

1 [Resolution Forming the San Francisco Enhanced Infrastructure Financing District No. 1
2 (Power Station) and Project Areas Therein and Approving the Infrastructure Financing Plan]

3 **Resolution forming the San Francisco Enhanced Infrastructure Financing District No. 1**
4 **(Power Station) and the project areas therein, adopting the Infrastructure Financing**
5 **Plan, approving an Acquisition and Financing Agreement, authorizing the filing of a**
6 **judicial validation action, and determining other matters in connection therewith.**

7
8 WHEREAS, California Barrel Company LLC, a Delaware limited liability company
9 ("Developer"), and its affiliates own approximately 21.0 acres of developed and undeveloped
10 land located in the City and County of San Francisco ("City"), generally bound by 22nd Street
11 to the north, the San Francisco Bay to the east, 23rd Street to the south and Illinois Street to
12 the west ("Developer Property"); and

13 WHEREAS, Existing structures on the Developer Property consist primarily of vacant
14 buildings and facilities associated with its use as a former power station; and

15 WHEREAS, Pacific Gas & Electric Company, a California corporation ("PG&E"), owns
16 approximately 8.8 acres of land located in the City that is adjacent to the Developer Property
17 ("PG&E Sub-Area"); and

18 WHEREAS, Harrigan, Weidenmuller Co. owns approximately 10.9 acres of land to the
19 south of the Developer Property and is improved with warehouses and ancillary improvements
20 ("Weidenmuller Property"); and

21 WHEREAS, The Developer Property, the PG&E Sub-Area, and the Weidenmuller
22 Property are referred to herein as the "Subject Property"; and

23 WHEREAS, The Developer and the City executed a Development Agreement dated
24 (for reference purposes only) as of September 22, 2020 (as it may be amended from time to
25 time, "Development Agreement"), relating to the proposed development of a project known as

1 the Potrero Power Station ("Project"), which was approved by the Board of Supervisors of the
2 City ("Board of Supervisors") pursuant to Ordinance No. 62-20, which was adopted by the
3 Board of Supervisors on April 21, 2020, and signed by the Mayor on April 24, 2020, and a
4 copy of which is in File No. 200040; and

5 **WHEREAS**, The Board of Supervisors found the Development Agreement to conform
6 with the General Plan and the eight priority policies of Planning Code Section 101.1 by the
7 findings set forth in subsection (a) of Ordinance 64-20 (Board of Supervisors File No.
8 200174), and the EIFD Public Financing Authority No. 1 (defined below) incorporates the
9 foregoing findings and determines that such findings are adequate for the actions taken by
10 this Resolution; and

11 **WHEREAS**, The Board of Supervisors is concurrently considering an amendment to
12 the Development Agreement in connection with the matters described in this Resolution; and

13 **WHEREAS**, The Project is a phased, mixed use development on or around the
14 Developer Property that is more particularly described in the Development Agreement; and

15 **WHEREAS**, On January 30, 2020, by Motion No. 20635, the Planning Commission
16 certified as adequate, accurate and complete the Final Environmental Impact Report ("FEIR")
17 for the Project pursuant to the California Environmental Quality Act (California Public
18 Resources Code Section 21000 et seq.) ("CEQA"); a copy of Planning Commission Motion
19 No. 20635 is on file with the Clerk of the Board of Supervisors in File No. 200040. Also, on
20 January 30, 2020, by Motion No. 20636, the Planning Commission adopted findings, including
21 a rejection of alternatives and a statement of overriding considerations ("CEQA Findings") and
22 a Mitigation Monitoring and Reporting Program ("MMRP"); these motions are on file with
23 the Clerk of the Board of Supervisors in File No. 200040. In Ordinance No. 62-20, the Board
24 of Supervisors adopted as its own and incorporated by reference as though fully set forth

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1 therein the CEQA Findings, including the statement of overriding considerations, and the
2 MMRP; and

3 WHEREAS, On September 9, 2020, the San Francisco Planning Department published
4 an Addendum to the FEIR finding certain proposed changes to the Project’s phasing plan did
5 not change the conclusions of the FEIR and that the changes would not result in substantially
6 more severe impacts than what was identified in the FEIR (the “FEIR Addendum”); and

7 WHEREAS, Pursuant to Resolution No. 66-11, which was adopted by the Board of
8 Supervisors on February 8, 2011, and signed by the Mayor on February 18, 2011, and a copy
9 of which is in File No. 110036, the Board of Supervisors adopted Final Board of Supervisors
10 Guidelines for the Establishment and Use of Infrastructure Financing Districts in San
11 Francisco (“Guidelines”) that describe minimum threshold criteria and strategic criteria for the
12 City to consider when evaluating the proposed formation of an infrastructure financing district;
13 and

14 WHEREAS, On February 27, 2023, the Capital Planning Committee adopted an
15 interpretative supplement to the Guidelines (“Interpretive Supplement”) to provide guidance to
16 City staff and the development community about application of the Guidelines; and

17 WHEREAS, The Project will provide a significant number of new housing units in San
18 Francisco, 30% of which will be affordable to persons of low and moderate income, and
19 significant community benefits including public open spaces and community facility areas, but
20 the Project has significant public infrastructure obligations that must be completed before the
21 Project’s residential units and community benefits can be constructed; and

22 WHEREAS, Pursuant to Chapter 2.99 of Part 1 of Division 2 of Title 5 of the California
23 Government Code (commencing with section 53398.50) (“EIFD Law”), the Board of
24 Supervisors is authorized to initiate the process to establish an enhanced infrastructure
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1 financing district (including project areas therein) and approve an infrastructure financing plan
2 allocating tax revenues to such enhanced infrastructure financing district; and

3 WHEREAS, The California Legislature (see California Government Code Section
4 53398.74) has determined that the allocation and payment to an enhanced infrastructure
5 financing district of the portion of property tax revenues for the purpose of paying principal of,
6 or interest on, loans, advances, or indebtedness incurred by the district pursuant to this
7 chapter, shall not be deemed the receipt by a district of proceeds of taxes levied by or on
8 behalf of the district within the meaning or for the purposes of Article XIII B of the California
9 Constitution, nor shall that portion of taxes be deemed receipt of proceeds of taxes by, or an
10 appropriation subject to limitation of, any other public body within the meaning or for purposes
11 of Article XIII B of the California Constitution or any statutory provision enacted in
12 implementation of Article XIII B of the California Constitution; and

13 WHEREAS, Pursuant to the EIFD Law, the Board of Supervisors adopted Resolution
14 No. 133-23 (“Resolution of Intention”) on March 21, 2023, which resolution was signed by the
15 Mayor on March 28, 2023, pursuant to which the Board of Supervisors, among other things, (i)
16 declared that the Board of Supervisors proposed and intended to cause the establishment of
17 an enhanced infrastructure district to be known as “San Francisco Enhanced Infrastructure
18 Financing District No. 1 (Power Station)” (“Power Station EIFD”) over the Subject Property to
19 finance public capital facilities and projects of communitywide significance related to the
20 Project, (ii) declared that the Board of Supervisors proposed and intended that the Power
21 Station EIFD would include project areas (each, “Project Area”; collectively, “Project Areas”),
22 which shall be referred to as “Project Area ___ of the San Francisco Enhanced Infrastructure
23 Financing District No. 1 (Power Station)” and (iii) declared that, pursuant to the EIFD Law, if
24 the Power Station EIFD is approved by the EIFD Public Financing Authority No. 1 (defined
25 below) in accordance with the EIFD Law, and if the Power Station IFP (defined below) is

1 approved by resolution of the Board of Supervisors pursuant to Government Code Section
2 53398.68, in each case after any public hearings required by the EIFD Law, the incremental
3 property tax revenue that is allocated by the City to the proposed Power Station EIFD (but not
4 by any other affected taxing entity) may be used to finance public capital facilities and projects
5 of communitywide significance related to the Project and other authorized costs and to pay
6 debt service on bonds and other debt of the Power Station EIFD; and

7 WHEREAS, Pursuant to Ordinance No. 044-23, which was finally passed by the Board
8 of Supervisors on April 4, 2023, and signed by the Mayor on April 7, 2023, the Board of
9 Supervisors established the “Enhanced Infrastructure Financing District Public Financing
10 Authority No. 1” (“EIFD Public Financing Authority No. 1”), as the governing board of the
11 proposed Power Station EIFD, to be responsible for directing the preparation and
12 implementation of the infrastructure financing plan for the Power Station EIFD (“Power Station
13 IFP”); and

14 WHEREAS, On July 17, 2023, pursuant to Resolution No. 2023-01, the EIFD Public
15 Financing Authority No. 1 directed the Executive Director of the EIFD Public Financing
16 Authority No. 1 to work with the necessary City staff and professionals to prepare a draft of
17 the Power Station IFP and make such Power Station IFP available to interested parties as
18 required by the EIFD Law; and

19 WHEREAS, On November 1, 2023, the EIFD Public Financing Authority No. 1 held a
20 public meeting at which the draft Power Station IFP was presented, which public meeting was
21 properly noticed and held in accordance with all applicable law; and

22 WHEREAS, On December 6, 2023, the EIFD Public Financing Authority No. 1 held its
23 first public hearing on the draft Power Station IFP, which public hearing was properly noticed
24 and held in accordance with all applicable law; and

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1 WHEREAS, On February 21, 2024, the EIFD Public Financing Authority No. 1 held its
2 second public hearing on the draft Power Station IFP, which public hearing was properly
3 noticed and held in accordance with all applicable law; and

4 WHEREAS, After the Budget and Finance Committee of the Board of Supervisors held
5 a noticed public hearing on March 13, 2024, the Board of Supervisors approved the Power
6 Station IFP on March 19, 2024, pursuant to Resolution No. 113-24, which resolution was
7 signed by the Mayor on March 21, 2024, and such resolution is on file with the Secretary of
8 the Board; and

9 WHEREAS, On the date hereof, the EIFD Public Financing Authority No. 1 held its third
10 public hearing on the draft Power Station IFP, which public hearing was properly noticed and
11 held in accordance with all applicable law; and

12 WHEREAS, The Power Station IFP is included as Exhibit A to this Resolution, which
13 Exhibit A is incorporated herein in its entirety by this reference; and

14 WHEREAS, Among other things, the Power Station IFP provides that the proposed
15 Power Station EIFD will consist of 9 original project areas and, upon subdivision of certain
16 properties within the Subject Property, will consist of 13 Project Areas, and that the creation of
17 the new Project Areas and the replacement of 2 existing Project Areas shall occur
18 automatically without any public hearing and without further approval by the EIFD Public
19 Financing Authority No. 1 or the Board of Supervisors; and

20 WHEREAS, The Power Station IFP further provides for changes to the boundaries of
21 one or more Project Areas in the future in order to conform such Project Areas to the final
22 development parcels established by the recordation of one or more final subdivision maps for
23 the Subject Property so that the California State Board of Equalization can assign tax rate
24 areas to all of the development parcels comprising the Project; and

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1 WHEREAS, The EIFD Public Financing Authority No. 1 hereby finds and determines
2 that, based on all written and oral protests received by the EIFD Public Financing Authority
3 No. 1 before the close of its third public hearing on the draft Power Station IFP, less than 25
4 percent of the combined number of landowners and residents in the area of the proposed
5 Power Station EIFD who are at least 18 years of age have filed a protest and, accordingly,
6 neither the termination of the proceedings related to the Power Station EIFD nor an election
7 related to the Power Station EIFD is required; and

8 WHEREAS, The EIFD Public Financing Authority No. 1 hereby further finds and
9 determines that all prior proceedings taken by EIFD Public Financing Authority No. 1 and the
10 City with respect to the proposed establishment of the Power Station EIFD and the Project
11 Areas (including the initial Project Areas and the successor Project Areas) and adoption of the
12 Power Station IFP are valid and in conformity with applicable law; and

13 WHEREAS, On the basis of all of the foregoing, EIFD Public Financing Authority No. 1
14 has determined at this time to form the Power Station EIFD and the Project Areas and adopt
15 the Power Station IFP; and

16 WHEREAS, The Power Station IFP provides that the Power Station EIFD's sole
17 purpose is to provide financing for the public capital facilities and other projects (whether
18 publicly- or privately-owned) of communitywide significance, including affordable housing,
19 described in Exhibit C thereto ("Facilities"), and that the financing purpose will be documented
20 in an EIFD Acquisition and Financing Agreement (Power Station) ("Acquisition and Financing
21 Agreement") among the City, the Developer and the Power Station EIFD to be executed
22 simultaneously with the formation of the Power Station EIFD; and

23 WHEREAS, The Power Station IFP further provides that the Acquisition and Financing
24 Agreement will describe (1) the conditions under which the City will acquire Acquisition
25 Facilities (as defined in the Acquisition and Financing Agreement) or reimburse the Actual

1 Costs (as defined in the Acquisition and Financing Agreement) of the Developer for
2 construction of the Privately-Owned Facilities (as defined in the Acquisition and Financing
3 Agreement), (2) the circumstances in which the Power Station EIFD may finance Privately-
4 Owned Facilities at the request of the Developer, including issuing bonds to finance
5 construction of Privately-Owned Facilities constructed by parties other than the Developer and
6 (3) the Power Station EIFD's use of bond proceeds, Allocated Tax Revenue (as defined in the
7 Power Station IFP), and Conditional Tax Revenue (as defined in the Power Station IFP) to
8 finance the City's payment obligations and other authorized purposes; and

9 WHEREAS, A form of the Acquisition and Financing Agreement is on file with the
10 Secretary, and the EIFD Public Financing Authority No. 1 wishes to approve the form of such
11 Acquisition and Financing Agreement and to authorize the execution and delivery of such
12 Acquisition and Financing Agreement; and

13 WHEREAS, In accordance with Section 53398.57 of the EIFD Law, the EIFD Public
14 Financing Authority No. 1 and/or the City may file an action in the Superior Court of the City
15 and County of San Francisco to determine the validity of the creation of the Power Station
16 EIFD and the Project Areas, the adoption of the Infrastructure Financing Plan, including the
17 division of taxes thereunder, and related matters; and

18 WHEREAS, In accordance with Section 53398.58 of the EIFD Law, the EIFD Public
19 Financing Authority No. 1 and/or the City may file an action in the Superior Court of the City
20 and County of San Francisco to determine the validity of bonds issued pursuant to the EIFD
21 Law; and

22 WHEREAS, All conditions, things and acts required by law to exist, to happen or to be
23 performed precedent to and as a condition of the adoption of the Power Station IFP, the
24 formation of the proposed Power Station EIFD and the Project Areas (including the initial
25 Project Areas and the successor Project Areas, as described in the Power Station IFP), and

1 the allocation by the City of incremental property tax revenue from within the boundary of the
2 Power Station EIFD (including the Project Areas) have existed, happened and been
3 performed in the time, form and manner required by law; now, therefore, be it

4 RESOLVED, That the EIFD Public Financing Authority No. 1 hereby finds that the
5 recitals are true and correct; and, be it

6 FURTHER RESOLVED, That the EIFD Public Financing Authority No. 1 hereby adopts
7 the Power Station IFP; a copy of the Power Station IFP was sent to each person or entity
8 required by the EIFD Law; and, be it

9 FURTHER RESOLVED, That the EIFD Public Financing Authority No. 1 hereby forms
10 the Power Station EIFD and the Project Areas (including the initial Project Areas and any
11 successor Project Areas, as described in the Power Station IFP); the boundaries of the Power
12 Station EIFD and the Project Areas shall be as set forth in the maps and legal descriptions in
13 the Power Station IFP; and, be it

14 FURTHER RESOLVED, That the EIFD Public Financing Authority No. 1 hereby
15 approves the execution and delivery of the Acquisition and Financing Agreement, among the
16 City, the Power Station EIFD and the Developer in substantially the form on file with the
17 Secretary; each of the Chair, Executive Director and Treasurer, or such other official of the
18 EIFD Public Financing' Authority No. 1 as may be designated by such officials (each, an
19 "Authorized Officer"), is hereby authorized and directed to execute and deliver, and the
20 Secretary is hereby authorized and directed to attest to, the Acquisition and Financing
21 Agreement, together with such additions or changes that do not increase the financial liability
22 of the Power Station EIFD as are approved by such Authorized Officer upon consultation with
23 the general counsel to the EIFD Public Financing Authority No. 1; and, be it

24 FURTHER RESOLVED, That the EIFD Public Financing Authority No. 1 has reviewed
25 and considered the FEIR and FEIR Addendum, and finds that the FEIR and Addendum are

1 adequate for their use for the actions taken by this resolution and incorporates the FEIR and
2 the CEQA findings contained in Ordinance No. 62-20 and the FEIR Addendum by this
3 reference and further finds that, pursuant to CEQA Guidelines Section 15162, no additional
4 environmental review is required because there are no substantial changes to the Project
5 analyzed in the FEIR and the FEIR Addendum, no change in circumstances under which the
6 Project is being undertaken, and no new information that was not known and could not have
7 been known shows that new significant impacts would occur, that the impacts identified in the
8 FEIR and the FEIR Addendum as significant impacts would be substantially more severe, or
9 that mitigation or alternatives previously found infeasible are now feasible; and, be it

10 FURTHER RESOLVED, That the Board of Supervisors found the Development
11 Agreement to conform with the General Plan and the eight priority policies of Planning Code
12 Section 101.1 by the findings set forth in subsection (a) of Ordinance 64-20 (Board of
13 Supervisors File No. 200174), and the EIFD Public Financing Authority No. 1 hereby
14 incorporates the foregoing findings and determines that such findings are adequate for the
15 actions taken by this Resolution; and, be it

16 FURTHER RESOLVED, That the Executive Director and general counsel to EIFD
17 Public Financing Authority No. 1, in consultation with Jones Hall, A Professional Law
18 Corporation, as bond counsel, are hereby authorized and directed to initiate a judicial
19 validation action with respect to the creation of the Power Station EIFD and the Project Areas
20 (including the initial Project Areas and any successor Project Areas, as described in the
21 Power Station IFP), the adoption of the Power Station IFP, the allocation by the City of
22 incremental property tax revenue from within the boundary of the Power Station EIFD for the
23 purpose of financing the activities of the Power Station EIFD, the validity of the issuance of
24 bonds and other debt pursuant to the EIFD Law and all the proceedings relating thereto, and
25 such other matters as the general counsel to EIFD Public Financing Authority No. 1 and bond

1 counsel deem appropriate for EIFD Public Financing Authority No. 1 to carry out the purposes
2 of the Power Station IFP, pursuant to Sections 53398.57 and 53398.58 of the EIFD Law and
3 Section 860 et seq. of Code of Civil Procedure; and, be it

4 FURTHER RESOLVED, That if any section, subsection, sentence, clause, phrase, or
5 word of this resolution, or any application thereof to any person or circumstance, is held to be
6 invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision
7 shall not affect the validity of the remaining portions or applications of this resolution, the EIFD
8 Public Financing Authority No. 1 hereby declaring that it would have passed this resolution
9 and each and every section, subsection, sentence, clause, phrase, and word not declared
10 invalid or unconstitutional without regard to whether any other portion of this resolution or
11 application thereof would be subsequently declared invalid or unconstitutional; and, be it

12 FURTHER RESOLVED, That the Chair, the Vice Chair, the Executive Director, the
13 Treasurer and the Secretary are hereby authorized, for and in the name of and on behalf of
14 the Power Station EIFD, to do any and all things and take any and all actions which they, or
15 any of them, may deem necessary or advisable in order to effectuate the purposes of this
16 resolution; provided however that any such actions be solely intended to further the purposes
17 of this resolution, and are subject in all respects to the terms of the Resolution; and, be it

18 FURTHER RESOLVED, That all actions authorized and directed by this resolution,
19 consistent with any documents presented herein, and heretofore taken are hereby ratified,
20 approved and confirmed by the EIFD Public Financing Authority No. 1; and, be it

21 FURTHER RESOLVED, That within 15 days after its passage, the Secretary shall
22 cause this resolution to be published at least once, with the names of those members of the
23 EIFD Public Financing Authority No. 1 voting for and against the resolution, in a newspaper of
24 general circulation published and circulated in the Power Station EIFD; and, be it

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1 FURTHER RESOLVED, That this resolution shall be subject to referendum as set forth
2 in Section 53398.66(g) of the EIFD Law in accordance with the referendum procedures
3 applicable to cities set forth in Article 2 of Chapter 3 of Division 9 of the California Elections
4 Code provided that (1) all references in such Article to ordinances shall be deemed to refer to
5 this resolution, (2) the relevant legislative body is the EIFD Public Financing Authority No. 1,
6 (3) the Director of the Department of Elections of the City shall constitute the elections official
7 for the EIFD Public Financing Authority No. 1 and (4) the relevant voters shall be the voters
8 registered in the boundaries of the Power Station EIFD; if no such referendum petition is
9 presented within the period of 30 days, then upon the expiration of such period, or if the
10 resolution has been assented to by a majority of the voters voting on the proposition upon
11 referendum, then upon such proposition having been so assented to, the resolution shall take
12 full and final effect.

13 I hereby certify that the forgoing Resolution was adopted on March 28, 2024, by the Board
14 of the Enhanced Infrastructure Financing District Public Financing Authority No. 1.

15
16 
17 _____
18 Chair

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20 _____
21 Secretary

EXHIBIT A

POWER STATION IFP

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