needed, to (i) each owner of land within the proposed IFD and (ii) each affected taxing entity; the designated official also sent the Infrastructure Financing Plan and the CEQA Report to (i) the City's planning commission and (ii) the Board of Supervisors.



**BY HAND DELIVERY**

December 9, 2010

Angela Calvillo  
Clerk of the Board of Supervisors  
City and County of San Francisco  
1 Dr. Carlton B. Goodlett Place  
City Hall, Room 244  
San Francisco, Ca. 94102-4689

RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO  
2010 DEC - 9 PM 4:58  
BY OK

Re: *City and County of San Francisco Infrastructure Financing District No. 1 (Rincon Hill Area)*

Dear Ms. Calvillo:

On October 19, 2010, the Board of Supervisors of the City and County of San Francisco (the "City") adopted its "Resolution of Intention to Establish Infrastructure Financing District" ("Resolution of Intention"), stating its intention to form the "City and County of San Francisco Infrastructure Financing District No. 1 (Rincon Hill Area)" (the "IFD") pursuant to Government Code Section 53395 et seq. (the "IFD Law").

The City is proposing formation of the IFD for the purpose of financing public improvements of communitywide significance. The IFD would consist of 10 properties in the Rincon Hill area that are proposed for development as residential buildings. Under the IFD Law, the IFD may use a portion of the revenue generated by the levy of the ad valorem property tax on the assessed value of the properties in the IFD. The tax revenue allocable to the IFD is only the "incremental tax revenue" generated by the levy of the ad valorem property tax on the "incremental assessed value" of property in the IFD, which is the assessed value above a "base year" assessed value. For the proposed IFD, the base year would be fiscal year 2010-11.

The IFD is only allocated the incremental tax revenue of the local agencies that agree to allocate their incremental tax revenue to the IFD. In this case, the City would allocate a

portion of its incremental tax revenue to the IFD, but no other taxing entity would allocate its incremental tax revenue to the IFD.

Following adoption of the Resolution of Intention, the City is obligated to prepare a draft Infrastructure Financing Plan for the IFD. Under the IFD Law, the City is obligated to distribute the Resolution of Intention and the draft Infrastructure Financing Plan, along with any report required by the California Environmental Quality Act ("CEQA") relating to the proposed public facilities to be funded by the IFD and the proposed private development projects included within the boundaries of the proposed IFD, to each governmental taxing agency that levied or had levied on its behalf a property tax on the property in the proposed IFD in the fiscal year prior to the designation of the IFD. The Infrastructure Financing Plan and the CEQA documents must also be distributed to the Board of Supervisors and the Planning Commission.

The Resolution of Intention and the draft Infrastructure Financing Plan are enclosed with this letter; the relevant Environmental Impact Reports ("Relevant EIRs") for the Rincon Hill Area Plan and any associated private development projects, which Relevant EIRs are incorporated in their entirety by this reference, are available on the website of the San Francisco Planning Department. Formation of the IFD is not a "project" under the California Environmental Quality Act, because formation of the IFD does not involve any commitment to a specific project which may result in a potentially significant physical impact on the environment, as contemplated by Title 14, California Code of Regulations, Section 15378(b)(4)). This letter and the circulation of the enclosed draft documents, however, do not constitute an action or approval under CEQA, so consequently, there is no need for any final CEQA determination at this time.

The next step in the proceedings for formation of the proposed IFD is approval of the draft Infrastructure Financing Plan by the Board of Supervisors; this approval is required before the Board of Supervisors can adopt an ordinance to allocate a portion of its incremental property tax revenue to the IFD. The earliest date this next step can take place is February 2011.

Please contact me if you have any questions.

Very truly yours,



Michael Yarne  
Office of Economic and Workforce Development  
cc without enclosures: Mark Blake, Esq.



**DRAFT**

**Infrastructure Financing Plan**

**Infrastructure Financing  
District No. 1  
(Rincon Hill Area)**

*Prepared for:*  
*City and County of San Francisco*  
*Office of Economic Development*

*Prepared by:*  
*Keyser Marston Associates, Inc.*

December 2010

## TABLE OF CONTENTS

|                                                              | <u>Page</u> |
|--------------------------------------------------------------|-------------|
| I. Introduction                                              | 1           |
| II. Description of Rincon Hill Area IFD                      | 3           |
| III. Description of Public Facilities Required to Serve Area | 5           |
| IV. Financing Section                                        | 8           |

Supporting Tables 1-10

Appendix A – Original Map and Legal Description of IFD Boundaries

Appendix B – Amended Map and Amended Legal Description of IFD Boundaries

Appendix C – Draft Fiscal Impact Analysis